



**AGENDA
COUNTY COUNCIL
Wednesday, June 11, 2025**

NOTICE is hereby given that the Summit County Council will meet, on Wednesday, June 11, 2025, electronically, via Zoom, and at the anchor location of the Summit County Courthouse, 60 N. Main Street, Coalville, UT 84017

(All times listed are general in nature, and are subject to change by the Board Chair)

To view Council meeting, live, visit the "Summit County, Utah" Facebook page.

OR

To participate in Council meeting: Join Zoom webinar: <https://zoom.us/j/772302472>

OR

To listen by phone only: Dial 1-301-715-8592, Webinar ID: 772 302 472

12:45 PM Closed Session - Property acquisition (30 min)

1:15 PM - Move to Council chambers (5 min)

1:20 PM Work Session

1. 1:20 PM - Pledge of Allegiance (5 min)
2. 1:25 PM - Discussion regarding Summit County and Recycle Utah partnership (45 min)
3. 2:10 PM - Update regarding the Summit County Districting Commission; Malena Stevens (20 min)

2:30 PM Convene as the Governing Board of Snyderville Basin Special Recreation District

1. 2:30 PM - Discussion and possible approval of revisions to Personnel and Operations Policy Manual; Dana Jones, Brad Rogers, and Ben Castro (10 min)
[Staff Report-Proposed Updates to Personnel Operations Policy.pdf](#)

Dismiss as the Governing Board of Snyderville Basin Special Recreation District

2:40 PM Convene as the Governing Board of Mountain Regional Water Service District

1. 2:40 PM - Discussion regarding Mountain Regional Water Service District's treatment plan expansion, and WIFIA loan; Andy Garland (15 min)
[WIFIA Loan Agreement - Mt Regional WD Water Rev & Ref 2025 \(WIFIA\).docx](#)
[Treatment Plant Presentation.pdf](#)
2. 2:55 PM - Discussion and possible adoption of Resolution MRW 2025-14, a Resolution Annexing Certain Real Property to the Mountain Regional Water Special Service District (Parcel PP-87-14); Andy Garland (5 min)
[Resolution MRW 2025-14 Annexation \(Parcel PP-87-14\).pdf](#)

Dismiss as the Governing Board of Mountain Regional Water Service District

3:00 PM Consideration of Approval

1. 3:00 PM - Discussion and ratification of the 2025 Property Sale results; Chase Black (5 min)

- [2025.06.11 Tax Sale Staff Report.pdf](#)
2. 3:05 PM - Discussion and possible direction from Council regarding the Henefer Cemetery Annexation Petition (approximately 41 acres total) into Henefer Town, Utah; County Planner: Laura Kuhrmeyer (10 min)
[Henefer Cemetery Annexation into Henefer Staff Report and Exhibit](#)
 3. 3:15 PM - Discussion and possible approval of Resolution 2025-15, a Resolution of the Summit County Council Awarding the Exclusive Right to Negotiate a Public Private Partnership with Summit County Regarding the Cline Dahle Property; Jeff Jones (10 min)
[Columbus Pacific Development Cline Dahle County Council Presentation.pdf](#)
[Staff Report to County Council June 11 2025.docx](#)
[Resolution No 2025-15.docx](#)
[Exhibit A Agreement to Negotiate Exclusively.docx](#)
 4. 3:25 PM - Discussion and possible Council direction regarding Service Area #8 (Chalk Creek); John Angell (30 min)
[06112025 SA#8 Follow Up Discussion Presentation.pptx](#)
[Staff Report - 06112025 SA#8 Follow Up Discussion.pdf](#)
 5. 3:55 PM - Discussion and possible approval of Class A Franchise Agreement between Summit County, Utah and Hoytsville Pipe Water Company; Brandon Brady (10 min)
[Class A Franchise Agreement HPWC Staff Report 061125.pdf](#)
 6. 4:05 PM - Discussion and possible action regarding a discretionary tax abatement for Annalise Coughlan, Parcel YOUNG-2; Stephanie Poll (3 min)
[Staff Report for Discretionary Abatement Parcel YOUNG-2.pdf](#)
 7. 4:08 PM - Approval of Council Minutes dated May 19, 2025, and May 21, 2025 (5 min)
[SCC Draft Minutes 05-19-25.pdf](#)
[SCC Draft Minutes 05-21-25.pdf](#)
 8. 4:10 PM - Council and Manager comments (10 min)

4:20 PM Public Input

Public comment is for any matter not on the Agenda and not the subject of a pending land use application. If you would like to submit comments to Council, please email publiccomments@summitcountyutah.gov by 12:00 p.m. on Wednesday, June 11, 2025. If you wish to interact with Council, for public input, please appear in person, or use the "Raise Hand" button at the bottom of the chat window in Zoom.

Adjourn



TO: Summit County Council

FROM: Dana Jones, District Director
Brad Rogers, Business Manager

DATE: June 2, 2025

RE: Proposed Updates to SBSRD Personnel & Operations Policy Manual

Background

Recent events and changes in State law have highlighted certain aspects of District personnel policy that require additional definition and clarification, specifically those sections regarding the administration of the Family and Medical Leave Act (FMLA), employee conduct and behavioral expectations, and child abuse prevention.

These proposed policy revisions have been reviewed and vetted by County staff, including the County Attorney's office and County Human Resources. They were also reviewed by the District Personnel Committee and then approved by the full Administrative Control Board on Thursday, May 8, 2025.

Discussion

The outline below provides a breakout of which policy sections (or subsections) we are proposing to revise or supplement. These updates are incremental in nature and designed to target a few specific "weak links" in current policy. They are not intended to serve as a wholesale rewrite of these (or any other sections) of policy.

In addition to the outline, the proposed policy revisions are attached for the Council's review.

- Additions to section 5.0, *Hiring for New and Vacant Positions*
 - 5.6 – Effective May 1, 2025, Utah Code §§ 80-8-101 stipulates that youth serving organizations are now required to conduct background checks on all "youth workers" (employees and volunteers as defined in the code) to include the Utah Sex, Kidnap, and Child Abuse Offender Registry and the National Sex Offender Public Website (administered by the United States Department of Justice).
 - In addition to the checks, the District will be obligated to train staff and provide reasonable child abuse prevention practices and policies.
- Updates to section 9.11 *Family & Medical Leave (FMLA) Without Pay* include:
 - 9.11.2 – Added clarification regarding adoption or foster care provisions.
 - 9.11.4.3 – Added definition around when the District shall designate (at least provisionally) FMLA leave for an employee (even if the leave also qualifies for paid concurrent leave).
 - 9.11.5 – In FMLA regs §825.102, a serious health condition is defined as a "Continuing treatment by a health care provider." The definition of "Continuing

treatment by a health care provider” also specifies that continuing treatment requiring a period of incapacity of more than three (3) consecutive, full calendar days, and any subsequent treatment or period of incapacity relating to the same condition.

- 9.11.8 – The language has been updated to clarify that an employee must use any accrued paid leave concurrently with FMLA qualifying leave before transitioning to leave-without-pay. This is to avoid a situation where an employee is out for a significant period of time on paid leave and then attempts to assert a right to another 12 weeks of job-protected unpaid leave.
 - A schedule outlining the order for which leave will be used during FMLA-qualifying leave was also added, as well as a provision for modifying that schedule as needed.
- 9.11.8.1 – At the behest of County staff, this sub-section was expanded to provide additional direction regarding elective short-term disability (STD) coverage. Technically, STD is a third-party payment for time missed due to illness or disability and is not equal to approved leave. Regardless, this new policy language specifies that STD benefits will run concurrently with FMLA-qualifying leave and that the District will “top up” any STD benefit with paid leave.
- 9.11.9 – Eliminated the portion of policy outlining all the potential measurement options allowable under FMLA regs and simply outlined the measurement period adopted by the District.
- Updates to section 12.0 Productive Work Environment:
 - 12.1 – Equated expectations for treating fellow employees with the same “goodwill” as those outlined when working with the public.
 - Added language regarding the District Director’s prerogative to a) define expectations regarding a professional business environment, and b) provide supplemental direction on matters such as employee conduct and behavioral standards.
 - Included additional language regarding professional representation of the District.

Recommended Motion

To approve and adopt the attached revisions made to the Snyderville Basin Special Recreation District Personnel & Operations Policy Manual.

PERSONNEL & OPERATIONS POLICY MANUAL



SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
5715 TRAILSIDE DRIVE
PARK CITY, UT 84098
(435) 649-1564
www.basinrecreation.org

Revised ~~January 22, 2025~~ May [], 2025

Snyderville Basin Special Recreation District

Personnel & Operations Policy Manual

5.0 | Hiring for New and Vacant Positions

References

- See Americans with Disabilities Act of 1990, as amended
- See Drug Free Workplace policy, Utah Code §34-38-8, as amended
- See Immigration Reform and Control Act of 1986, as amended
- See Veteran's Hiring Preference, Utah Code Title 71, as amended
- See District Onboarding Standard Operating Procedures (SOPs)
- See Youth Service Organizations Act, Utah Code §§ 80-8-101, et seq, as amended

5.1 Purpose – Recruiting

Amended April 3, 2024

Selecting and advancing employees in the District personnel system shall be on the basis of their ability, knowledge, and skill levels related to the job description for the vacant position. The District Director may execute, with the approval of the Board, written employment agreements for select positions.

5.2 Disqualification

The District reserves the right to reject any application that is incomplete or indicates on its face that the applicant does not possess the minimum qualifications required for the position. Applicants and subsequently hired applicants who make false or misleading statements, or who are found to have engaged in any type of deception or fraud in the application or testing process shall be rejected, subject to discipline, or terminated.

5.3 Testing

Amended April 3, 2024

5.3.1 Applicants may be subjected to competitive testing or evaluation, which may include, but are not limited to:

- a. Rating of education and experience
- b. Written, oral, or physical agility tests
- c. Essential function demonstrations
- d. Background investigations
- e. Proof of academic attainment

5.3.2 Applicants for positions that require the worker to operate District vehicles or equipment on public roadways may be required to provide a copy of a State Department of Motor Vehicle driving record. The driving record may be used to assist in the ranking of applicants who meet the minimum qualifications.

5.4 Physical Examination/Drug Testing

Amended April 3, 2024

Public health and safety demands that employees be physically able to perform the duties and essential functions of the position for which they are hired. The physical requirements of the job constitute bona-fide occupational qualifications and will be outlined in the job description. The District will make every effort to provide reasonable accommodations for employees and applicants in compliance with the Americans with Disabilities Act (ADA); however, if the requested accommodation creates an undue hardship on the District, it shall not be obligated to provide such.

5.4.1 A physical examination may be required before an applicant is hired or appointed to any District position. The results of the exam will be presented to the Business Manager or their designee, in writing. A disabled applicant may be required to submit to a physical exam only subsequent to a job offer being made and only if all others being hired are required to do the same.

5.4.2 The District may require a medical examination at any time during the employee's work tenure, if there is reasonable suspicion to assure the safety and health of the employee, co-workers, and the public. The District will pay the cost of any required medical examination.

5.4.3 Final candidates for any position may be required to undergo chemical screen testing to determine the presence of controlled substances in the body. Subject to the ADA, any applicant who tests positive, tampers with, or adulterates their sample may be disciplined or disqualified according to these policies and procedures and state law (see Drug Free Workplace policy, Utah Code §34-38-8, District Policies and Procedures, Section 12, paragraph 12.8).

5.5 Employment Eligibility Verification

Amended April 3, 2024

In conformance with the "Immigration Reform and Control Act of 1986" (P.L. 99-603) and in order to avoid monetary penalties for the hiring of undocumented workers, the Business Manager shall establish an employment verification system and shall verify that all applicants for vacant positions or persons hired to fill vacant positions are authorized to work within the boundaries of the United States.

5.5.1 The Business Manager or designee shall complete or have completed Immigration and Naturalization Service Form I-9 prior to or on a hired employee's first day of work and verify work eligibility through examining such documents as a United States Passport, birth certificate, social security card, driver's license, an alien identification document, or other qualifying documentation.

5.5.2 Employees must also attest in writing that they are authorized to work in the United States. Forms and all written verifications shall be kept along with other personnel records and shall be kept in accordance with the Government Records Access Management Act. These documents shall be made available to the Immigration and Naturalization Service, or the Department of Labor as requested.

5.6 Check of Sex Offender Registry

To the extent required by the Youth Service Organizations Act as set forth in Utah Code §§ 80-8-101, et seq, as amended, State law requires the District to complete a registered sex offender check for any employee or volunteer who provides regular and repeated care, supervision, guidance, or control of a child or children under 18 years of age. This requirement applies to all current or potential employees and volunteers of the District who are considered Youth Workers, as defined below.

5.6.1 “Youth Worker” shall have the meaning set forth in Utah Code § 80-8-101, and shall include an individual who is 18 years old or older; who is employed by or volunteers for the District or who is proposed to be employed by or volunteer for the District; and whose responsibilities as an employee or volunteer of the District give the individual regular and repeated care, supervision, guidance, or control of a child or children. For purposes of this policy, the District is a “youth service organization” within the meaning of Utah Code § 80-8-101.

5.6.2 The Business Manager shall be responsible for implementing and administering the provisions of this policy and shall ensure the registered sex offender check, training, and reporting requirements for Youth Workers as required herein are implemented and followed.

5.6.3 The District shall complete a registered sex offender check for any employee or volunteer who is considered a Youth Worker. The registered sex offender check shall include a search of the Utah Sex, Kidnap, and Child Abuse Offender Registry described in Utah Code Title 77, Chapter 41, and the National Sex Offender Public Website administered by the United States Department of Justice (“USDJ”).

5.6.3.1 To facilitate the registered sex offender check required herein, the District shall require any Youth Worker or potential Youth Worker to provide the individual’s full name and a current government-issued identification.

5.6.4 Any individual registered on the Sex, Kidnap, and Child Abuse Offender Registry, as described in Utah Code Title 77, Chapter 41 or on the National Sex Offender Public Website, as administered by the USDJ, shall be prohibited from working or volunteering as a Youth Worker for the District.

5.6.5 The District shall provide all Youth Workers with training in sexual abuse identification and reporting as provided in this policy and in accordance with Utah Code § 80-8-202. All Youth Workers shall be required to complete such training prior to providing any regular and repeated care, supervision, guidance, or control of a child or children.

5.6.6 The District shall implement reasonable child abuse prevention policies and procedures including policies to ensure a registered sex offender check is conducted for each Youth Worker or potential Youth Worker employed or allowed to volunteer for the District. Such statutory requirement is met through implementation of this policy and the registered sex offender check required herein for Youth Workers.

5.6.7 Any Youth Worker who has reason to believe that a child is, or has been, the subject of abuse or neglect, or observes a child being subject to conditions or circumstances that would reasonably result in abuse or neglect, is required to immediately report the suspected abuse or neglect to the Utah Division of Child and Family Services or to the nearest peace officer or law enforcement agency in accordance with Utah Code § 80-2-602.

5.6.8 Nothing in this policy creates a private right of action or establishes a duty of reasonable care where one would not otherwise exist, and nothing herein abrogates any existing cause of action. If any provision of this policy is in conflict with State law, the provisions of State law shall govern.

5.65.7 Hiring Procedures

Amended April 3, 2024

~~5.6.15.7.1~~ When the need arises to create a new position or fill a vacancy for any Full-time or Part-time position, the department manager shall coordinate with the Business Manager to begin the recruitment process as outlined in this section. No new benefited positions shall be created without the approval of the Administrative Control Board and the appropriate budget approval of the Governing Body.

~~5.6.25.7.2~~ Upon approval to recruit (and after receiving signed documentation authorizing the creation of a position) from the District Director, the Business Manager or their designee shall prepare, advertise, and post the opening externally and internally. First consideration in filling the vacancy for all merit positions shall be given to current District employees who qualify.

~~5.6.35.7.3~~ All applications will be received by the Business Manager or their designee. Applications for Full-time or benefitted positions will be accepted for a minimum of seven (7) calendar days. If necessary, recruitment may be extended as needed to attract sufficiently qualified applicants.

~~5.6.3.15.7.3.1~~ Applications for Part-time Regular, Seasonal, or temporary positions may be accepted upon receipt and do not require a minimum posting period.

~~5.6.45.7.4~~ Following the closing date of postings for Full-time or benefited positions, the Business Manager or their designee, and the department manager, shall review all applications to determine those that meet the minimum qualifications. Those applicants who qualify shall then be ranked with consideration to factors such as training, education, experience, etc.

~~5.6.4.15.7.4.1~~ Following the closing date of postings for Part-time Regular, Seasonal, or temporary positions, the department manager or designee shall review all applications to determine those that meet the minimum qualifications. Those applicants who qualify shall then be ranked with consideration to factors such as training, education, experience, etc.

~~5.6.55.7.5~~ Upon ranking the applicants, the top candidates for the position will be determined and contacted.

~~5.6.5.15.7.5.1~~ For Full-time or benefited positions:

- a. The department manager or their designee(s) will conduct interviews with the top candidates.
- b. Upon the selection of the individual to be hired, the department manager shall submit the name of their choice in writing to the District Director and Business Manager.
- c. Before the development of a formal employment offer, the Business Manager or their designee will conduct an equity analysis based upon candidate experience and qualifications, with consideration to existing employees in similar positions, market analysis, and available budget. The Business Manager or designee will propose a salary based upon the completed analysis to the District Director for approval.
- d. No offer is final until approved by the District Director.

5.6.5.25.7.5.2 For Part-time Regular, Seasonal, or temporary positions:

- a. The department manager or their designee(s) will conduct interviews with the top candidates.
- b. Upon the selection of the individual to be hired, the department manager shall submit the name of their choice and proposed salary in writing to the Business Manager or their designee.
- c. Before the development of a formal employment offer, the Business Manager or their designee will review the submission for consistency and adherence to established District policy.
- d. Following the Business Manager or designee review, the final offer is approved by the department manager.

5.6.65.7.6 Before extending a conditional offer of employment to the finalist, the Business Manager or their designee will review the following:

- a. The results of any physical or medical examinations.
- b. The results of any job-related skills or agility tests.

5.6.75.7.7 Included in the conditional offer of employment to the finalist, the Business Manager or their designee will:

- a. Require the necessary background check information be submitted.
- b. Provide the instructions for the finalist's required pre-employment drug screening test (if applicable).
- c. Provide the instructions for the finalist's required motor vehicle report (if applicable).

5.75.8 Veterans Preference

Added April 3, 2024

5.7.15.8.1 For purposes of new hires, any eligible veteran of the armed forces of the United States separated from the armed forces under honorable conditions following more than six (6) months of active duty shall, in the final determination of scoring, be given a veteran preference of 5% of the total possible score for eligible veterans and 10% of the total possible score for veterans with a disability of a purple heart recipient, pursuant to Utah Code §71-10-2. This shall be added to the grade earned by such veterans only if the veteran earns a passing score without preference.

5.7.25.8.2 Additionally, for purposes of new hires, a preference score added pursuant to Utah Code §71-10-2 for any preference-eligible veteran's spouses or unmarried widows or widowers.

5.85.9 Employee Induction

Amended April 3, 2024

After the new employee is hired, they shall promptly receive the District Onboarding Standard Operating Procedures (SOPs) and a general orientation concerning benefits, compensation practices, personnel policies and procedures, and various employment expectations from the Business Manager or their designee. Job-specific orientation shall be conducted by the immediate supervisor. All new employees must sign a document

stating they have read and understand the District's Personnel & Operations Policy Manual.

5.95.10 Orientation Period

Amended April 3, 2024

All appointments to Full-time or benefitted positions within the District, whether new hires, rehires, or reinstatements (affected by reduction-in-force), require an orientation or probationary period during which both the District and the employee can determine compatibility and competence.

This orientation period is designed to acquaint the new employee with the position and allow the employee, supervisor, department manager, and District Director to fairly measure the employee's ability to successfully perform the job.

~~5.9.15.10.1~~ During the orientation period, the supervisor shall conduct monthly check-ins to coach the employee in their job duties, apprise the employee of their suitability for the position, address areas that need improvement or focus, and determine any employment action to be recommended to the District Director and Business Manager. (see Section 6, paragraph 6.6, Conditional Employees)

~~5.9.25.10.2~~ The orientation or probationary period for Full-time and Part-time Merit District employees shall be six (6) months in duration, with the period extendable in one (1) month increments up to an additional six (6) months for a good cause, but with the condition that the orientation period employee may appeal any undue prolongation of the period designed to thwart merit principles. The employment relationship may be terminated at any time during the new hire orientation period, with or without notice, and with or without cause, by either the employee or the District.

~~5.9.2.15.10.2.1~~ During the new hire orientation period, all benefits accrue.

~~5.9.2.25.10.2.2~~ At the close of the orientation period, the department manager shall submit a written evaluation based on the employment period to date and the determination of continued employment.

~~5.9.35.10.3~~ An employee is not eligible for promotion, transfer, or reassignment during the orientation period unless the current department manager and the new department manager have agreed in consultation with the Business Manager to allow the change to occur during the orientation period.

~~5.9.45.10.4~~ Employee Development Program (In-grade Advancement): Employees participating in an Employee Development Program shall not be required to enter a new orientation period.

Snyderville Basin Special Recreation District

Personnel & Operations Policy Manual

9.0 | Benefits

References

- See Consolidated Omnibus Budget Reconciliation Act (COBRA) Regulations, as amended
- See Utah Code §39-3-1, as amended
- See Federal Family and Medical Leave Act (FMLA), as amended

9.1 Purpose – Benefitted Employees

Amended April 3, 2024

As used in this Section, benefitted employees (i.e., Full-time and Part-time Merit employees), are defined as employees working more than 1560 hours annually. Seasonal employees may be offered health insurance benefits if such employee exceeds 1560 hours during a look-back period of twelve (12) months from the date of hire.

9.2 Group Health Insurance

Amended April 3, 2024

The District may pay premiums for health insurance for benefitted employees and their dependents.

The District may pay premiums for dental, long-term disability, life insurance, and accidental death and dismemberment up to a maximum amount designated by the District Director for Full-time and benefitted employees.

Part-time Regular, Part-time Seasonal, contractors, and volunteers are not eligible for any benefits except those required by law or as outlined in this policy.

9.3 Continuation of Benefits

Amended January 22, 2025

9.3.1 Benefitted employees separating from District employment will be allowed to continue group medical and dental insurance coverage at cost to the employee for up to eighteen (18) months from the date of separation (except when terminated for “gross misconduct”).

9.3.1.1 The District may assess up to a maximum of two percent (2%) of the premium as an administrative fee. Employees and/or dependents shall be notified within thirty (30) days from the date of separation regarding extension and conversion privileges and must reply in writing within sixty (60) days of notice or forfeit their extension right. Payment must be made within forty-five (45) days of acceptance of COBRA benefits, or benefits will be canceled.

9.3.1.2 Dependents of employees are eligible to continue insurance at their cost for up to thirty-six (36) months upon the occurrence of the following:

- a. Upon legal separation or divorce from the covered employee.
- b. The death of the covered employee.
- c. When dependents cease to be dependent under the definition of the plan.
- d. When Medicare-eligible employees cease participation in employer-sponsored plans.

9.3.1.3 Insurance cannot be continued beyond any of the following:

- a. The date that premium payments become past due.
- b. The date when the individual becomes covered under any other group health plan or is entitled to Medicare benefits.
- c. In the case of a spouse, when the spouse remarries or becomes covered under another group health plan.
- d. On the date when the employer ceases to provide any group plan, except the District would be obligated to allow employees or dependents to continue coverage under any replacing group policy or policies.

9.4 Leave Status

Paid time off, sick, or funeral leave shall not be used to create overtime. The purpose of leave is to supplement the Full-time Merit employee's forty (40) hour work week.

9.5 Vacation Leave or Paid Time Off (PTO)

Amended April 3, 2024

9.5.1 The District believes that a reasonable period of time away from the job encourages good health and the well-being of employees. This is a benefit to the District, as well as the employee. Therefore, it is the policy of the District to grant paid time off (PTO) to Full-time Merit employees.

9.5.2 Full-time Merit or benefited employees begin accruing PTO on the date employment begins. Years of District service, for establishing paid time off accrual rates, shall be based on the employee's Full-time hire date.

9.5.3 Beginning May 6, 2024, accumulation of PTO shall be based upon the following schedule:

PTO Accrual Schedule				
Years of Service	Monthly Hours	Annual Hours	Annual Days	Annual Weeks
0-2.99	8	96	12	2.4
3-6.99	10	120	15	3
7-11.99	12	144	18	3.6
12-17.99	14	168	21	4.2
18+	16	192	24	4.8

9.5.4 For purposes of leave accrual, the Business Manager or their designee shall recognize and establish an eligible employee's PTO service date at hire based upon prior relevant experience in a comparable

benefited position, service in a comparable public merit system, or military service. Employees may receive one year of PTO accrual credit for every two years of qualifying prior experience. The District Director then has final approval of the PTO service date and accrual rates, which shall begin on the employee's Full-time hire date.

9.5.5 For existing eligible employees, the Business Manager or their designee shall establish an employee's adjusted PTO service date (if needed) based upon the same criteria outlined in 9.5.4 and establish a new PTO accrual rate effective May 6, 2024. The District Director then has final approval of the adjusted PTO service date and accrual rates before implementation.

9.5.6 Employees may carry unused PTO over to the next District anniversary year to a maximum of 200 hours of accrued PTO. Accrued PTO in excess of 200 hours shall be forfeited on their District anniversary date following the year in which the leave was accrued.

9.5.7 PTO may not be accrued during a period of time when leave of absence without pay is being granted for reasons other than personal or family-related illness or condition as defined by the federal Family and Medical Leave Act (FMLA) and when an employee has announced their resignation or retirement from the District.

9.5.8 Utilization: The employee's manager must approve in advance all PTO leave. The supervisor may schedule PTO leave so that District operations are not disrupted. PTO may be requested and utilized in increments of two- (2-) hour blocks.

9.5.9 An authorized holiday which falls within the time period of an employee's scheduled PTO shall not be charged as PTO.

9.5.10 PTO is to be taken as time off and there will be no pay in lieu of time off.

9.5.11 Resignation: Upon resignation or retirement, an employee who has successfully completed their orientation period may take the cash value of earned PTO leave (carried over and earned) or time off with pay equal to the number of PTO hours earned. PTO shall not accrue when an employee has announced their resignation or retirement from the District and is using the time off with pay option. Payments made pursuant to this section shall be at the rate of pay current upon termination. Deductions from termination pay may be made where the terminating employee has outstanding obligations to the District. The District may withhold the payment of termination pay if the employee fails to return District property in their possession.

9.5.12 Record Keeping: The official record of accrued and used PTO is to be kept by the District through a formal leave accounting system. Supervisors shall be provided with leave accounting reports periodically for departmental and employee review. Employees are responsible for reviewing their pay stubs. Any discrepancies shall be reconciled directly through the Business Manager or their designee. If discrepancies are not reported within sixty (60) days, all reports shall be deemed correct.

9.6 Sick Leave

Amended April 3, 2024

Sick leave is accrued for Full-time Merit or benefited employees as a benefit and may be used for personal illness, illness in the immediate family, or during unpaid FMLA leave. Sick leave taken in excess of three (3) working days may require a statement from an attending physician. The District Director and/or department managers must use discretion in approving sick leave while insisting that seriously ill employees stay off the job. Accrued sick leave is a District-owned benefit afforded to those Full-time annual and benefited District employees who become ill or injured and cannot perform their normal duties.

9.6.1 Sick leave shall be earned at the rate of 3.69 hours per pay period of Full-time employment and may be used, with approval, as earned. Sick leave shall not be granted beyond the amount accrued by any employee.

- a. Full-time Merit employees may accrue up to 720 hours of sick leave. Employees who have 720 hours of sick leave may not accrue additional sick leave until their sick leave bank drops below 720 hours.
- b. Sick leave shall not be paid out at the time of separation of employment.

9.6.2 Sick leave shall not accrue during a period in which a leave of absence without pay is being granted for reasons other than personal or family-related illness or condition as defined by the Family and Medical Leave Act (FMLA). Sick leave shall not accrue when an employee has announced their resignation or retirement from the District and is using the time off with pay option.

9.6.3 Requests to the employee's immediate supervisor for the use of sick leave shall be made at or prior to the employee's scheduled reporting time.

9.6.4 Supervisors are charged with the responsibility to approve or deny leave requests and may require the employee to provide evidence of illness or injury.

9.6.5 The official record of accrued and used sick leave is to be kept by the District through a formal leave accounting system. Supervisors shall be provided with leave accounting reports periodically for departmental and employee review. Any discrepancies shall be reconciled directly through the Business Manager or their designee. If discrepancies are not reported within sixty (60) days, all reports shall be deemed correct.

9.6.6 Workers Compensation: In the event an employee is injured on the job, they must apply for workers compensation. The employee may additionally utilize accrued sick leave in accordance with the following formula: "Gross monthly compensation minus industrial (workers) compensation equals total compensation subject to sick leave utilization. The number of hours to be charged shall be determined by dividing the total amount subject to use by the appropriate hourly compensation rate." This shall not be construed as allowing a gross income, inclusive of industrial (workers) compensation and sick leave, to exceed the employee's regular monthly salary or earnings.

9.6.7 Insurance benefits may be provided for more serious or longer-term illnesses or accidents. While

insurance policies pay 67% of the normal wage, sick leave time and PTO may be used on a pro-rata basis to maintain normal income. The employee may supplement the disability benefit with accrued PTO and sick leave to receive 33% of their normal wage. If no sick leave or PTO time is available, normal insurance proceeds only are payable.

9.7 Funeral and Bereavement Leave

Amended April 3, 2024

9.7.1 Funeral and Bereavement leave with pay, not to exceed forty (40 hours), may be allowed for Full-time Merit and benefited employees in the event of the following:

- a. The loss of a spouse, domestic designee (as noted for health insurance), child, parent, grandchild, grandparent, stepparent, stepchild, child-in-law, parent-in-law, sibling, and sibling-in-law.

9.7.2 Bereavement leave with pay, not to exceed eight (8) hours, may be allowed for loss of other family members with the written permission of the department manager.

9.7.3 Twenty-four (24) hours of bereavement leave shall be provided to employees whose pregnancy or partner's pregnancy ended by way of miscarriage or stillbirth.

- a. The end of an employee's pregnancy by way of miscarriage or stillbirth, or the end of an individual's pregnancy by way of miscarriage or stillbirth if:
 - i. The employee is the individual's spouse or partner.
 - ii. The employee is the individual's former spouse or partner; and
 - iii. The employee would have been a biological parent of a child born as a result of the pregnancy.
- b. The employee provides documentation to show that the individual intended for the employee to be an adoptive parent, as that term is defined in Utah Code §78B-6-103, of a child born as a result of the pregnancy or under a valid gestational agreement in accordance with Title 78B, Chapter 15, Part 8, Gestational Agreement, the employee would have been a parent of a child born as a result of the pregnancy.

9.7.4 Employees desiring extended funeral or bereavement leave may request to use comp time, PTO, or leave without pay. Leave without pay may be used only if the employee has no accrued comp time or PTO. Funerals which occur during the use of PTO shall be treated as described in this paragraph and not be charged to PTO.

9.7.5 If a funeral is attended or death occurs while an employee is on a leave of absence, there will be no time off with pay forthcoming.

9.8 Holiday Leave

Amended April 3, 2024

9.8.1 The following days have been designated by the District to be paid holidays and apply only to Full-time merit or benefited employees:

New Year's Day	January 1st
Martin Luther King Jr. Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday of May
Independence Day	July 4th
Labor Day	1st Monday in September
Columbus Day	2nd Monday in October
Veteran's Day	November 11th
Thanksgiving Day	4th Thursday of November
Day after Thanksgiving	Friday after Thanksgiving
Christmas Day	December 25th

9.8.1.1 When any of the above holidays fall on a Sunday, the following Monday shall be observed as the holiday. When any of the above holidays fall on a Saturday, the preceding Friday shall be observed as the holiday.

9.8.1.2 Should a holiday occur while an employee is on PTO, the employee will not be charged with PTO the day of the holiday.

9.8.2 Holiday Leave Pay: Full-time and Part-time Merit employees who work on a designated holiday will receive their regular rate of pay and up to eight (8) hours of floating holiday time for Full-time Merit positions or a pro-rated amount for Part-time Merit, which may be taken at any point, with the approval of their manager or supervisor, by the end of the calendar year.

9.8.3 The following shift adjustment compensation shall apply to Part-time Regular and Part-time Seasonal employees if they are scheduled to work on any of the following holidays:

New Year's Day	January 1 st
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	1st Monday in September
Thanksgiving Day	4th Thursday in November
Christmas Day	December 25th

- If a Part-time Regular or Part-time Seasonal employee works on a qualified holiday, he/she will receive compensation at the rate of two (2) times the employee's regular hourly rate for the number of hours worked on that day.
- Part-time Regular and Part-time Seasonal positions will not be compensated for the holidays listed above if they do not work on that holiday.

9.8.4 Floating Holiday Leave Pay: Full-time and Part-time Merit employees are entitled to the additional floating holidays outlined below, the hours of which must be used by December 31 and may not be

rolled over or paid out:

- a. Individual employee birthdays will be observed as a paid day off or used as a floating holiday.
- b. Employees are entitled to one additional floating holiday per year in lieu of Juneteenth if actively employed on June 19.
- c. Employees are entitled to one additional floating holiday per year in lieu of Pioneer Day if actively employed on July 24.

9.8.4.1 For Part-time Merit employees, the floating holiday accruals outlined above will be pro-rated according to their position designation (e.g., 0.75 FTE or 0.5 FTE)

9.9 Court or Jury Leave

Each Full-time and Part-time Merit employee entitled to paid leave under these rules shall, during regularly scheduled work time only, be entitled to leave of absence with full pay for such period of required absence when, in obedience to a subpoena or direction by proper authority, the employee is to appear as a witness in a case involving the federal government, the State of Utah, or a political subdivision thereof, to serve on a jury or as a witness in a grievance/hearing. Witness or juror fees paid to employees on leave with pay shall be returned to the District for deposit in the general fund. Per diem and witness or juror fees may be retained by an employee who elects to use PTO leave while on jury duty or acting as a witness. Absence due to litigation not required by the employee's position but as an individual, shall be taken as PTO, comp time, or leave without pay.

9.10 Parental Leave

Amended January 23, 2019

Parental leave is associated with the birth of an employee's own child or the placement of a child with the employee in connection with an adoption. The amount of leave under this policy is four (4) weeks. This leave does not supersede other laws that apply to the birth or adoption of a child. (See also *Pregnant Worker's Fairness Act (PWFA)* above, Section 2.3.)

9.10.1 Full-time or Part-time Merit employees may receive up to four (4) weeks of paid, job-protected, leave during the first twelve (12) weeks following birth or adoption.

- a. Notice and Verification: The employee must:
 - i. Provide to his/her department manager and the Business Manager thirty (30) days' written notice of the requested leave (or as much notice as practicable if the leave is not foreseeable).
 - ii. Complete the necessary forms at the time of the leave.
 - iii. File the documents with the Business Manager.

9.10.2 Parental Leave is a benefit of employment, and its use will not be considered as a negative factor in employment actions, such as hiring, promotions, or disciplinary actions under attendance policies.

9.10.3 Upon receiving notice of an employee's need for Parental Leave, the District shall provide the employee with a detailed notice specifying the employee's rights and obligations under District policy

and explain any consequences of a failure to meet these obligations. The notice shall include:

- a. Any requirements for the employee to make or participate in the payment of insurance premiums and the methods for doing so. The employee's potential liability for health insurance premiums paid by the District during the leave if the employee does not return to work.
- b. The employee's reinstatement rights to the same or equivalent job, unless the employee is defined as a key employee under FMLA.

9.10.4 Method of Leave Usage:

- a. Birth of the parent's own child: Parental Leave, if taken, shall be used anytime during the first twelve (12) weeks after the birth of the child. Parental Leave shall not extend beyond the end of the twelve- (12-) week date from the birth of the child.
- b. Adoption of a child:
 - i. The parents of an adopted child shall receive Parental Leave after the child(ren) has been placed in their home.
 - ii. Parental Leave, if taken, shall be used anytime during the first twelve (12) weeks after the placement of the child(ren). Parental Leave shall not extend beyond the end of the twelve- (12-) week date from the placement of the child(ren).
 - iii. To qualify for Parental Leave, the adopted child(ren) shall be under eighteen (18) years of age.
- c. All leave shall be used in one (1) block of time.
- d. Parental Leave shall run concurrently with FMLA, if applicable.

9.10.5 Parental Leave will be paid at one hundred percent (100%) of an eligible employee's straight-time, regular pay for the specified amount of time outlined in this policy.

- a. Sick leave and PTO accrual shall be allowed in accordance with the District's FMLA policy.

9.10.6 The fact that a multiple birth or adoption occurs (for example, the birth or adoption of twins) does not increase the length of Parental Leave granted for that event.

9.10.7 If both parents are employed by the District, each parent shall receive up to four (4) weeks of Parental Leave.

9.11 Family & Medical Leave (FMLA) Without Pay

Amended April 3, 2024

The District will comply with all applicable requirements of the Family and Medical Leave Act of 1993 (FMLA).

9.11.1 Eligibility: All employees who have worked for the District for at least twelve (12) months (which need not be a consecutive twelve-month period) AND have worked for the District at least 1250 hours in the previous consecutive twelve (12) month period qualify for family and medical leave without pay.

9.11.2 Eligible employees may receive up to twelve (12) weeks of unpaid, job-protected leave in any twelve (12) month period for the following reasons:

- a. To care for a child upon birth.
- a-b. The ~~or upon~~ placement of a child for adoption or foster care and to care for the newly placed child.
- b-c. To care for a parent, spouse, or child with a serious health condition.

- i. When an employee is unable to work because of a serious health condition. A serious health condition is defined as “any illness, injury, impairment, or physical or mental condition that involves either inpatient care or continuing treatment by a health care provider” (i.e., doctors, podiatrists, dentists, clinical psychologists, optometrists, nurse practitioners, and nurse midwives). In addition, a single event or occasion which results in a regimen of continuing treatment under the supervision of the health care provider qualifies, such as a regimen of medication or physical therapy. Excluded from coverage are voluntary or cosmetic treatments, which are not medically necessary, and preventive physical examinations. An employee returning to work after FMLA leave for their own serious health conditions shall provide a return-to-work release from their physician listing accommodations, if any. The District may restrict or deny the employee’s return to work if the accommodation precludes the employee from fully participating in their job responsibilities or the accommodations required to do so would prove to be an undue hardship on the District.

e.d. When a family member is called to serve on active military duty.

9.11.3 Eligible employees may receive up to twenty-six (26) weeks of unpaid, job-protected leave in any twelve (12) month period to care for a family member who sustained an injury or illness in the line of active military duty.

9.11.4 Notice and Verification: Employees who want to take FMLA leave ordinarily must provide the District with at least thirty (30) days’ notice of the need for leave if the need for leave is foreseeable. If the need is not foreseeable, the employee should give as much notice as is practicable. The employee notice shall contain the reason for the leave, the anticipated timing of the leave, and the expected duration of the leave. In addition, employees who need leave for their own or a family member’s serious health condition must provide medical certification of the serious health condition within fifteen (15) days after the request or as soon thereafter as is reasonably possible.-

9.11.4.1 The District may also require a second or third opinion (at the District’s expense), periodic recertification of the serious health condition [as frequently as every thirty (30) days], and, when the leave is a result of the employee’s own serious health condition, a fitness-for-duty report to return to work.-

9.11.4.2 The District may deny leave to employees who do not provide proper advance leave notice or medical certification within the established time frame.

9.11.4.3 Absent any extenuating circumstances or information, if an employee does not explicitly request FMLA protection following the use of more than three (3) consecutive days of sick leave, the District may provisionally designate all subsequent leave as FMLA-qualifying until such time the employee’s FMLA status changes.

a.—a. The District will notify the employee if leave is being provisionally designated as FMLA leave within five (5) business days of determining whether the leave is FMLA-qualifying.

b. The District may designate leave as FMLA-qualifying even if the employee requests otherwise, as long as the District has sufficient information or evidence to determine that the leave qualifies for FMLA protection.

~~9.11.49.11.5~~ 9.11.5 District Communication Requirements: Upon receiving notice of an employee's need for FMLA leave or determining extended sick leave of four (4) days or more is FMLA-qualifying, the District must provide the employee with a detailed notice specifying the employee's rights and obligations in connection with the law and District policy and explain any consequences of a failure to meet these obligations. The District notice shall include:

- a. A statement that the leave will be counted against the employee's annual FMLA leave entitlement.
- b. Requirements for the employee to furnish medical certification of a serious health condition and the consequences for failing to do so.
- c. The requirement for the employee to use accrued paid leave.
- d. Any requirements for the employee to make or participate in the payment of insurance premiums and the methods for doing so.
- e. Any requirement of the employee to present a fitness-for-duty certificate in order to return to work.
- f. The employee reinstatement rights to the same or equivalent job.
- g. The employee's status as a "key employee" and the conditions under which reinstatement may be denied.
- h. The employee's potential liability for health insurance premiums paid by the District during the leave if the employee does not return to work.

~~9.11.59.11.6~~ 9.11.6 Method of Leave Usage: The leave may be taken intermittently or on a reduced leave schedule without the District's approval when medically necessary; therefore, department managers shall take an active role in verifying medical necessity, especially in the case of emergencies and short notice situations. FMLA leave may be taken in half-hour, hourly, daily, or weekly blocks of time.

~~9.11.69.11.7~~ 9.11.7 Employee Entitlements: Employees taking qualified FMLA leave are entitled to receive health benefits during the leave at the same level and terms of coverage as if they had been working throughout the leave. In addition, the District shall reinstate an employee returning from FMLA leave to the same or equivalent position with equivalent pay, benefits, and other employment terms as previously provided. The District's obligation under FMLA to reinstate an employee returning from leave ceases once the employee has used up their 12/26-week entitlement and continues on another form of leave, paid or unpaid. Also, the District may deny reinstatement if it can be demonstrated that the employee would not otherwise have been employed at the time the reinstatement request is made, such as when an employee's position is eliminated due to a layoff.

9.11.8 Accrued Benefit Impact: Employees' use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave. However, while on FMLA-qualifying leave, the employee must concurrently exhaust any accrued paid leave before ~~taking~~transitioning to unpaid leave-without-pay, the employee must first use any The concurrent use of accrued paid leave shall be taken in the order outlined in the schedule below:

- a. Sick leave
- b. Compensatory time
- c. Administrative leave
- d. Floating holiday leave
- e. Earned holiday leave (prorated as necessary, based on other leave used or time worked)
- f. PTO (i.e., vacation) leave

~~PTO, compensatory time, and sick leave during FMLA leave.~~

Exceptions to this schedule may be allowed at the District Director's discretion, including but not limited to circumstances surrounding the use of parental leave or in other extenuating circumstances. All exceptions will be documented in writing, signed by the employee and District Director, and included along with all other required FMLA documentation.

~~In calculating the number of leave days used as part of the 12/26-week FMLA limit, all paid leave shall be included. (See Federal Family and Medical Leave Act FMLA)~~

9.11.8.1 Short-term Disability: The District makes elective short-term disability (STD) insurance coverage available to employees. STD may provide income protection for employees who are unable to work due to a covered illness or injury (i.e., serious health condition).

- a. Depending on the nature of the serious health condition, STD and FMLA may run concurrently.
- b. STD benefits are for temporary impairments and do not imply a long-term or permanent disability as defined by the Americans with Disabilities Act (ADA).
- c. The ADA defines disability as a physical or mental impairment that substantially limits one or more major life activities such as blindness, deafness, mobility limitations, and chronic pain, as well as mental impairments such as depression, anxiety, schizophrenia, or intellectual disabilities.
- d. Not all impairments qualify as disabilities under the ADA. The impairment must substantially limit a major life activity to be considered a disability.

9.11.8.2 A short-term or temporary condition does not usually meet the ADA's definition of disability. If the employee believes their condition does meet the definition of a disability as outlined by the (ADA), the District may request a medical certification as part of the serious health condition certification stipulated under FMLA if STD and FMLA may run concurrently, and to ensure that requested accommodation is necessary and reasonable.

9.11.8.3 In the event an employee has opted for elective STD coverage and submitted medical certification that demonstrates their short-term or temporary condition meets the ADA's definition of disability, that employee will not be required to use accrued leave to supplement or offset any income replacement not covered by the STD policy.

- a. However, employees may submit a written request to the Business Manager to use any accrued leave to supplement lost income not covered by the STD policy.
- b. Employees shall not earn more than 100% of their full weekly salary as a result of disability coverage.

9.11.8.4 If an employee has opted for elective STD coverage but has not submitted medical certification demonstrating their short-term or temporary condition meets the ADA's definition of disability, that employee must use any accrued leave (according to the schedule above) to supplement or offset any income replacement not covered by the STD policy.

- a. For example, if the short-term disability coverage provides for 60% income replacement (as determined by the provider), the remaining 40% will be covered by any accrued leave available to the employee.

b. Employees shall not earn more than 100% of their full weekly salary as a result of disability coverage.

9.11.9 Defining twelve (12) month period: The District shall measure the twelve (12) month period from the initial date of an employee's qualifying FMLA leave and rolling forward for the proceeding twelve (12) month period thereafter.

~~9.11.7—use one (1) of four (4) methods as defined by FMLA and may change methods when determined to be in the best interest of the District in terms of administration. However, sixty (60) days' notice must be given to employees of intent to change, and employees must retain the full benefit of 12/26 weeks of leave. The District shall use one of the following:~~

- ~~a.—The calendar year.~~
- ~~b.—Any fixed twelve (12) month period, such as a fiscal year, an employee's anniversary date, or a year which is or may be required by state leave law.~~
- ~~c.—The twelve (12) month period measured forward from the date an employee's first FMLA leave begins.~~
- ~~d.—A rolling twelve (12) month period measured backward from the date an employee uses any FMLA leave.~~

The District has opted to use item c, "the twelve (12) month period measured forward from the date an employee's first FMLA leave begins."

~~9.11.89.11.10~~ Temporary Work Assignments: Where medical necessity dictates the need to use scheduled intermittent leave or a reduced work schedule, the District may require the employee to transfer temporarily to an alternative position that better accommodates recurring periods of leave than the employee's regular position. In addition, the District may transfer an employee to a part-time job with the same hourly rate of pay and benefits as long as the employee is not required to take more leave than is medically necessary.

~~9.11.99.11.11~~ Record-Keeping Requirements: Records retention for FMLA purposes must be maintained in accordance with record-keeping requirements of the Fair Labor Standards Act (FLSA). Records must be kept for a minimum of three (3) years, which includes the following information:

- a. Basic payroll records.
- b. Dates that FMLA leave is taken.
- c. Hours of FMLA leave.
- d. Copies of employee notification given to the employer.
- e. Copies of employer notices regarding employee rights and obligations.
- f. Copies of District policies and procedures describing benefits and leave provisions.
- g. Premium payments of employee benefits.
- h. Documents pertaining to disputes regarding the designation of FMLA leave. All records relating to medical information must be kept in separate, confidential medical files.

9.12 FMLA & Disability Leave

Amended April 3, 2024

Family and Medical Leave without pay shall run concurrently and shall begin the first day the employee is not able to work. In the event of long-term disability, health, dental, and life insurance premium payments will be paid by the District for a period of six (6) months from the date of inception of the disability. An employee returning to work after disability leave shall provide a return-to-work release from their physician listing accommodations, if any. The District may restrict the employee's return to work if the accommodations preclude the employee from performing the essential functions of their job or create undue hardship for the District. An employee who cannot return to their regular scheduled job and fully participate in the job's responsibilities after this six (6) month period may be separated from employment with the District.

9.13 Military Leave

9.13.1 Short-term Military Leave is authorized for employees pursuant to the following conditions:

- a. Employees are entitled to 120 hours of military leave per year without loss of regular pay or other benefits. The employee shall take military leave when activated. After the employee has exhausted their 120 hours of military leave, they may take unpaid leave.
- b. Whenever possible, employees who are members of reserve units of the military shall notify the District Director within one (1) week of receipt of an activation notice and shall indicate in writing their intention and anticipation with regard to participating in periods of active duty. Such written notification shall be made a part of the individual employee's personnel file.
- c. Employees requesting short-term military leave may go on leave-without-pay status prior to

- d. using accrued PTO and comp time.
- e. While on short-term military leave, none of the employee's benefits shall accrue, except that health, dental, and life insurance benefits will remain in force.
- f. If the employee does not return to District employment after six (6) months, the District Director may declare the position vacant.

9.13.2 Extended Military Leave Without Pay shall be granted to employees who enlist, are drafted, or are recalled to active service in the armed forces of the United States in accordance with the provision of the Universal Military Training and Service Act. Former employees shall be permitted to return to District employment without loss of benefits pursuant to the provisions of the Utah Code §39-3-1. The following conditions shall apply:

- a. USERRA provides that an individual may serve up to five (5) years in the uniformed services, in a single period of service or in cumulative periods totaling five (5) years and retain the right to re-employment by their pre-service employer (38 USC 4312(c)).
- b. The employee must have satisfactorily completed the period of active duty and furnish a certificate to that effect.
- c. The District shall follow USERRA regulations regarding the reinstatement of an employee returning from active military duty. If the employee declines an offer for position vacancy, reinstatement rights may be canceled by the District Director.
- d. If, due to a service-connected disability or for some other reason, an employee is not qualified to perform all the duties of their former position, they will be placed in the closest comparable position for which they are qualified or the employee will be placed on a list of eligibles for consideration for future openings. Under the Americans With Disabilities Act, reasonable accommodation shall be provided unless doing so would prove to be an undue hardship.

9.14 9.14 Administrative Leave

Amended April 3, 2024

9.14.1 In cases of training, hardships, or other cases not provided for in these policies, upon recommendation of the department manager, the District Director may grant short-term leaves at full pay, partial pay, or without pay to Full-time Merit employees.

~~9.14.1~~ 9.14.2 The District Director may grant a discretionary award of paid administrative leave to Full-time or benefited employees for outstanding performance to encourage support and participation in District work functions and events or participation in wellness programs. The award of paid administrative leave may not exceed ten (10) working days in aggregate over a calendar year and must be used within the same calendar year it is earned unless otherwise designated by the District Director.

~~9.14.2~~ 9.14.3 The Board shall have the power to grant the same to the District Director.

~~9.14.3~~ 9.14.4 Administrative Leave is not eligible for payout upon separation from employment.

~~9.14.4~~ 9.14.5 The approval or denial of such requests is at the discretion of the Director and/or Board and is not subject to appeal.

9.15 Recruitment Leave

Added April 3, 2024

Recognizing the competitive and costly nature of the recruitment process, the District supports reasonable efforts to attract, hire, and retain well-qualified employees.

9.15.1 Upon hire, the District Director may grant new-hires a block of Recruitment Leave according to the following schedule:

- a. Positions Grade 16 and above, up to eighty (80) hours.
- b. Positions Grade 15 and below, up to forty (40) hours.

9.15.2 Recruitment Leave must be used within one year of the hire date. Any unused amount beyond that date is forfeited by the employee.

9.15.3 Recruitment Leave is not eligible for payout upon separation from employment.

9.16 Retirement

Amended January 22, 2020

The District is a participant in the public employee retirement programs of the Utah Retirement Systems (URS). The District endorses the concept that performance, not age, should be the standard for retaining qualified employees. There shall be no set retirement age from District employment. Contributions into the retirement system shall be made for all employees who otherwise qualify under URS rules.

9.16.1 Employees, at their discretion, may choose to retire any time after they are eligible under provisions of the Utah Retirement Act.

9.16.2 Employees over retirement age, as defined by the Social Security Administration, can be retained or hired as long as they are physically and mentally able to satisfactorily discharge the duties of the position.

9.16.3 The retirement system provides a number of benefits to the employee, including retirement benefits, death benefits, and survivor's allowances. Contributions are made by the employer. All new hires are enrolled into the new non-contributory plan.

9.16.4 All employees who have previously participated with URS prior to July 1, 2011, shall be enrolled in the Tier I retirement.

9.16.5 Effective July 1, 2011, all existing employees who have not participated and all newly hired employees shall be enrolled with the URS Tier II retirement unless previously enrolled within a URS retirement system.

9.16.6 Appointed members of the District's Administrative Control Board are classified as part-time and do not qualify for membership in URS.

9.16.7 Part-time Regular and Part-time Seasonal employees (non-benefitted) are not eligible for URS benefits.

~~9.15-19.16.8~~ The District does not maintain any positions eligible for exemption from retirement coverage.

~~9.15-29.16.9~~ In an effort to encourage retirement savings by employees, the District has implemented an employer match on Full-time and Part-time Merit employee contributions into the URS 401(k) Plan beginning January 13, 2025.

- a. The employer match is 50% of the employee's first 2% contribution.
- b. Full-time and Part-time Merit employees that choose to defer earnings to the URS 401(k) Plan will receive an employer match contribution deposited to their URS 401(k) Plan only.
- c. All deferrals and employer matching contributions are vested immediately and may only be withdrawn according to plan provisions.

9.17 Unemployment Insurance

The District participates in the State Unemployment Insurance Program as a self-insured employer. Any person terminated for reasons other than cause will be eligible for unemployment benefits in accordance with the rules and provisions as provided by the State. Employees terminated for cause shall not be eligible for unemployment benefits from the District.

9.18 Program & Fieldhouse Membership Benefits

Amended March 3, 2021

The following benefits are available during active employment with the District.

9.18.1 Fieldhouse Membership and Fitness Classes for Employees:

- a. Full-time Merit: Free
- b. Part-time Merit: Free¹
- c. Part-time Seasonal: Free
- d. Contract/Special Projects: Free
- e. Board Members: Free

9.18.2 Fieldhouse Membership and Fitness Classes for Spouse, Partner, Child(ren)²:

- a. Full-time Merit: Free
- b. Part-time Merit: Free³
- c. Part-time Seasonal (after six months of consecutive work with at least two shifts/week)⁴: Free
- d. Contract/Special Projects: No discount
- e. Board Members: Free

9.18.3 Fitness Programs for Employees:

- a. Full-time Merit: If space allows, free for employee/spouse/partner/child
- b. Part-time Merit: If space allows, fifty percent (50%) discount for employee, fifteen percent (15%)

discount for spouse/partner or child

- c. Part-time Seasonal: No discount
- d. Contract/Special Projects: No discount
- e. Board Members: If space allows, free for board member/spouse/partner/child

9.18.4 Youth Programs (Recreation and Fieldhouse):

- a. Full-time Merit: Free
- b. Part-time Merit: Twenty percent (20%) discount
- c. Part-time Seasonal: Twenty percent (20%) discount
- d. Contract/Special Projects: No discount
- e. Board Members: Free

9.18.5 Summer Camps (Recreation and Fieldhouse):

- a. Full-time Merit: Free
- b. Part-time Merit: Twenty percent (20%) discount
- c. Part-time Seasonal: Twenty percent (20%) discount
- d. Contract/Special Projects: No discount
- e. Board Members: Free

9.18.6 Specialty or Travel Camps:

- a. Full-time Merit: Fifty percent (50%) discount
- b. Part-time Merit: Twenty percent (20%) discount
- c. Part-time Seasonal: No discount
- d. Contract/Special Projects: No discount
- e. Board Members: Fifty percent (50%) discount

9.18.7 Adult Programs:

- a. Full-time Merit: Case by case
- b. Part-time Merit: Case by case
- c. Part-time Seasonal: No discount
- d. Contract/Special Projects: No discount
- e. Board Members: Case by case

9.18.8 Partnership Programs:

- a. Full-time Merit: Thirty-five percent (35%) discount
- b. Part-time Merit: Twenty percent (20%) discount Seasonal: No discount
- c. Part-time Seasonal: No discount
- d. Contract/Special Projects: No discount
- e. Board Members: Thirty-five percent (35%) discount

9.18.9 Swim Lessons at the Fieldhouse:

- a. Full-time Merit: Free
- b. Part-time Merit: Twenty percent (20%) discount
- c. Part-time Seasonal: No discount

- d. Contract/Special Projects: No discount
- e. Board Members: Free

9.18.9 Private Instruction Programs:

- a. Full-time Merit: Twenty-five percent (25%) discount
- b. Part-time Merit: Twenty percent (20%) discount
- c. Part-time Seasonal: No discount
- d. Contract/Special Projects: No discount
- e. Board Members: Twenty-five percent (25%) discount

9.18.10 Special Events or Programs:

- a. Full-Time Merit: Free

¹ Scheduled Fitness Instructors are included in this category, but substitute instructors are not eligible for benefits.

² Child: a dependent child through age twenty-five (25), including stepchildren. If an employee does not have a spouse, partner, or child to designate, he or she may choose another individual to benefit. The responsibility to ensure proper utilization of the benefit is on the employee's supervisor. ³ Part-time Merit employees must work a minimum of two (2) shifts per week, on average, in order to be eligible for spouse/partner or child privileges. Only one (1) spouse/partner or child can receive the benefit and must be designated upon employment. Scheduled fitness instructors are included in this category, but substitute instructors are not eligible for benefits.

⁴ Part-time Seasonal employees qualify for free Fieldhouse membership and fitness classes for spouse, partner, and child(ren) after six (6) months of working consecutive seasons, with at least two (2) shifts per week. ⁵ A reduced cost is offered only if spaces are available after patron registration for Part-time Merit and Seasonal employees.

Snyderville Basin Special Recreation District

Personnel & Operations Policy Manual

12.0 | Productive Work Environment

References

- See Utah Code §34-41-101, as amended
- See Drug and Alcohol Testing and the Omnibus Transportation Employee Testing Act of 1991, as amended

12.1 Purpose – General Conduct

Amended January 22, 2025

The very nature of governmental service makes public relations one of the most important aspects of the job. The quality of our interactions impacts all employees of the District and the public perception of the District as a whole. Employees are to take every opportunity through the course of performing their job to create “goodwill” with fellow employees and with the public. Employees are required to be courteous and show understanding in spite of the difficulty of situations which may arise. Reports of a negative nature will be investigated by supervisors, and disciplinary actions could result.

- Employees are expected to apply themselves to their assigned duties during the full schedule for which they are being compensated.
- Employees are expected to make prudent and frugal use of District funds, equipment, buildings, and supplies.
- Employees are to report conditions or circumstances that would prevent them from performing their jobs effectively or completing assigned tasks.
- The District Director is responsible for determining what creates a professional business environment in the District.
- The District Director may issue supplemental administrative executive orders or District Directives (see section 1.5 District Directives) outlining additional expectations such as employee conduct and behavioral standards.
- Employees are expected to dress and practice grooming habits consistent with the District’s purpose and which are beneficial in promoting a favorable public image. ~~The District Director is responsible for determining what creates a professional business environment in the District. Standards of dress shall be appropriate for the job and the tasks to be accomplished.~~
- The District expects its employees to present a favorable impression during contact with the public ~~or when representing the District in a professional capacity. This expectation includes, but is not limited to appearance, comportment, and a demonstratable respect for others (including fellow employees).- Employees are expected to maintain a neat and clean personal appearance. Standards of dress shall be appropriate to the job and the tasks to be accomplished.~~
- The District Director may establish uniform and or logo wear requirements for individual departments or positions as needed. If employees have an article of clothing they would like to wear and said article is deemed suitable by the District Director, the District will pay to have the logo embroidered on the article of clothing owned by the employee.

12.2 Outside Employment

District employment shall be the principal vocation of Full-time Merit employees. An employee may engage in outside employment, receive honoraria, or receive paid expenses subject to the following conditions:

- a. The outside employment must not interfere with the efficient performance of the employee's District position. In the event the District Director determines that the outside employment is interfering with the employee's District position, the District Director shall notify the employee in writing that the outside employment must cease.
- b. The outside job must not conflict with the interests of the employee's department or the District.
- c. The outside employment must not be the type that would reasonably give rise to conflicting interests or

duties.

- d. The employee is required to sign a statement concerning outside employment, notify the District Director, and gain approval for acceptable outside employment annually.
- e. If the District Director determines that either the employment or payment could reasonably present a conflict of interest, the District Director shall deny permission. The District Director's decision may not be grieved. Failure to notify the employer and to gain approval is grounds for disciplinary action.
- f. Employees may jeopardize their employment with the District through unsatisfactory performance appraisals affected by outside employment.

12.3 Conflict of Interest

Employees shall not use their District positions or any influence, power, authority, confidential information derived therefrom, or District time, equipment, property, or supplies for private gain. Employees shall not receive outside compensation for their performance of District duties except in cases of:

- a. Awards for meritorious public contribution publicly awarded.
- b. Receipt of honoraria or expenses paid for papers, speeches, or appearances made by employees with the approval of the department manager or on their own time for which they are not compensated by the District nor prohibited by these rules.
- c. Receipt of usual social amenities, ceremonial gifts, or insubstantial advertising gifts as established by state law (See Section 17, Paragraph B). When an employee's responsibilities require an action or a decision which could be interpreted as a conflict of interest, the employee shall declare the potential conflict. The District Director may then determine and notify the employee of the status of the potential conflict, either approving of the activity or listing the objections of the District.

12.4 Non-Competition

The District has an interest in preserving the integrity of information created, received, or kept as part of its governmental business and processes. As a result, any employee who is separated from the District shall be prohibited from using information classified as private, controlled, protected, and gained during their employment in any manner which may be contrary to law or adverse to the District when representing their private interests after separation. Further, in order to protect the integrity of the process and to ensure equitable treatment to all persons dealing with the District, former employees who, as part of their District duties, worked with or assisted any group, individual, or entity in achieving benefits from the District, shall not privately represent or assist those same groups, individuals, or entities in District matters for a period of at least six (6) months after separation from the District.

12.5 Political Activity

Except as otherwise provided by law or by rules and regulations promulgated by the State of Utah or the federal government for federally aided programs, District employees may voluntarily participate in political activity subject to the following provisions:

- a. No person shall be denied the opportunity to become an applicant for a position by virtue of political opinion or affiliation.
- b. No person employed by the District may be dismissed from service as a result of political opinion or

affiliation.

- c. An employee may voluntarily contribute funds to political groups and become a candidate for public office. The intent of this provision is to allow the individual freedom of political expression and to allow employees to serve as county party officers and state or county delegates.
- d. No employee may directly or indirectly coerce, command, advise, or solicit any employee covered under the personnel system to pay, lend, or contribute part of their salary or compensation or anything else of value to any party, committee, organization, agency, or person for political purposes. No supervisor, department manager, employee, or the District Director, whether elected or appointed, may attempt to make any officer's or employee's employment status dependent upon the employee's support or lack of support for any political party, committee, organization, agency, or person engaged in a political activity.
- e. No employee may engage in any political activity during the hours of employment, nor shall any employee solicit political contributions from other District employees during hours of employment. Nothing in this section shall preclude voluntary contributions by a District employee to the party or candidate of the employee's choice.
- f. Nothing contained in this section shall be construed to permit partisan political activity by any District employee who is prevented or restricted from engaging in such political activity by the provisions of the Federal Hatch Act.

12.6 Discrimination Based on Protected Classes

Amended January 22, 2025

12.6.1 Discrimination in any form is a serious offense which will not be tolerated.

12.6.2 Employees may use the **HOTLINE AT 435-336-3050** for any complaints. If this method is used, the caller must be specific as to who is involved and the date and time of the occurrence(s). Please see paragraph 5 below.

12.6.3 Discrimination of a protected class is defined as discrimination of any person because of race, color, religious creed, sex, national origin, age, military status, disability, sexual orientation, gender identification, or any other factors protected by law, including women who are pregnant and/or breastfeeding.

- a. Examples of discrimination may include but are not limited to:
 - i. Using racial or ethnic slurs, offensive stereotypes, or making jokes about these characteristics.
 - ii. Recruiting or hiring practices that are influenced by factors other than skills, knowledge, experience, and a candidate's potential for success.
 - iii. Withholding promotion opportunities or applying adverse employee actions based on factors such as those listed in ¶ 3 above.

12.6.4 Discrimination shall result in disciplinary action up to and including termination of employment.

- a. Employees or officials who willfully report a false discrimination claim shall be subject to disciplinary action.

12.6.5 Reporting and Investigating Claims:

- a. If an employee believes they have been subjected to discrimination, they should:
 - i. Make a written record of the date, time, nature of the incident, and the names of any witnesses.
 - ii. Report the incident immediately to any of the following: a supervisor in the employee's chain of command, the District Director, the Business Manager, or the County Attorney's Office, Civil Division.
 - iii. All incidents should be reported regardless of their seriousness. There shall be no retaliation against an employee who, in good faith, reports an incident of discrimination or against anyone who provides information about violations. Complaints may be submitted by any individual, irrespective of whether the complainant was personally subjected to the offending behavior.
- b. Supervisors who knowingly allow or tolerate any discrimination are in violation of this policy and are subject to disciplinary action up to and including termination of employment. Supervisors must deal quickly and fairly with allegations of discrimination whether or not there has been a formal complaint. They are responsible to:
 - i. Make sure the District's policy is communicated to employees.
 - ii. Immediately report violations to the Business Manager and District Director so that the matter can be investigated.
- c. The District Director, Business Manager, or their designee will conduct a fair and impartial review of the discrimination complaint. All such complaints will be handled with as much confidentiality as possible in order to encourage reporting and to protect the privacy of the parties.
- d. An employee accused of discrimination and facing disciplinary action shall be entitled to receive notice of charges, the evidence to be used against them, and an opportunity to respond before disciplinary action may be taken.

12.6.6 Resolution.

- a. The complainant shall be notified if any disciplinary action has been taken or not taken as a result of the official complaint and subsequent investigation. If either party to the complaint is not satisfied with the action taken or not taken, they may file a written appeal with the Administrative Control Board through the Business Manager within ten (10) working days of receiving official notification of the case resolution from the District Director or Business Manager.
- b. If the complainant is not satisfied with the Board's decision, they have a statutory right to request an investigation by the Utah Division of Antidiscrimination and Labor.

12.7 Sexual Harassment

Amended January 22, 2025

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitutes sexual harassment when submission to or rejection of this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile or offensive work environment.

Employees may use the HOTLINE AT 435-336-3050 for any complaints. If this method is used, the caller must be specific as to who is involved and the date and time of the occurrence(s).

12.7.1 Sexual harassment of coworkers of any type, on or off duty, subtle or otherwise, shall not be tolerated, and violators will be subject to disciplinary action up to and including termination.

12.7.2 Retaliation is prohibited against any employee(s) who has filed an allegation, testified, assisted in, or participated in any investigation proceeding or hearing relating to sexual harassment under this policy.

12.7.3 False or bad faith claims regarding sexual harassment shall result in disciplinary action against the accuser. An employee accused of sexual harassment and facing disciplinary action shall be entitled to receive notice of charges, the evidence to be used against them, and an opportunity to respond before disciplinary action may be taken.

12.7.4 Records and proceedings of sexual harassment claims, investigations, or resolutions are confidential and shall be maintained separate and apart from the employee's personnel file.

12.7.5 All employees, supervisors and management personnel shall receive training on the sexual harassment policy and grievance procedures during orientation and annually during in service training.

12.7.6 Prohibited Conduct: Any unwelcome behavior of a sexual nature, whether verbal, non-verbal, or physical, is prohibited. There are two major categories of sexual harassment:

- a. Quid Pro Quo Sexual Harassment: occurs when an individual's submission to or rejection of sexual advances or conduct of a sexual nature is used as the basis for employment decisions affecting the individual or the individual's submission to such conduct is made a term or condition of employment.
- b. Hostile Environment Sexual Harassment: occurs when unwelcome sexual conduct unreasonably interferes with an individual's job performance or creates a hostile, intimidating, or offensive work environment even though the harassment may not result in tangible or economic job consequences, that is, the person may not lose pay or a promotion.

12.7.7 Sexual harassment may be addressed through either a formal or informal process, depending on the level of offense, as described below.

- a. Informal Process (for less severe forms of sexual harassment): Employees who experience or witness sexual harassment may, if they so desire, choose to address the situation informally by notifying the offending individual that the behavior is objectionable, that their conduct/behavior is unwelcome and that future similar behavior will result in a formal complaint. During this process, the victim may:
 - i. Ask their supervisor for assistance in determining what to say and how to approach the offending employee.
 - ii. Request the supervisor accompany them when giving the offending employee notice.
 - iii. Ask the supervisor to give notice to the offending employee, accompanied by the victim.

- iv. Ask the supervisor alone to provide notice to the offending employee.
- b. Formal Process (for more severe forms of sexual harassment): Employees who have been subjected to forcible sexual abuse or the intentional unwanted touching of the breasts, buttocks, or genitals are not required to use the informal process and should file a formal complaint.
 - i. This formal complaint may be submitted to a supervisor, department manager, Business Manager, or the District Director.
 - ii. If circumstances involve the immediate supervisor, the employee shall seek assistance through the District Director, Business Manager, or the County Attorney's Office, Civil Division.
 - iii. Complaints shall be in writing and specify the identity of the victim; the identity of the offending employee; the offensive behavior that the offender engaged in; the frequency of the offensive behavior; damage the victim suffered as a result of the offensive behavior; how the victim would like the matter settled; and what the victim would like to see happen.
 - iv. The victim will be allowed a reasonable amount of time during work hours to prepare a formal complaint. The victim should submit formal written complaints to any of the following:
 - 1. The District Director
 - 2. The Business Manager
 - 3. County Attorney's Office, Civil Division

12.7.8 Remedies: When a sexual harassment allegation reveals credible evidence, the accused shall face disciplinary action ranging from a letter of reprimand to termination based on all the circumstances of the case. Information contained in the complaint files shall be released only with the written authorization of the victim and the District Director.

12.7.9 Records: Information related to any sexual harassment complaint, proceeding, or resolution shall be maintained in separate and confidential sexual harassment complaint files. This information shall not be placed or maintained in any employee's personnel file.

12.7.10 Victim Protection: Individual complaints, either verbal or written, are confidential. Victims of alleged sexual harassment shall not be required to confront the accused outside of a formal proceeding. Reprisals are prohibited against any employee who has filed a charge, testified, assisted with, or participated in any manner in an investigation, proceeding, or hearing relating to a sexual harassment claim. Any employee engaging in prohibited retaliatory activities shall be subject to disciplinary action up to and including termination. Retaliation is an additional and separate disciplinary offense. Retaliation may consist of, but is not limited to:

- a. Open hostility.
- b. Exclusion or ostracism.
- c. Special or more closely monitored attention to work performance.
- d. Assignment to demeaning duties not otherwise performed during the regular course of the employee's duties.

12.8 Drug-Free Workplace

Amended July 13, 2022

A healthy, safe, and productive workforce that is free from the effects of drugs and alcohol is an essential component in maintaining high-quality operations throughout the District. It is the policy of the District that the unlawful manufacturing, distribution, possession, or use of any controlled substances and/or alcoholic beverages in the workplace is expressly prohibited. All processes, procedures, actions, and requirements undertaken or imposed by the District shall be in conformance with Utah Code §34-41-101 et. seq. Drug and Alcohol Testing and the Omnibus Transportation Employee Testing Act of 1991, revised as of February 15, 1994. In order to achieve a drug-free workplace, employees shall be required to participate in controlled substances testing as set forth below:

12.8.1 Testing

- a. All employees shall be required to participate in controlled substances and/or BAC testing under the following circumstances:
 - i. When there is a reasonable suspicion to believe that an employee is in an impaired state as a result of the consumption of drugs or alcohol.
 - ii. When an employee has been involved in an on-duty accident and directed by their supervisor and/or the District Director.
 - iii. Return-to-duty testing.
 - iv. Follow-up testing.
- b. In addition, employees in Safety Sensitive Positions shall be required to participate in controlled substances testing as outlined in paragraph H.1.a above, as well as:
 - i. When an applicant has been extended a conditional offer of employment but before beginning work.

12.8.2 On a random basis.

- a. Definitions:
- b. Alcohol - Alcohol is defined as an intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols in methyl and isopropyl alcohol, no matter how it is packaged or in what form the alcohol is stored, utilized, or found.
- c. Controlled Substance - Controlled substances are defined as marijuana (THC), cocaine, phencyclidine (PCP), opiates, and amphetamines (including methamphetamine) or any other substances which are included in Title 58, Chapter 37, Utah Controlled Substances Act.
- d. Drug - Any substance recognized as a drug in the United States Pharmacopeia or other drug compendia, including Title 58, Chapter 37 Utah Controlled Substances Act, or supplement to any of those compendia.
- e. Drug Testing - The scientific chemical analysis used for the detection of the presence of drugs or their metabolites in the human body in accordance with the definitions and terms of this policy.
- f. Random Testing - The unannounced drug testing of an employee in a Safety Sensitive Position who was selected for testing by using a method uninfluenced by any personal characteristics other than the job category.
- g. Reasonable Suspicion - Knowledge sufficient to induce an ordinarily prudent and cautious individual under the circumstances to believe that a prohibited activity is occurring.

- h. Reasonable Suspicion Testing – Drug testing pursuant to an articulated belief based on specific recorded facts and reasonable inferences drawn from those facts that an employee or volunteer is in violation of this drug-free workplace policy.
- i. Positive test - Any test result showing a blood alcohol content of 0.02% or greater or the presence of any controlled substances or their metabolites in the test subject or a sample that has been tampered with.
- j. Refusal to Submit to Testing - Failure to provide adequate breath or urine sample without a valid or verified medical explanation after the employee has received notice that they are being tested and a breath or urine sample is required or engages in conduct that clearly obstructs the testing process.
- k. Safety Sensitive Position - Any position which requires an employee to operate a vehicle or equipment.
- l. Return to duty testing - The drug/alcohol testing, with a verified negative test result for controlled substances or their metabolites, of an employee who has been released back to work after seeking help from a rehabilitation program.
- m. Follow-up testing - The drug/alcohol testing of an employee who has sought professional help from a rehabilitation program. The employee shall be tested monthly while under the care of the Substance Abuse Professional and upon release from a rehabilitation program. The employee shall be tested a minimum of six (6) times in the following twelve (12) months following their return to duty. Employees may be subjected to follow-up drug/alcohol testing for a period not to exceed sixty (60) months.
 - i. Follow-up testing beyond one (1) year shall be based on a need assessment provided by a substance abuse professional.

12.8.3 If the employee seeks help prior to discovery, then, confidentiality, job security, and promotional opportunities will be protected. But if the employee does not attempt to seek help and the problem comes to the attention of the District through other means, the employee will be terminated. Discovery begins when an employee has been notified of a random drug test or is directed to be tested following an accident or in the event of reasonable suspicion cases as deemed appropriate by the District Director.

12.8.4 The extent of District assistance, if an employee comes forward prior to discovery, shall be limited to referral to a community resource program with financial limitations as provided in the District health and medical insurance plan.

12.8.5 If an employee is under treatment with a drug that alters their ability to perform the essential functions of a specific position, the employee shall be reassigned if a current job opening exists for which the employee is qualified.

12.8.6 Employees shall not use, be under the influence of, or be in possession of alcohol while on duty, on District premises, or while in District vehicles. District premises include buildings, parking lots, grounds, and vehicles owned by the District or personal vehicles while being used for District business. Under the influence is defined as having blood alcohol content in excess of 0.02%. This provision does not apply to employees attending events on District property during their private (non-working) time, where alcohol may be permitted.

12.8.7 If an employee in a safety sensitive position is called to work outside the regularly scheduled work period, the employee has the right to refuse to go to work if the employee has used alcohol and feels that they may be impaired. The employee must notify their supervisor if they have consumed any alcohol in the last four (4) hours prior to being called in. Employees exercising this option shall have job security and promotional opportunities protected.

12.8.8 Employees trafficking, selling, using, possessing, or being at the workplace under the influence of alcohol, illegal or illegally obtained controlled substances shall be subject to immediate suspension, and such conduct may be grounds for termination of employment.

12.8.9 When a supervisor makes a determination that there is a reasonable suspicion to believe that an employee is under the influence of or is in possession of alcohol or controlled substances, the employee shall be subject to drug/alcohol testing.

12.8.10 Employees performing in safety-sensitive positions are subject to random drug/alcohol tests. The District maintains the right to conduct unannounced inspections of District-owned property, vehicles, workstations, equipment, desks, cabinets, etc.

12.8.11 The District maintains the right to utilize detection methods necessary for the enforcement of this policy including blood, urine, or other tests, and the use of electronic detection equipment and trained animals.

12.8.12 Failure to cooperate with these detection methods or inspections is grounds for termination of employment.

12.8.13 Upon required testing due to an accident or reasonable suspicion, the employee tested shall not engage in the operation of any District equipment or engage in any employment-related duties which their supervisor deems dangerous to themselves or others until the results of the tests are received, and the employee is released back to work by the District.

12.8.14 If any alcohol test result shows a blood alcohol content of 0.04% or greater, the employee shall be terminated.

12.8.15 If an employee test result shows an alcohol concentration of greater than 0.02% but less than 0.04%, the employee shall not be permitted to perform in a safety-sensitive position for at least twenty-four (24) hours.

12.8.16 If a drug test result shows that the employee has tested positive for a controlled substance, the employee shall be terminated.

12.8.17 If an employee tests positive for a controlled substance or the test results show a blood alcohol content of 0.04% or greater, the employee may be referred to a Substance Abuse Professional who shall perform an evaluation at the District's expense to determine whether the employee has a drug/alcohol

problem. This employee may also be provided with information about drug or alcohol treatment programs in the area. The District shall have no obligation or duty to pay for or provide financial assistance for a drug/alcohol treatment program. Referral to treatment creates no protection from other disciplinary actions.

12.8.18 The District shall require a final applicant selected for a Safety Sensitive position with the District to undergo a drug screening test to detect the presence of illegal drugs, controlled substances, or their metabolites in the body. Refusal to take such a test shall be grounds for denial of employment. An applicant who tests positive for a controlled substance or its metabolites, as defined in the definitions of this policy, shall be denied employment with the District for a period of no less than two (2) years. Such applicant may be considered for future employment after such time and following the documented successful completion of a drug/alcohol treatment program accompanied by a positive recommendation of a health care professional but will be required to undergo a mandatory drug screening test before any future employment offer shall be extended and may be subject to random testing for a period of not more than sixty (60) months.

12.8.19 Employees may direct any questions regarding this policy to the District Director and/or Business Manager.

12.9 Nonsmoking Policy

It is the policy of the District to comply with all applicable federal, state, and local regulations regarding smoking and the use of tobacco products (including e-cigarettes or vaporless cigarettes) in the workplace and to provide a work environment that promotes productivity and the well-being of its employees.

12.9.1 The District recognizes that smoking in the workplace can adversely affect employees. Accordingly, smoking is restricted at all District facilities.

12.9.2 Smoking is prohibited inside all District facilities and vehicles. The District Director or their designee is responsible for implementing and monitoring smoking regulations, and supervisors/department managers are expected to enforce such regulations. The smoking policy applies to employees during working hours and to customers and visitors while on District premises.

12.9.3 Employees who wish to smoke may do so outside of District facilities and vehicles as long as they are at least 25' from any entryway, exit, open or closed window, or air intake.

12.9.4 Employees are expected to exercise common courtesy and respect the needs and sensitivities of coworkers with regard to the smoking policy. However, smokers have a special obligation not to abuse break policies and workplace rules. Complaints about smoking issues should be resolved at the lowest level possible but may be processed through the District's grievance procedure. Employees who violate the policy will be subject to disciplinary action.

12.9.5 The District does not discriminate against individuals on the basis of their use of legal products, such as tobacco, if the use occurs during non-working time, off of the District's premises, or in

accordance with this policy.

12.10 Serious and Communicable Diseases

It is the policy of the District that employees with infectious, long-term, life threatening, or other serious diseases may work as long as they are physically and mentally able to perform the duties of their job without undue risk to their own health or that of other employees or customers of District services.

12.10.1 Serious diseases for the purposes of this policy include but are not limited to cancer, heart disease, multiple sclerosis, hepatitis, tuberculosis, drug-resistant tuberculosis, chronic fatigue syndrome, human immune deficiency virus (HIV), and acquired immune deficiency syndrome (AIDS).

12.10.2 The District will support, where feasible and practical, educational programs to enhance employee awareness and understanding of serious diseases.

12.10.3 Employees afflicted with a serious disease are to be treated no differently than any other employee. However, if the serious disease affects their ability to perform assigned duties, such employees are to be treated like other employees who have disabilities that limit their job performance and will be provided reasonable accommodation as long as there is no undue hardship on District operations.

12.10.4 Employees who are diagnosed as having a serious disease and who want an accommodation shall inform their supervisor, the District Director, or the Business Manager of their condition as soon as possible. Anyone receiving such a report shall respond with compassion and understanding. In addition, they shall review with the employee District policy on such issues as employee assistance, leaves and disability, infection control, requesting and granting accommodations, the District's continuing expectation regarding the employee's performance and attendance, and available benefits.

12.10.5 Employees who have a serious disease and who want an accommodation shall provide the District Director with any pertinent medical records needed to make decisions regarding job assignments, ability to continue working, or ability to return to work. The District may also require a doctor's certification of an employee's ability to perform job duties safely. Additionally, the District may request that an employee submit to a medical examination if it believes the employee is a health or safety threat to themselves or others.

12.10.6 The District will maintain the confidentiality of the diagnosis and medical records of employees with serious diseases, unless otherwise required by law. Information relating to an employee's serious disease will not be disclosed to other employees unless the information is, in the opinion of the District Director, necessary to protect the health or safety of the employee, coworkers, or others.

12.10.7 The District will comply with applicable occupational safety regulations concerning employees exposed to blood or other potentially infectious materials. Universal precautions, engineering and work practice controls, and personal protective equipment will be utilized to limit the spread of diseases in the workplace.

12.10.8 Employees concerned about being infected with a communicable disease by a coworker, customer, or other person shall convey this concern to their supervisor, the District Director, or the Business Manager. Employees who refuse to work with or perform services for a person known or suspected to have a serious disease, without first discussing their concern with a supervisor, may be subject to discipline, up to and including termination. In addition, where there is little or no evidence of risk of infection to the concerned employee, that employee may be assigned to work with or perform services for any other employee or customer as required by the District.

**UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY**

WIFIA LOAN AGREEMENT

For Up to \$_____

With

**MOUNTAIN REGIONAL WATER SPECIAL SERVICE
DISTRICT, UTAH**

For the

**[NAME OF PROJECT]
(WIFIA – _____)**

Dated as of [____], 2025

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EXHIBIT L – Form of Public Benefits Report

WIFIA LOAN AGREEMENT

THIS WIFIA LOAN AGREEMENT (this “**Agreement**”), dated as of [____], 2025, is by and between **MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH**, a political subdivision of the State of Utah, (the “**District**”), with an address at 6421 Business Park Loop Road, Suite A, Park District, Utah 84098 (the “**Borrower**”), and the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the “**Administrator**”), with an address at 1200 Pennsylvania Avenue NW, Washington, DC 20460 (the “**WIFIA Lender**”).

RECITALS:

WHEREAS, the Congress of the United States of America enacted the Water Infrastructure Finance and Innovation Act, as amended by Section 1445 of the Fixing America’s Surface Transportation Act of 2015, as further amended by Section 5008 of the Water Infrastructure Improvements For the Nation Act of 2016 and by Section 4201 of America’s Water Infrastructure Act of 2018 (collectively, as the same may be amended from time to time, the “**Act**” or “**WIFIA**”), which is codified as 33 U.S.C. §§ 3901-3914;

WHEREAS, the Act authorizes the WIFIA Lender to enter into agreements to provide financial assistance with one or more eligible entities to make secured loans with appropriate security features to finance a portion of the eligible costs of projects eligible for assistance;

WHEREAS, the Borrower has requested that the WIFIA Lender make the WIFIA Loan (as defined herein) in a principal amount not to exceed \$_____ (excluding interest that is capitalized in accordance with the terms hereof) to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project (as defined herein) pursuant to the application for WIFIA financial assistance dated _____ (the “**Application**”);

WHEREAS, as of the date hereof, the Administrator has approved WIFIA financial assistance for the Project to be provided in the form of the WIFIA Loan, subject to the terms and conditions contained herein;

WHEREAS, based on the Application and the representations, warranties and covenants set forth herein, the WIFIA Lender proposes to make funding available to the Borrower through the purchase of the WIFIA Bond (as defined herein), upon the terms and conditions set forth herein;

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the WIFIA Bond in accordance with the terms and provisions hereof and of the WIFIA Bond; and

WHEREAS, the WIFIA Lender has entered into this Agreement in reliance upon, among other things, the information and representations of the Borrower set forth in the Application and the supporting information provided by the Borrower.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the WIFIA Lender as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1. Definitions.

Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement, whether or not such agreement remains in effect.

“Acceptable Credit Rating” means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers or issues a Qualified Hedge, ‘A+’, ‘A1’ or the equivalent rating from each Nationally Recognized Rating Agency that provides a rating on such Person’s unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable; and (b) at any time thereafter, ‘A’, ‘A2’ or the equivalent rating from each Nationally Recognized Rating Agency that provides a rating on such Person’s unsecured, senior long-term indebtedness or that provides an issuer rating or corporate credit rating for such Person, as applicable.

“Act” means the Act as defined in the recitals hereto.

“Additional Principal Project Contracts” means (a) any contract, agreement, letter of intent, understanding or instrument listed in Part B of **Schedule 12(n)** (*Principal Project Contracts*) and (b) any other contract, agreement, letter of intent, understanding or instrument entered into by (or on behalf of) the Borrower after the Effective Date with respect to the Project, in the case of this clause (b), (i) pursuant to which the Borrower has payment obligations in excess of \$[_____] in the aggregate or (ii) the termination of which could reasonably be expected to have a Material Adverse Effect, but excluding, in the case of this clause (b), any (A) insurance policies or documents pertaining to the Borrower’s self-insurance program (as applicable), (B) Governmental Approvals and (C) agreements, documents and instruments (1) providing for, governing or evidencing any Permitted Indebtedness and any related Permitted Lien for such Permitted Indebtedness or (2) entered into to consummate any Permitted Investment.

“Additional Bonds” means any Bonds permitted under Section 15(a) (*Negative Covenants – Indebtedness*) and under the Indenture, which Bonds are issued or incurred after the Effective Date.

“Additional Subordinate Obligations” means any Subordinate Obligations permitted under Section 15(a) (*Negative Covenants – Indebtedness*) and under the Indenture, which Subordinate Obligations are issued or incurred after the Effective Date.

“Administrator” has the meaning provided in the preamble hereto.

“Aggregate Debt Service” has the meaning set forth in the Indenture.

“Agreement” has the meaning provided in the preamble hereto.

“Anticipated WIFIA Loan Disbursement Schedule” means the schedule set forth in **Exhibit B** (*Anticipated WIFIA Loan Disbursement Schedule*), reflecting the anticipated disbursement of proceeds of the WIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4(c) (*Disbursement Conditions*).

“Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction from time to time concerning or relating to bribery or corruption.

“Anti-Money Laundering Laws” means all U.S. and other applicable laws, rules and regulations of any jurisdiction from time to time concerning or related to anti-money laundering, including but not limited to those contained in the Bank Secrecy Act and the Patriot Act.

“Application” has the meaning provided in the recitals hereto.

“Bank Secrecy Act” means the Bank Secrecy Act of 1970, as amended, and the regulations promulgated thereunder.

“Bankruptcy Related Event” means, with respect to the Borrower, (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its debts, or of a substantial part of the assets thereof, under any Insolvency Laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; (b) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) fail to make a payment of WIFIA Debt Service in accordance with the provisions of Section 8 (*Payment of Principal and Interest*) and such failure is not cured within thirty (30) days following notification by the WIFIA Lender of failure to make such payment, (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief, in each case under any Insolvency Law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any Governmental Authority to authorize commencement of a voluntary proceeding under any Insolvency Law; (c) (i) any Person shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise

disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Bonds, or (ii) any Person shall commence a process pursuant to which all or a substantial part of the Pledged Collateral may be sold or otherwise disposed of pursuant to a sale or disposition of such Pledged Collateral in lieu of foreclosure; or (d) any receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official shall transfer, pursuant to directions issued by the Bondholders, funds on deposit in any of the System Accounts upon the occurrence and during the continuation of an Event of Default under this Agreement or an event of default under the Indenture for application to the prepayment or repayment of any principal amount of the Bonds other than in accordance with the provisions of the Indenture.

“Base Case Financial Model” means a financial model prepared by the Borrower forecasting the capital costs of the System (including the Project) and the rates, revenues, operating expenses and major maintenance requirements of the System for time periods through the Final Maturity Date and based upon assumptions and methodology provided by the Borrower and acceptable to the WIFIA Lender as of the Effective Date, which model shall be provided to the WIFIA Lender as a fully functional Microsoft Excel – based financial model or such other format requested by the WIFIA Lender.

“Bond Act” means the Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, and, to the extent applicable, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Chapter 27 of Title 11, Utah Code Annotated 1953, as amended, and all laws amendatory thereof or supplemental thereto.

“Bond Service Account” means the Bond Service Account in the Principal and Interest Fund established in Section 5.02 of the Indenture.

“Bondholder” means, when used with respect to the WIFIA Bond, the WIFIA Lender (and any subsequent registered holder of the WIFIA Bond) and, when used with respect to any other Bond or Obligation, the registered owner of such Bond or Obligation.

“Bonds” means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to the Indenture, in each case, that rank senior in right of payment and right of security to the Subordinate Obligations, including (a) the Existing Indebtedness, (b) the WIFIA Bond and (c) any Additional Bonds.

“Borrower” has the meaning provided in the preamble hereto.

“Borrower Fiscal Year” means (a) as of the Effective Date, a fiscal year of the Borrower commencing on January 1 of any calendar year and ending on December 31 of the same calendar year or (b) such other fiscal year as the Borrower may hereafter adopt after giving thirty (30) days’ prior written notice to the WIFIA Lender in accordance with Section 15(f) (*Negative Covenants – Fiscal Year*).

“Borrower’s Authorized Representative” means any Person who shall be designated as such pursuant to Section 21 (*Borrower’s Authorized Representative*).

“Business Day” means any day other than a Saturday, a Sunday or a day on which offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, or Summit County, Utah.

“Capital Expenditures” means expenditures made or liabilities incurred for the renewal, replacement, expansion or acquisition of any assets of the System, including improvements or replacements thereto, that have a useful life of more than one (1) year and that are capitalized in accordance with GAAP.

“Capitalized Interest Period” means the period from (and including) the Effective Date to (but excluding) the first day of the initial Payment Period, subject to earlier termination as set forth in Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*).

“Code” means the Internal Revenue Code of 1986, or any successor tax code, as amended from time to time, and the applicable regulations proposed or promulgated thereunder.

“Congress” means the Congress of the United States of America.

“Construction Fund” means the fund by that name established in Section 5.02 of the Indenture.

“Construction Period” means the period from the Effective Date through the Substantial Completion Date.

“Construction Period Servicing Fee” has the meaning set forth in Section 10(a)(ii) (*Fees and Expenses – Fees*).

“Construction Schedule” means (a) the initial schedule or schedules on which the construction timetables for the Project are set forth, attached as **Schedule II** (*Construction Schedule*), and (b) any updates thereto included in the periodic reports submitted to the WIFIA Lender pursuant to Section 16(d) (*Reporting Requirements – Construction Reporting*) most recently approved by the WIFIA Lender.

“Control” means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms **“Controlling”** and **“Controlled by”** have meanings correlative to the foregoing.

“Council” means the County Council of Summit County, Utah, acting as the governing body of the District provided for pursuant to law.

“CPI” means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted) or its successor, published by the Bureau of Labor Statistics and located at <https://www.bls.gov/news.release/cpi.t01.htm>.

“Debt Service” has the meaning set forth in the Indenture.

“Debt Service Payment Commencement Date” means the earliest to occur of either (a) [fixed date]¹; (b) if the Capitalized Interest Period ends pursuant to Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*) due to the occurrence of an Event of Default, the first Payment Date immediately following the end of the Capitalized Interest Period; or (c) the Payment Date falling closest to, but not later than, the fifth anniversary of the Substantial Completion Date.

“Debt Service Reserve Account” means the Debt Service Reserve Account in the Principal and Interest Fund established in Section 5.02 of the Indenture.

“Default” means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means an interest rate equal to the sum of (a) the WIFIA Interest Rate plus (b) [_____] ² basis points.

“Development Default” means (a) the Borrower abandons work or fails, in the reasonable judgment of the WIFIA Lender, to diligently prosecute the work related to the Project or (b) the Borrower fails to achieve Substantial Completion of the Project by [_____].

“District” means the Mountain Regional Water Special Service District, a political subdivision of the State of Utah.

“Dollars” and **“\$”** means the lawful currency of the United States of America.

“Effective Date” means the date of this Agreement.

“Eligible Project Costs” means amounts in the Project Budget approved by the WIFIA Lender, which are paid by or for the account of the Borrower in connection with the Project (including, as applicable, Project expenditures incurred prior to the receipt of WIFIA credit assistance), which shall arise from the following:

- (a) development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work and other preconstruction activities;
- (b) construction, reconstruction, rehabilitation, and replacement activities;
- (c) the acquisition of real property or an interest in real property (including water rights, land relating to the Project and improvements to land), environmental mitigation (including acquisitions pursuant to Section 3905(8) of Title 33 of the United States Code), construction contingencies, and acquisition of equipment; or

¹ In no event later than five (5) years after the Projected Substantial Completion Date as of the Effective Date.

² To be determined by EPA.

(d) capitalized interest (with respect to Obligations other than the WIFIA Loan) necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction;

provided, that Eligible Project Costs must be consistent with all other applicable federal law, including the Act.

“Eligible Project Costs Documentation” has the meaning provided in Section 1 of Exhibit D (Requisition Procedures).

“EMMA” means the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)1 of the Securities Exchange Act of 1934, as amended, and its successors.

“Environmental Laws” has the meaning provided in Section 12(p) (*Representations and Warranties of Borrower – Environmental Matters*).

“EPA” means the United States Environmental Protection Agency.

“Event of Default” has the meaning provided in Section 17(a) (*Events of Default and Remedies*).

“Event of Loss” means any event or series of events that causes any portion of the System to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, including through a casualty, a failure of title, or any loss of such property through eminent domain.

“Existing Indebtedness” means indebtedness of the Borrower that has been issued or incurred prior to the Effective Date, as listed and described in **Schedule III** (*Existing Indebtedness*).

“Existing Principal Project Contract” means each contract of the Borrower set forth in Part A of **Schedule 12(n)** (*Principal Project Contracts*).

“Federal Fiscal Year” means the fiscal year of the Government, which is the twelve (12) month period that ends on September 30 of the specified calendar year and begins on October 1 of the preceding calendar year.

“Final Disbursement Date” means the earliest of (a) the date on which the WIFIA Loan has been disbursed in full; (b) the last anticipated date of disbursement set forth in the then-current Anticipated WIFIA Loan Disbursement Schedule; (c) the date on which the Borrower has certified to the WIFIA Lender that it will not request any further disbursements under the WIFIA Loan; (d) the date on which the WIFIA Lender terminates its obligations relating to disbursements of any undisbursed amounts of the WIFIA Loan in accordance with Section 17 (*Events of Default and Remedies*); and (e) the date that is one (1) year after the Substantial Completion Date.

“Final Maturity Date” means the earlier of (a) [fixed date]³ (or such earlier date as is set forth in an updated **Exhibit F** (*WIFIA Debt Service*) pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*)); and (b) the Payment Date immediately preceding the date that is thirty-five (35) years following the Substantial Completion Date.

“Financial Statements” has the meaning provided in Section 12(t) (*Representations and Warranties of Borrower – Financial Statements*).

“Fund” means one of the funds confirmed or established pursuant to Section 5.02, including the Construction Fund, the Principal and Interest Fund, the Renewal and Replacement Fund and the Revenue Fund.

“GAAP” means generally accepted accounting principles for U.S. state and local governments, as established by the Government Accounting Standards Board (or any successor entity with responsibility for establishing accounting rules for governmental entities), in effect from time to time in the United States of America.

“Government” means the United States of America and its departments and agencies.

“Governmental Approvals” means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

“Governmental Authority” means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts “on behalf of” any of the foregoing, whether as an agency or authority of such body.

“Hedging Agreement” means (a) the ISDA Master Agreement(s) and any related credit support annex, schedules and confirmations, to be entered into by the Borrower and a Hedging Bank, (b) any other agreement entered into, or to be entered into, by the Borrower and a Hedging Bank for a Hedging Transaction, and (c) any other documentation directly relating to the foregoing.

“Hedging Bank” means any Qualified Hedge Provider that becomes a party to a Hedging Agreement and its permitted successors (to the extent such successors are also Qualified Hedge Providers).

“Hedging Obligations” means, collectively, the payment of (a) all scheduled amounts payable to the Hedging Banks by the Borrower under the Hedging Agreements (including interest

³ In no event later than the earlier to occur of (i) the 35th anniversary of the Projected Substantial Completion Date and (ii) the estimated expiration of the useful life of the Project, in each case as of the Effective Date, consistent with 33 U.S.C. § 3908(b)(5).

accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), net of all scheduled amounts payable to the Borrower by such Hedging Banks, and (b) all other indebtedness, fees, indemnities and other amounts payable by the Borrower to the Hedging Banks under such Hedging Agreements, net of all other indebtedness, fees, indemnities and other amounts payable by the Hedging Banks to the Borrower under such Hedging Agreements; provided, that Hedging Obligations shall not include Hedging Termination Obligations. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

“Hedging Termination Obligations” means the aggregate amount payable to the Hedging Banks by the Borrower upon the early termination of all or a portion of the Hedging Agreements, net of all amounts payable to the Borrower by such Hedging Banks upon such early termination. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

“Hedging Transaction” means any interest rate protection agreement, interest rate swap transaction, interest rate “cap” transaction, interest rate future, interest rate option or other similar interest rate hedging arrangement commonly used in loan transactions to hedge against interest rate increases (and not for any speculative purpose).

“Indemnitee” has the meaning provided in Section 32 (*Indemnification*).

“Indenture” means that certain General Indenture of Trust, dated as of June 1, 2001, between the Borrower and the Trustee, providing for the issuance of Water Revenue Bonds, as from time to time amended or supplemented by Supplemental Indentures.

“Indenture Documents” means the Indenture, each Supplemental Indenture, each resolution adopted by the Council for the purpose of authorizing Bonds or other Obligations and each other agreement, instrument and document executed and delivered pursuant to or in connection with any of the foregoing.

“Insolvency Laws” means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, conservatorship or similar law now or hereafter in effect.

“Interest Payment Date” means each _____ and _____, commencing on the Debt Service Payment Commencement Date.

“Investment Grade Rating” means a public rating no lower than ‘BBB-’, ‘Baa3’, ‘bbb-’, ‘BBB (low)’, or higher, from a Nationally Recognized Rating Agency.

“Investment Securities” has the meaning set forth in the Indenture.

“ISDA Master Agreement” means a master agreement, entered into by the Borrower and a Hedging Bank, in the form published by the International Swaps and Derivatives Association, Inc.

“**Lien**” means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or any other applicable law.

“**Loan Amortization Schedule**” means the Loan Amortization Schedule reflected in the applicable column of **Exhibit F** (*WIFIA Debt Service*), as amended from time to time in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*).

“**Loss Proceeds**” means any proceeds of builders’ risk or casualty insurance (other than any proceeds from any policy of business interruption insurance insuring against loss of revenues upon the occurrence of certain casualties or events covered by such policy of insurance) or proceeds of eminent domain proceedings resulting from any Event of Loss.

“**Material Adverse Effect**” means, in the opinion of the District, a material adverse effect on (a) the System, the Project or the Revenues, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower, (c) the legality, validity or enforceability of any material provision of the Indenture or any WIFIA Loan Document, (d) the ability of the Borrower to enter into, perform or comply with any of its material obligations under the Indenture or any WIFIA Loan Document, (e) the validity, enforceability or priority of the Liens provided under the Indenture on the Pledged Collateral in favor of the Secured Parties or (f) the WIFIA Lender’s rights or remedies available under the Indenture or any WIFIA Loan Document.]

“**Nationally Recognized Rating Agency**” means any nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

“**NEPA**” means the National Environmental Policy Act of 1969, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time.

“**NEPA Determination**” means the [Finding of No Significant Impact][Categorical Exclusion] [Record of Decision] for the Project issued by EPA on [_____], 20[___] in accordance with NEPA.

“**Net Loss Proceeds**” means Loss Proceeds after excluding any proceeds of delay-in-start-up insurance and proceeds covering liability of the Borrower to third parties.

“**Net Revenues**” means, for any period, the Revenues for such period, less Operation and Maintenance Costs for such period.

“**Non-Debarment Certificate**” means a certificate, signed by the Borrower’s Authorized Representative, as to the absence of debarment, suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters with respect to the Borrower and its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R.

1532.995), substantially in the form attached hereto as **Exhibit C** (*Form of Non-Debarment Certificate*).

“Non-Lobbying Certificate” means a certificate, signed by the Borrower’s Authorized Representative, with respect to the prohibition on the use of appropriated funds for lobbying pursuant to 49 C.F.R. § 20.100(b), substantially in the form attached hereto as **Exhibit E** (*Form of Non-Lobbying Certificate*).

“Obligations” means debt of the Borrower that is secured by a pledge and lien on all or a portion of the Revenues, including the Bonds and Subordinate Obligations.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Operating Period Servicing Fee” has the meaning set forth in Section 10(a)(iii) (*Fees and Expenses – Fees*).

“Operation and Maintenance Costs” means, subject to Section 14(h)(ii) (*Affirmative Covenants – System Accounts; Investment Securities*), all actual operation and maintenance costs related to the System incurred by the Borrower in any particular Borrower Fiscal Year or period to which said term is applicable or charges made therefor during such Borrower Fiscal Year or period. Such Operation and Maintenance Costs include, but are not limited to, amounts paid by the Borrower for improvement, repair, replacement or for the acquisition of any item of equipment related to the System; salaries and wages; employees’ health, hospitalization, pension and retirement expenses; fees for services, materials and supplies; rents; administrative and general expenses; insurance expenses; Trustee, Paying Agent, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services; training of personnel; taxes, payments in lieu of taxes and other governmental charges (including franchise fees imposed by the Borrower for the use of public streets and rights-of-way); fuel and electricity costs; payments for the purchase of water or the treatment or transmission of water for distribution in the System; payments for the treatment, transmission or disposal of sewage; payments pursuant to any Resource Purchase Agreement; and any other current expenses or obligations required to be paid by the Borrower under the provisions of the Indenture or by law, all to the extent properly allocable to the System. Operation and Maintenance Costs do not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the Borrower, or costs or charges made therefor; and losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties.

“Organizational Documents” means: (a) the constitutional and statutory provisions that are the basis for the existence and authority of the Borrower, including any enabling statutes, ordinances or public charters and any other organic laws establishing the Borrower and (b) the resolutions, bylaws, code of regulations, operating procedures or other organizational documents (including any amendments, modifications or supplements thereto) of or adopted by the Borrower by which the Borrower, its powers, operations or procedures or its securities, bonds, notes or other obligations are governed or from which such powers are derived.

“Outstanding” means (a) with respect to Bonds (other than the WIFIA Bond) or Subordinate Obligations, Bonds or Subordinate Obligations that have not been cancelled or legally defeased or discharged within the meaning of the applicable issuing document or resolutions and (b) with respect to the WIFIA Bond, the (i) entire amount available to be drawn under this Agreement (including amounts drawn and amounts that remain available to be drawn), less (ii) any amount that has been irrevocably determined will not be drawn under this Agreement, less (iii) the aggregate principal amount of the WIFIA Bond that has been repaid.

“Outstanding WIFIA Loan Balance” means the sum of (i) the aggregate principal amount of the WIFIA Loan drawn by the Borrower plus (ii) capitalized interest added to the principal balance of the WIFIA Loan minus (iii) the aggregate principal amount of the WIFIA Loan repaid by the Borrower, as determined in accordance with Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*).

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended, and all regulations promulgated thereunder.

“Paying Agent” means any bank or trust company designated as paying agent for the Bonds of any Series, and its successor or successors hereinafter appointed in the manner provided in Section 7.02 of the Indenture.

“Payment Date” means each Interest Payment Date and each Principal Payment Date.

“Payment Default” has the meaning provided in Section 17(a)(i) (*Events of Default and Remedies – Payment Default*).

“Payment Period” means the six (6) month period beginning on [_____] and ending on [_____] and each succeeding six (6) month period thereafter; provided, that, that if the Debt Service Payment Commencement Date begins earlier than [_____] the first Payment Period shall be the six (6) month period ending on the date immediately prior to the Debt Service Payment Commencement Date.

“Permitted Hedging Termination” means the early termination, in whole or in part, of any Qualified Hedge (a) at the request of the Borrower as a result of a determination by the Borrower that such (or any part of such) Qualified Hedge is no longer necessary or required under the terms of this Agreement, (b) pursuant to the terms of any Hedging Agreement evidencing such Qualified Hedge that provides for the notional amount of such Qualified Hedge to amortize or otherwise be reduced from time to time or (c) as may be required pursuant to Section 14(k)(iii) (*Affirmative Covenants – Variable Rate Bonds*).

“Permitted Indebtedness” means:

- (a) Existing Indebtedness;
- (b) the WIFIA Loan;

(c) Additional Bonds that satisfy the requirements of Section 15(a)(ii) (*Negative Covenants – Indebtedness*) and the Indenture;

(d) Repayment Obligations in respect of Additional Bonds that satisfy the requirements of Section 15(a)(ii) (*Negative Covenants – Indebtedness*) and the Indenture;

(e) Additional Subordinate Obligations that satisfy the requirements of Section 15(a)(iv) (*Negative Covenants – Indebtedness*) and the Indenture; and

(f) indebtedness incurred in respect of Qualified Hedges.

“Permitted Liens” means:

(a) Liens imposed pursuant to the WIFIA Loan Documents;

(b) Liens imposed pursuant to the Indenture Documents with respect to the Permitted Indebtedness;

(c) Liens imposed by law, including Liens for taxes that are not yet due or are being contested in compliance with Section 14(j) (*Affirmative Covenants – Material Obligations*);

(d) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 14(j) (*Affirmative Covenants – Material Obligations*);

(e) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance, and other social security laws or regulations;

(f) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(g) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 17(a)(vi) (*Events of Default and Remedies – Material Adverse Judgment*); and

(h) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that, in any case, do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower.

“Person” means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

“Pledged Collateral” means all of the interests of the Borrower in (a) the proceeds of sale of the Bonds, (b) the Net Revenues, and (c) the Construction Fund, Principal and Interest Fund, Renewal and Replacement Fund, Revenue Fund and any other Funds established or confirmed by the Indenture (except for any Rebate Fund) and pledged for the payment of Principal, Redemption Price and interest on the Bonds and of Repayment Obligations, including the investments, if any, thereof, subject to any required rebate of all or a portion of the earnings on such investments to the United States of America pursuant to the requirements of Section 148(f) of the Code.

“Principal” has the meaning set forth in the Indenture.

“Principal and Interest Fund” means the Principal and Interest Fund established in Section 5.02 of the Indenture.

“Principal Payment Date” means each _____, commencing _____.

“Principal Project Contracts” means the Existing Principal Project Contracts and the Additional Principal Project Contracts.

“Principal Project Party” means any Person (other than the Borrower) party to a Principal Project Contract.

“Project” means (a) the optimization and expansion of the Signal Hill Water Treatment Plant and all related improvements (the “Series 2025 Project”), (b) the refunding of all or a portion of the Borrower’s outstanding Water Revenue Bonds, Series _____ (the “Refunded Bonds”), and (c) the costs of issuance of the WIFIA Bond.⁴

“Project Budget” means the budget for the Project attached to this Agreement as **Schedule I** (*Project Budget*) showing a summary of Total Project Costs with a breakdown of all Eligible Project Costs and the estimated sources and uses of funds for the Project.

“Projected Substantial Completion Date” means [*insert date*], as such date may be adjusted in accordance with Section 16(d) (*Reporting Requirements – Construction Reporting*).

“Public Benefits Report” has the meaning provided in Section 16(e) (*Reporting Requirements – Public Benefits Report*).

“Qualified Hedge” means, to the extent from time to time permitted by law, with respect to Permitted Indebtedness any Hedging Transaction entered into with a Qualified Hedge Provider and meeting the requirements of Section 14(k) (*Affirmative Covenants – Variable Rate Bonds*).

“Qualified Hedge Provider” means any bank or trust company, or an affiliate thereof, authorized to engage in the banking business that is organized under or licensed as a branch or agency under the laws of the United States of America or any state thereof, that has an Acceptable Credit Rating.

“Rate Covenant Requirement” shall mean an amount equal to at least (1) 125% of the Aggregate Debt Service excluding amounts payable on Repayment Obligations for the Fiscal Year, (2) 100% of the Repayment Obligations, if any, which will be due and payable during the forthcoming Borrower Fiscal Year and (3) 100% of the amounts, if any, then required by the Indenture to be deposited into the Debt Service Reserve Account during the forthcoming Borrower Fiscal Year.

“Redemption Price” has the meaning set forth in the Indenture.

“Related Documents” means the Indenture Documents, the WIFIA Loan Documents and the Principal Project Contracts.

“Renewal and Replacement Fund” means the Renewal and Replacement Fund established in Section 5.02 of the Indenture.

“Repayment Obligations” has the meaning set forth in the Indenture.

“Requisition” has the meaning provided in Section 4(a) (*Disbursement Conditions*).

“Reserve Instrument Issuer” has the meaning set forth in the Indenture.

“Resource Purchase Agreement” has the meaning set forth in the Indenture.

“Revenue Fund” means the Revenue Fund established in Section 5.02 of the Indenture.

“Revenues” means all revenues, connection fees, income, rents and receipts derived by the Borrower from or attributable to the System, including the proceeds of any insurance covering business interruption loss. “Revenues” also includes all interest, profits or other income derived from the investment of any moneys held pursuant to the Indenture and required to be paid into the Revenue Fund and the proceeds of any interest subsidy with respect to the Bonds paid for or for the account of the Borrower by any governmental body or agency. Revenues shall not include: (a) proceeds received on insurance resulting from casualty damage to assets of the System; or (b) the proceeds of sale of Bonds, notes or other obligations issued for System purposes.

“Sanctioned Country” means, at any time, a country or territory which is itself the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country, or (c) any Person owned or Controlled by any such Person or Persons.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered, or enforced from time to time by the Government, including those administered by OFAC or the U.S. Department of State.

“Secured Parties” means the WIFIA Lender, any other Bondholders, any Reserve Instrument Issuers and any Security Instrument Issuers.

“Security Instrument Issuer” has the meaning set forth in the Indenture.

“Series” means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to Article III or Section 4.04 or Section 8.06 of the Indenture.

“Series Subaccount” has the meaning set forth in the Indenture.

“Servicer” means such entity or entities as the WIFIA Lender shall designate from time to time to perform, or assist the WIFIA Lender in performing, certain duties hereunder.

“Servicing Fee” means the Servicing Set-Up Fee and any Construction Period Servicing Fee or Operating Period Servicing Fee.

“Servicing Set-Up Fee” has the meaning set forth in Section 10(a)(i) (*Fees and Expenses – Fees*).

“State” has the meaning provided in the preamble hereto.

“Subordinate Obligations” means any Obligation that is fully subordinated to the WIFIA Loan and the WIFIA Bond in priority of payment (as to both principal and interest), voting and priority of security interest in the Pledged Collateral, including with respect to payment from revenues and reserves and payment upon default or acceleration of any such Obligations.

“Substantial Completion” means, with respect to the Project, the stage at which the Project is able to perform the functions for which the Project is designed.

“Substantial Completion Date” means the date on which the Borrower certifies to the WIFIA Lender, with evidence satisfactory to the WIFIA Lender, that Substantial Completion has occurred.

“Summit County” means Summit County, Utah.

“Supplemental Indenture” means any indenture supplemental to the Indenture or amendatory thereof that is in full force and effect and has been duly executed and delivered by the Borrower and the Trustee in accordance with the provisions of the Indenture, including, without limitation, the WIFIA Supplemental Indenture.

“System” means the complete combined waterworks plant and system, sewerage collection, treatment and disposal plant and system, stormwater system and street lighting system of the Borrower, including all improvements, extensions, and additions thereto which may be made while any of the Bonds remain Outstanding, and including all property, real, personal and mixed, of every nature now or hereafter owned by the Borrower and used or useful in the operation of its waterworks, sewerage, stormwater or street lighting properties. The Borrower may, without the

consent of Bond Holders, further amend the definition of System by adding additional systems, properties and improvements and the revenues therefrom by Supplemental Indenture.⁵

“System Accounts” means all funds, accounts or subaccounts established pursuant to the Indenture or holding Revenues, including the Revenue Fund, the Renewal and Replacement Fund, the Principal and Interest Fund (and within the Principal and Interest Fund, the Bond Service Account, and the subaccounts therein including the WIFIA Debt Service Account, and the Debt Service Reserve Account, and the subaccounts therein) and such additional funds, accounts or subaccounts that may be established in connection with the System for Revenues.

“Technical and Rate Consultant” means a single individual or firm, or a combination of one or more individuals or firms, not related to the Borrower and considered independent with respect to the Borrower (i.e. not an employee of the Borrower or any affiliate of the Borrower) authorized to do business in and qualified to practice in the areas required to provide the services required of the Technical and Rate Consultant, that together have expertise in the technical requirements for operation and maintenance of systems similar in size and scope to the System and delivering the services provided by the System, and establishing rates and charges for governmental water, wastewater, stormwater or street lighting systems similar in size and scope to the System, selected by the Borrower and reasonably acceptable to the WIFIA Lender.

“Total Project Costs” means (a) the costs paid or incurred or to be paid or incurred by the Borrower in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance and financing (including costs of issuance); (b) amounts, if any, required by the Indenture Documents or the WIFIA Loan Documents to be paid into any fund or account upon the incurrence of the WIFIA Loan, any Bonds or any Subordinate Obligations, in each case in respect of the Project; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) during the Construction Period in respect of any indebtedness of the Borrower, in each case in connection with the Project (other than the WIFIA Loan); and (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the Project, including general administrative expenses and overhead of the Borrower.

“Trustee” means U.S. Bank Trust Company, National Association appointed by the Borrower pursuant to Section 7.01 of the Indenture, its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Indenture.

“Uncontrollable Force” means any cause beyond the control of the Borrower, including: (a) a hurricane, tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God (provided, that the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved) or (b) the order

⁵ Note: The last sentence of the definition of “System” is still under review by EPA and, at a minimum, EPA would like to ensure continued compliance with the Rate Covenant Requirement at the time of and taking into consideration such proposed additions to the System.

or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the Borrower does not control the administrative agency or governmental officer or body; provided, that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower.

“**Uniform Commercial Code**” or “**UCC**” means the Uniform Commercial Code, as in effect from time to time in the State.

“**Updated Financial Model**” means the Base Case Financial Model, updated in accordance with Section 16(a) (*Reporting Requirements – Updated Financial Model*).

“**Variable Interest Rate**” means a rate of interest on Bonds for any future period of time which is expressed to be calculated at a rate which is not susceptible of a precise determination.

“**Variable Rate Bonds**” means, as of any date of calculation, Bonds the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible of a precise determination.

“**WIFIA**” has the meaning provided in the recitals hereto.

“**WIFIA Bond**” means the Bond delivered by the Borrower in substantially the form of **Exhibit A** (*Form of WIFIA Bond*).

“**WIFIA Debt Service**” means with respect to any Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the Outstanding WIFIA Loan Balance and any interest payable thereon (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), in each case, (a) as set forth on **Exhibit F** (*WIFIA Debt Service*) and (b) due and payable on such Payment Date in accordance with the provisions of Section 8(a) (*Payment of Principal and Interest – Payment of WIFIA Debt Service*).

“**WIFIA Debt Service Account**” means the Series Subaccount in the Bond Service Account established for the benefit of the WIFIA Lender in accordance with the terms of the WIFIA Supplemental Indenture.

“**WIFIA Interest Rate**” has the meaning provided in Section 6 (*Interest Rate*).

“**WIFIA Lender**” has the meaning provided in the preamble hereto.

“**WIFIA Lender’s Authorized Representative**” means the Administrator and any other Person who shall be designated as such pursuant to Section 22 (*WIFIA Lender’s Authorized Representative*).

“**WIFIA Loan**” means the secured loan made by the WIFIA Lender to the Borrower on the terms and conditions set forth herein, pursuant to the Act, in a principal amount not to exceed

\$_____ (excluding capitalized interest), to be used in respect of Eligible Project Costs paid or incurred by the Borrower.

“WIFIA Loan Documents” means this Agreement, the WIFIA Bond, the WIFIA Supplemental Indenture and the WIFIA Loan Authorizing Proceedings.

“WIFIA Loan Authorizing Proceedings” means, collectively, (i) Resolution No. [____], adopted by the Council on _____, and (ii) the public hearing held by the Council on _____.

“WIFIA Supplemental Indenture” means the Sixteenth Supplemental Indenture, dated as of _____ 1, 2025, by and between the Borrower and the Trustee, relating to the WIFIA Loan.

Section 2. Interpretation.

(a) Unless the context shall otherwise require, the words “hereto,” “herein,” “hereof” and other words of similar import refer to this Agreement as a whole.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa.

(c) Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require.

(d) The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.”

(e) Whenever the Borrower’s knowledge is implicated in this Agreement or the phrase “to the Borrower’s knowledge” or a similar phrase is used in this Agreement, the Borrower’s knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower’s knowledge after reasonable and diligent inquiry. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person’s successors and permitted assigns.

(f) Unless the context shall otherwise require, references to preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions are to the applicable preambles, recitals, sections, subsections, clauses, schedules, exhibits, appendices and provisions of this Agreement.

(g) The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement.

(h) The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions.

(i) Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be deemed to include any amendments or supplements

to, or modifications or restatements or replacements of, such documents that are approved from time to time in accordance with the terms thereof and hereof.

(j) Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 31 (*Notices*) and signed by a duly authorized representative of such party.

(k) References to “disbursements of WIFIA Loan proceeds” or similar phrasing shall be construed as meaning the same thing as “paying the purchase price of the WIFIA Bond”.

(l) Whenever this Agreement requires a change in principal amount, interest rate or amortization schedule of the WIFIA Loan, it is intended that such change be reflected in the WIFIA Bond. Whenever there is a mandatory or optional prepayment of the WIFIA Loan, it is intended that such prepayment be implemented through a prepayment of the WIFIA Bond.

ARTICLE II THE WIFIA LOAN

Section 3. WIFIA Loan Amount. The principal amount of the WIFIA Loan shall not exceed \$_____ (excluding any interest that is capitalized in accordance with the terms hereof). WIFIA Loan proceeds available to be drawn shall be disbursed from time to time in accordance with Section 4 (*Disbursement Conditions*) and Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*).

Section 4. Disbursement Conditions.

(a) WIFIA Loan proceeds shall be disbursed solely in respect of Eligible Project Costs paid or incurred and approved for payment by or on behalf of the Borrower in connection with the Project. If the Borrower intends to utilize the WIFIA Loan proceeds to make progress payments for Project construction work performed under the Principal Project Contracts, the Borrower shall demonstrate to the satisfaction of the WIFIA Lender that such progress payments are commensurate with the value of the work that has been completed. Each disbursement of the WIFIA Loan shall be made pursuant to a requisition and certification (a “**Requisition**”) in the form set forth in **Appendix One** (*Form of Requisition*) to **Exhibit D** (*Requisition Procedures*), along with all documentation and other information required thereby, submitted by the Borrower to, and approved by, the WIFIA Lender, all in accordance with the procedures of **Exhibit D** (*Requisition Procedures*) and subject to the requirements of this Section 4 and the conditions set forth in Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*); provided, that no disbursements of WIFIA Loan proceeds shall be made after the Final Disbursement Date.

(b) The Borrower shall deliver copies of each Requisition to the WIFIA Lender on or before the first (1st) Business Day of each month for which a disbursement is requested. If the WIFIA Lender shall expressly approve a Requisition or shall not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15th) day of the month for which a disbursement has been requested, or on the next succeeding Business Day if such fifteenth (15th)

day is not a Business Day. Express WIFIA Lender approval or denial shall be substantially in the form annexed hereto as **Appendix Two** (*[Approval/Disapproval] of the WIFIA Lender*) to **Exhibit D** (*Requisition Procedures*). In no event shall disbursements be made more than once each month.

(c) At the time of any disbursement, the sum of all prior disbursements of WIFIA Loan proceeds and the disbursement then to be made shall not exceed the cumulative disbursements through the end of the then-current Federal Fiscal Year set forth in the Anticipated WIFIA Loan Disbursement Schedule, as the same may be amended from time to time in accordance with the terms of this Agreement. Subject to this Section 4, any scheduled disbursement (as reflected in the Anticipated WIFIA Loan Disbursement Schedule) that remains undrawn at the end of any Federal Fiscal Year shall automatically roll forward to be available in the succeeding Federal Fiscal Year, having the effect of automatically updating the Anticipated WIFIA Loan Disbursement Schedule without need for the WIFIA Lender's approval. The Borrower may also amend the Anticipated WIFIA Loan Disbursement Schedule by submitting a revised version thereof to the WIFIA Lender no later than thirty (30) days prior to the proposed effective date of such amendment, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated WIFIA Loan Disbursement Schedule shall become effective upon the WIFIA Lender's approval thereof, which approval shall be granted or withheld in the WIFIA Lender's sole discretion.

Section 5. Term. The term of the WIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier date as all amounts due or to become due to the WIFIA Lender hereunder have been irrevocably paid in full in immediately available funds.

Section 6. Interest Rate. The interest rate with respect to the Outstanding WIFIA Loan Balance (the "**WIFIA Interest Rate**") shall be [_____] percent ([_____]%) per annum. Interest will accrue and be computed on the Outstanding WIFIA Loan Balance (as well as on any past due interest) from time to time on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided, that, upon the occurrence of an Event of Default, the Borrower shall pay interest on the Outstanding WIFIA Loan Balance at the Default Rate, (a) in the case of any Payment Default, from (and including) its due date to (but excluding) the date of actual payment and (b) in the case of any other Event of Default, from (and including) the date of such occurrence to (but excluding) the earlier of the date on which (i) such Event of Default has been cured (if applicable) in accordance with the terms of this Agreement or (ii) the Outstanding WIFIA Loan Balance has been irrevocably paid in full in immediately available funds. For the avoidance of doubt, interest on the WIFIA Loan (and the corresponding WIFIA Bond) shall accrue and be payable only on those amounts for which a Requisition has been submitted and funds (or such portion of funds as have been approved by WIFIA Lender) have been made available to the Borrower for use on the Project in accordance with Section 4 (*Disbursement Conditions*).

Section 7. Security and Priority; Flow of Funds.

(a) As security for the WIFIA Loan, and concurrently with the issuance and delivery of this Agreement, the Borrower shall pledge, assign and grant to the WIFIA Lender for its benefit, Liens on the Pledged Collateral in accordance with the provisions of the Indenture and shall deliver to the WIFIA Lender, as the registered owner, the WIFIA Bond. The WIFIA Loan

shall be secured by the Liens on the Pledged Collateral on a parity with the Bonds and any Repayment Obligations and senior to all Subordinate Obligations. The WIFIA Bond shall be a Bond under the Indenture, entitled to all of the benefits of a Bond under the Indenture.

(b) Except (i) for Permitted Liens, or (ii) to the extent otherwise provided in Section 7(a), the Pledged Collateral will be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto, of equal rank with or senior to the pledge of the Borrower created under the Indenture, and all organizational, regulatory or other necessary action on the part of the Borrower with respect to the foregoing has been duly and validly taken.

(c) The Borrower shall not use Revenues to make any payments or satisfy any obligations other than in accordance with the provisions of this Section 7 and the Indenture and shall not apply any portion of the Revenues in contravention of this Agreement or the Indenture.

(d) The Indenture provides that all Revenues shall be deposited into the Revenue Fund and applied in accordance with the requirements specified in Section 5.05, Section 5.06, Section 5.07 and Section 5.08 of the Indenture, which requirements are hereby incorporated herein and a copy of such section, as of the Effective Date, is attached hereto as **Schedule V (Flow of Funds)**. For avoidance of doubt, amounts remaining in the Revenue Fund at the end of each month after payment of the amounts required by Section 5.05(a) of the Indenture may be applied by the Borrower, free and clear of the lien of the Indenture, to any other lawful purpose of the Borrower. Further, for avoidance of doubt, amounts remaining in the Revenue Fund at the end of each month not required to make any of the payments required by Section 5.05(a) of the Indenture or expended by the Borrower at any time as permitted by Section 5.05(b) shall remain in the Revenue Fund and remain subject to the pledge and lien provided in Section 7(a).

(e) Pursuant to the WIFIA Supplemental Indenture, the Borrower shall establish the WIFIA Debt Service Account as a Series Subaccount of the Bond Service Account for the payment of all WIFIA Debt Service. The Borrower shall maintain the WIFIA Debt Service Account throughout the term of the WIFIA Loan.

Section 8. Payment of Principal and Interest.

(a) Payment of WIFIA Debt Service.

(i) On each Payment Date occurring on or after the Debt Service Payment Commencement Date, the Borrower shall pay WIFIA Debt Service by making (A) semi-annual payments of interest, on each Interest Payment Date, (B) annual payments of principal, on each Principal Payment Date, and (C) payments of any other amounts on each other date on which payment thereof is required to be made hereunder (including the Final Maturity Date and any date on which payment is due by reason of the [mandatory redemption or prepayment] or otherwise); provided, that if any such date is not a Business Day, payment shall be made on the next Business Day following such date. Payments of WIFIA Debt Service shall be made in the amounts and on the Payment Dates as set forth in **Exhibit F (WIFIA Debt Service)**, as the same may be revised pursuant to Section 8(e) (*Payment of Principal and Interest – Adjustments to Loan Amortization Schedule*), and

shall be calculated by the WIFIA Lender in such manner that [each of such payments shall be approximately equal in amount], in order for the Outstanding WIFIA Loan Balance to be reduced to \$0 on the Final Maturity Date.

(ii) Notwithstanding anything herein to the contrary, the Outstanding WIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date (or on any earlier date on which the WIFIA Loan and corresponding WIFIA Bond are subject to [mandatory redemption or prepayment prior to maturity thereof]).

(b) Capitalized Interest Period. No payment of the principal of or interest on the WIFIA Loan is required to be made during the Capitalized Interest Period. Interest on amounts capitalized pursuant to this Section 8(b) shall commence on the date such interest is added to the principal balance of the WIFIA Loan (and corresponding WIFIA Bond) during the Capitalized Interest Period. On each _____ and _____ occurring during the Capitalized Interest Period, interest accrued on the WIFIA Loan in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding WIFIA Loan Balance. Within thirty (30) days after the end of the Capitalized Interest Period, the WIFIA Lender shall give written notice to the Borrower stating the Outstanding WIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other WIFIA Loan Documents. Notwithstanding the foregoing, the Capitalized Interest Period shall end immediately upon written notification to the Borrower by the WIFIA Lender that an Event of Default has occurred, in which case the provisions of this Section 8(b) shall no longer apply and payments of principal and interest shall be currently due and payable in accordance with the terms hereof and interest shall no longer be capitalized. For purposes of this subsection, an Event of Default under Section 17(a)(v) (*Events of Default and Remedies – Cross Default with Other Financing Documents*) shall be deemed to have occurred upon the occurrence of any nonpayment of principal of, interest on or redemption price of Obligations when due, regardless of whether the holders of the applicable Obligations or the Trustee for the applicable obligations, or any legal order, has waived, permitted deferral of, or forgiven any such payment.

(c) WIFIA Bond. As evidence of the Borrower's obligation to repay the WIFIA Loan, the Borrower shall issue and deliver to the WIFIA Lender, on or prior to the Effective Date, the WIFIA Bond substantially in the form of **Exhibit A** (*Form of WIFIA Bond*), having a maximum principal amount (excluding capitalized interest) of \$_____, bearing interest at the WIFIA Interest Rate and having principal and interest payable on the same dates set forth herein. Any payment in respect of the WIFIA Bond shall be treated as a payment in respect of the WIFIA Loan and any prepayment of principal in respect of the WIFIA Loan shall be treated as a redemption in respect of the WIFIA Bond.

(d) Manner of Payment. Payments under this Agreement (and the WIFIA Bond, which payments shall not be duplicative) shall be made by wire transfer on or before each Payment Date in Dollars and in immediately available funds (without counterclaim, offset or deduction) in accordance with the payment instructions set forth in **Schedule IV** (*WIFIA Payment Instructions*), as may be modified in writing from time to time by the WIFIA Lender. The

Borrower may make any such payment or portion thereof (or direct the Trustee to make such payment) with funds then on deposit in the WIFIA Debt Service Account.

(e) Adjustments to Loan Amortization Schedule. (i) The Outstanding WIFIA Loan Balance will be (A) increased on each occasion on which the WIFIA Lender disburses loan proceeds hereunder, by the amount of such disbursement of loan proceeds; (B) increased on each occasion on which interest on the WIFIA Loan is capitalized pursuant to the provisions of Section 8(b) (*Payment of Principal and Interest – Capitalized Interest Period*), by the amount of interest so capitalized; and (C) decreased upon each payment or prepayment of the Outstanding WIFIA Loan Balance, by the amount of principal so paid. The WIFIA Lender may in its discretion at any time and from time to time, or when so requested by the Borrower, advise the Borrower by written notice of the amount of the Outstanding WIFIA Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error.

(ii) The WIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit F (WIFIA Debt Service)** from time to time, in accordance with the principles set forth below in this Section 8(e), to reflect (A) any change to the Outstanding WIFIA Loan Balance, (B) any change to the date and amount of any principal or interest due and payable or to become due and payable by the Borrower under this Agreement, and (C) such other information as the WIFIA Lender may determine is necessary for administering the WIFIA Loan and this Agreement. Any calculations described above shall be rounded up to the nearest whole cent. Any adjustments or revisions to the Loan Amortization Schedule as a result of changes in the Outstanding WIFIA Loan Balance shall be applied to the WIFIA Bond in inverse order of maturity, other than prepayments which shall be applied in accordance with Section 9(d) (*Prepayment – General Prepayment Instructions*). Absent manifest error, the WIFIA Lender's determination of such matters as set forth on **Exhibit F (WIFIA Debt Service)** shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other WIFIA Loan Document. The WIFIA Lender shall provide the Borrower with a copy of **Exhibit F (WIFIA Debt Service)** as revised, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other WIFIA Loan Documents.

Section 9. Prepayment.

(a) [Based upon discussions and agreement of the parties, occurrence of a Bankruptcy Related Event will result in an increase in interest rate to 400 basis points over Treasury; WIFIA and WIFIA counsel to propose language.] Optional Prepayments. The Borrower may prepay the WIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in principal amounts of \$1,000,000 or any integral multiple of \$1.00 in excess thereof), from time to time, but not more than annually, without penalty or premium, by paying to the WIFIA Lender such principal amount of the WIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment, which shall be a Payment Date unless otherwise agreed by the WIFIA Lender, and shall further include payment of all other

Obligations in respect of the WIFIA Loan, including fees and expenses, then due and payable. Each prepayment of the WIFIA Loan pursuant to this Section 9(b) shall be made on such Payment Date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the WIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment, unless otherwise agreed by the WIFIA Lender. At any time between delivery of such written notice and the applicable optional prepayment, the Borrower may, without penalty or premium, rescind its announced optional prepayment by further written notice to the WIFIA Lender. Anything in this Section 9(b) to the contrary notwithstanding, the failure by the Borrower to make any optional prepayment shall not constitute a breach or default under this Agreement.

(b) Borrower's Certificate. Each prepayment pursuant to this Section 9 shall be effected pursuant to the WIFIA Bond and accompanied by a certificate signed by the Borrower's Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a calculation in reasonable detail of the amount of such prepayment.

(c) General Prepayment Instructions. Upon the WIFIA Lender's receipt of confirmation that payment in full in immediately available funds of the entire Outstanding WIFIA Loan Balance and any unpaid interest, fees and expenses with respect thereto has occurred as a result of a mandatory or optional prepayment, the WIFIA Lender shall surrender the WIFIA Bond to the Borrower or its representative at the principal office of the WIFIA Lender. If the Borrower prepays only part of the unpaid balance of principal of the WIFIA Loan, the WIFIA Lender may make a notation on **Exhibit F** (*WIFIA Debt Service*) indicating the amount of principal of and interest on the WIFIA Loan then being prepaid. Absent manifest error, the WIFIA Lender's determination of such matters as set forth on **Exhibit F** (*WIFIA Debt Service*) shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower's obligations hereunder or under any other WIFIA Loan Document. All such partial prepayments of principal shall be applied to the WIFIA Loan in inverse order of maturity. If such funds have not been so paid on the prepayment date, such principal amount of the WIFIA Loan shall continue to bear interest until payment thereof at the rate provided for in Section 6 (*Interest Rate*).

Section 10. Fees and Expenses.

(a) Fees. The Borrower shall pay to the WIFIA Lender:

(i) a servicing set-up fee equal to \$_____ (the "**Servicing Set-Up Fee**"), which shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the first disbursement date of the WIFIA Loan);

(ii) an annual construction period servicing fee equal to \$_____ (the "**Construction Period Servicing Fee**"), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each _____ during the Construction Period (including the Federal Fiscal Year during which the Substantial Completion Date occurs); provided, that the initial Construction

Period Servicing Fee shall be due and payable within thirty (30) days after receipt of an invoice from the WIFIA Lender with respect thereto (or, if earlier, the first disbursement date of the WIFIA Loan), in a pro-rated amount equal to \$_____; and

(iii) an annual operating period servicing fee equal to \$_____ (the “**Operating Period Servicing Fee**”), which shall accrue on the first Business Day of the then-current Federal Fiscal Year and shall be due and payable on or prior to each _____, beginning with the first _____ following the end of the Federal Fiscal Year during which the Substantial Completion Date occurs, until (and including) the Final Maturity Date; provided, that the Operating Period Servicing Fee due and payable with respect to the Federal Fiscal Year during which the Final Maturity Date occurs shall be equal to the pro-rata monthly portion of the then applicable Operating Period Servicing Fee multiplied by the number of partial or whole months remaining between _____ and the Final Maturity Date.

(b) The amount of each Construction Period Servicing Fee (other than the initial Construction Period Servicing Fee) and each Operating Period Servicing Fee shall be adjusted in proportion to the percentage change in CPI for the calendar year immediately preceding the calendar year during which such fee is due. The WIFIA Lender shall notify the Borrower of the amount of each such fee at least thirty (30) days before payment is due, which determination shall be conclusive absent manifest error.

(c) Expenses. The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the WIFIA Lender on demand from time to time, within thirty (30) days after receipt of any invoice from the WIFIA Lender, for any and all fees, costs, charges, and expenses incurred by it (including the fees, costs, and expenses of its legal counsel, financial advisors, auditors and other consultants and advisors) in connection with the negotiation, preparation, execution, delivery, and performance of this Agreement and the other WIFIA Loan Documents and the transactions hereby and thereby contemplated, including attorneys’, and engineers’ fees and professional costs, including all such fees, costs, and expenses incurred as a result of or in connection with (i) the enforcement of or attempt to enforce, or the protection or preservation of any right or claim under, the Pledged Collateral or any provision of this Agreement or any of the other WIFIA Loan Documents or the rights of the WIFIA Lender thereunder; (ii) any amendment, modification, waiver, or consent with respect to this Agreement or any other Related Document; and (iii) any work-out, restructuring, or similar arrangement of the obligations of the Borrower under this Agreement or the other WIFIA Loan Documents, including during the pendency of any Event of Default.

(d) The obligations of the Borrower under this Section 10 shall survive the payment or prepayment in full or transfer of the WIFIA Bond, the enforcement of any provision of this Agreement or the other WIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring, or similar arrangement.

ARTICLE III CONDITIONS PRECEDENT

Section 11. Conditions Precedent.

(a) Conditions Precedent to Effectiveness. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The Borrower shall have duly executed and delivered to the WIFIA Lender this Agreement, the WIFIA Bond, and the WIFIA Supplemental Indenture, each in form and substance satisfactory to the WIFIA Lender.

(ii) The Borrower shall have delivered to the WIFIA Lender complete and fully executed copies of the Indenture, each Supplemental Indenture (including the WIFIA Supplemental Indenture) and any other Indenture Document authorizing Obligations in respect of the Project that has been entered into on or prior to the Effective Date, together with any amendments, waivers or modifications thereto, along with a certification in the Closing Certificate that each such document is complete, fully executed and in full force and effect, and that all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled.

(iii) The Borrower shall have delivered to the WIFIA Lender complete and fully executed copies of each Existing Principal Project Contract, together with any amendments, waivers or modifications thereto, along with a certification in the Closing Certificate that each such document is complete, fully executed and in full force and effect.

(iv) The Borrower shall have delivered to the WIFIA Lender (A) a copy of its Organizational Documents, as in effect on the Effective Date (and certified by the appropriate official of the State, to the extent applicable), along with a certification in the Closing Certificate that such Organizational Documents are in full force and effect, and (B) other than the WIFIA Supplemental Indenture, all further instruments and documents (including any resolutions, ordinances, and supplements) as are necessary for the Borrower to execute and deliver, and to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents.

(v) Counsel to the Borrower shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-1** (*Opinions Required from Counsel to Borrower*) and bond counsel to the Borrower shall have rendered to the WIFIA Lender legal opinions satisfactory to the WIFIA Lender in its sole discretion (including those opinions set forth on **Exhibit G-2** (*Opinions Required from Bond Counsel*)).

(vi) The Borrower shall have delivered to the WIFIA Lender the Non-Debarment Certificate.

(vii) The Borrower shall have delivered to the WIFIA Lender the Non-Lobbying Certificate and the Preaward Compliance Review Report for All Applicants and Recipients Requesting EPA Financial Assistance on EPA FORM 4700-4.

(viii) The Borrower shall have delivered to the WIFIA Lender a certificate, signed by the Borrower's Authorized Representative, substantially in the form attached hereto as **Exhibit I** (*Form of Closing Certificate*) (the "**Closing Certificate**") (A) designating the Borrower's Authorized Representative, (B) confirming such person's position and incumbency, and (C) certifying as to the satisfaction of the following conditions precedent:

(1) the aggregate of all funds committed to the development and construction of the Project as set forth in the Base Case Financial Model and in the Project Budget are sufficient to carry out the Project, pay all Total Project Costs anticipated for the Project and achieve Substantial Completion by the Projected Substantial Completion Date;

(2) the Borrower has obtained all Governmental Approvals necessary (x) as of the Effective Date in connection with the Project and (y) to execute and deliver, and perform its obligations under the WIFIA Loan Documents, and all such Governmental Approvals are final, non-appealable, and in full force and effect (and are not subject to any notice of violation, breach, or revocation);

(3) as of the Effective Date, (x) the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (y) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs;

(4) the Borrower is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project, and, if requested by the WIFIA Lender, has provided evidence satisfactory to the WIFIA Lender of such compliance;

(5) the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project during its useful life;

(6) the Borrower has (A) obtained a Federal Employer Identification Number, (B) obtained a Data Universal Numbering System number, and (C) registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov);

(7) the Borrower has obtained a CUSIP number for the WIFIA Loan for purposes of monitoring through EMMA;

(8) the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other Related Document to which the Borrower is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date; and

(9) no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since _____.

(ix) The Borrower shall have delivered to the WIFIA Lender a duly executed certificate from the Trustee in the form attached hereto as **Exhibit H** (*Form of Certificate of Trustee*).

(x) The Borrower shall have provided evidence to the WIFIA Lender's satisfaction, no more than thirty (30) days prior to the Effective Date, of the assignment by at least two (2) Nationally Recognized Rating Agencies of a public Investment Grade Rating to the Bonds then Outstanding and any Bonds proposed to be issued for the Project (including the WIFIA Loan), along with a certification in the Closing Certificate that no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(xi) The Borrower shall have delivered to the WIFIA Lender a Base Case Financial Model in form and substance acceptable to the WIFIA Lender, along with a certification in the Closing Certificate that such Base Case Financial Model (A) demonstrates that projected Net Revenues are sufficient to meet the Loan Amortization Schedule, (B) demonstrates compliance with the Rate Covenant Requirement for each Borrower Fiscal Year through the Final Maturity Date; (C) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender and (D) demonstrates that the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project over the useful life of the Project.

(xii) The Borrower shall have delivered to the WIFIA Lender (A) (1) certificates of insurance or (2) if the Borrower is self-insured, a certificate of the Borrower's risk management department pertaining to the Borrower's self-insurance program, in each case reflecting the WIFIA Lender as an additional insured to the extent of its insurable interest, along with a certification in the Closing Certificate that such insurance certificate is true and correct and demonstrates compliance with the requirements

of Section 14(f) (*Affirmative Covenants – Insurance*) and (B) at the WIFIA Lender’s request, copies of such insurance policies and/or, if applicable, documents pertaining to the Borrower’s self-insurance program and documents pertaining to the Borrower’s self-insurance program.

(xiii) No later than thirty (30) days after the Effective Date, the Borrower shall have delivered to the WIFIA Lender the Public Benefits Report.

(xiv) The Borrower shall have provided the WIFIA Lender records of any Eligible Project Costs incurred prior to the Effective Date, in form and substance satisfactory to the WIFIA Lender.

(xv) The Borrower shall have paid in full all invoices delivered by the WIFIA Lender to the Borrower as of the Effective Date for the fees and expenses of the WIFIA Lender’s counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

(xvi) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the WIFIA Lender, all in form and substance satisfactory to the WIFIA Lender.

(b) Conditions Precedent to Disbursements. Notwithstanding anything in this Agreement to the contrary, the WIFIA Lender shall have no obligation to make any disbursement of loan proceeds to the Borrower (including the initial disbursement hereunder) until each of the following conditions precedent has been satisfied or waived in writing by the WIFIA Lender in its sole discretion:

(i) The Borrower shall have provided to the WIFIA Lender evidence satisfactory to the WIFIA Lender that (A) the aggregate amount of all disbursements of the WIFIA Loan (including the requested disbursement but excluding any interest that is capitalized in accordance with the terms hereof) shall not exceed (1) \$_____, (2) the amount of Eligible Project Costs paid or incurred by the Borrower, and (3) the cumulative disbursements through the end of the current Federal Fiscal Year as set forth in the Anticipated WIFIA Loan Disbursement Schedule; (B) the Borrower has sufficient available funds committed to the Project, which together with funds that remain available and not yet drawn under the WIFIA Loan, will be sufficient to pay the reasonably anticipated remaining Total Project Costs; and (C) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs.

(ii) The Borrower shall have provided an Updated Financial Model in compliance with the requirements of Section 16(a) (*Reporting Requirements – Updated Financial Model*).

(iii) The Borrower shall have delivered to the WIFIA Lender a Requisition that complies with the provisions of Section 4 (*Disbursement Conditions*) (including satisfactory Eligible Project Costs Documentation relating to such Requisition),

and the WIFIA Lender shall have approved (or be deemed to have approved in accordance with Section 4(b) (*Disbursement Conditions*)) such Requisition. The Borrower's Authorized Representative shall also certify in such Requisition that:

(A) all Governmental Approvals necessary as of the time of such disbursement for the development, construction, operation and maintenance of the Project have been issued and are in full force and effect (and are not subject to any notice of violation, breach or revocation);

(B) each of the insurance policies obtained by the Borrower and by any applicable Principal Project Party in satisfaction of the conditions in Section 14(f) (*Affirmative Covenants – Insurance*) is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider;

(C) at the time of, and immediately after giving effect to, any disbursement of WIFIA Loan proceeds then currently requested, (1) no Default or Event of Default hereunder shall have occurred and be continuing; (2) no event of default or default that, with the giving of notice or the passage of time or both, would constitute an event of default, in each case, under any other Related Document, shall have occurred and be continuing; and (3) no Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred since _____;

(D) (1) the Borrower, and each of its contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including without limitation 40 U.S.C. §§ 3141–3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. § 3914 (relating to American iron and steel products); and (2) supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender; and

(E) the representations and warranties of the Borrower set forth in this Agreement (including Section 12 (*Representations and Warranties of Borrower*)) and in each other Related Document shall be true and correct as of each date on which any disbursement of the WIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(iv) No Material Adverse Effect, or any event or condition that could reasonably be expected to result in a Material Adverse Effect, shall have occurred since _____.

(v) To the extent not previously delivered to the WIFIA Lender, the Borrower shall have delivered to the WIFIA Lender copies of any Indenture Document (including any amendment, waiver, modification or supplement thereto) entered into after

the Effective Date, along with a certification in the Requisition that each such document is complete, fully executed and in full force and effect.

(vi) To the extent not previously delivered to the WIFIA Lender, the Borrower shall have provided copies of any Principal Project Contracts (including any amendment, modification or supplement thereto) entered into after the Effective Date, along with a certification in the Requisition that each such document is complete, fully executed and in full force and effect.

(vii) The Borrower shall have paid in full (A) any outstanding Servicing Fees due and payable under Section 10 (*Fees and Expenses*) and (B) all invoices received from the WIFIA Lender as of the date of disbursement of the WIFIA Loan and delivered by the WIFIA Lender to the Borrower, for the fees and expenses of the WIFIA Lender's counsel and financial advisors and any auditors or other consultants retained by the WIFIA Lender for the purposes hereof.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 12. Representations and Warranties of Borrower. The Borrower hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in Section 12(b) (*Representations and Warranties of Borrower – Officers' Authorization*), the first sentence of Section 12(f) (*Representations and Warranties of Borrower – Litigation*), Section 12(k) (*Representations and Warranties of Borrower – Credit Ratings*), and the first sentence of Section 12(n) (*Representations and Warranties of Borrower – Principal Project Contracts*), as of each date on which any disbursement of the WIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a political subdivision of the State duly organized and validly existing under its Organizational Documents and the laws of the State, has full legal right, power and authority to do business in the State and to enter into the Related Documents then in existence, to execute and deliver this Agreement and the WIFIA Bond, and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this Agreement, the WIFIA Bond, and all other Related Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of the Borrower executing (or that previously executed) the Related Documents, and any certifications or instruments related thereto, to which the Borrower is a party are (or were at the time of such execution) duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the Related Documents in effect as of any date on which this representation and warranty is made, and to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower and constitutes the legal, valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is

subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the Borrower is a party, the consummation of the transactions contemplated by the Related Documents, and the fulfillment of or compliance with the terms and conditions of all of the Related Documents, will not (i) conflict with the Borrower's Organizational Documents, (ii) conflict in any material respect with, or constitute a material violation, breach or default (whether immediately or after notice or the passage of time or both) by the Borrower of or under, any applicable law, administrative rule or regulation, any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties or assets are otherwise subject or bound, or (iii) result in the creation or imposition of any prohibited Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any indebtedness of the Borrower or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower of the Related Documents, except as have been obtained or made and as are in full force and effect, or (ii) (A) the consummation of any transaction contemplated by any Related Documents or (B) the fulfillment of or compliance by the Borrower with the terms and conditions of any of the Related Documents, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. [Except as set forth in **Schedule 12(f)**, a][A]s of the Effective Date, there is no action suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation, in any case before or by any State or federal court in the State or other Governmental Authority pending or, to the knowledge of the Borrower, threatened against or affecting the System (including the Project) or the ability of the Borrower to execute, deliver and perform its obligations under the Related Documents. As of the Effective Date and as of each other date on which the representations and warranties herein are made or confirmed, there is no action, suit, proceeding or, to the knowledge of the Borrower, any inquiry or investigation before or by any court or other Governmental Authority pending, or to the knowledge of the Borrower, threatened against or affecting the System (including the Project), the Borrower or the assets, properties or operations of the Borrower, that in any case could reasonably be expected to result in a Material Adverse Effect. To the Borrower's knowledge, there are no actions of the type described above pending or, threatened against or affecting any of the Principal Project Parties, except for matters arising after the Effective Date that could not reasonably be expected to (i) result in a Material Adverse Effect or (ii) adversely affect the Borrower's ability to receive Revenues in amounts sufficient to meet the financial projections contained in the Base Case Financial Model (or any Updated Financial Model, to the extent any Updated Financial Model has been approved by the WIFIA Lender). The Borrower is not in default (and no event has occurred and is continuing that, with the giving of notice or the passage of time or both, could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. (i) The Indenture and the Bond Act establish, and (ii) the Borrower has taken all necessary action to pledge, assign, and grant, in each case to secure the Bonds (including the WIFIA Bond), legal, valid, binding and enforceable Liens on the Pledged Collateral purported to be created, pledged, assigned, and granted pursuant to and in accordance with the Indenture, irrespective of whether any Person has notice of the pledge and without the need for any physical delivery, recordation, filing, or further act, and the security interests created in the Pledged Collateral have been duly perfected under applicable State law. Such Liens are in full force and effect and are not subordinate or junior to any other Liens in respect of the Pledged Collateral except for the Permitted Liens arising by operation of law, and not *pari passu* with any obligations other than Bonds. The Borrower is not in breach of any covenants set forth in Section 14(b) (*Affirmative Covenants – Securing Liens*) or in the Indenture with respect to the matters described in Section 14(b) (*Affirmative Covenants – Securing Liens*). As of the Effective Date and as of each other date this representation and warranty is made, (A) all documents and instruments have been recorded or filed for record in such manner and in such places as are required and all other action as is necessary or desirable has been taken to establish a legal, valid, binding, and enforceable and perfected Lien on the Pledged Collateral in favor of the Trustee (for the benefit of the Secured Parties) to the extent contemplated by the Indenture and the WIFIA Loan Documents, and (B) all taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of any documents related to the Indenture or any instruments, certificates or financing statements in connection with the foregoing, have been paid. Neither the attachment, perfection, validity, enforceability nor priority of the security interest in the Pledged Collateral granted pursuant to the Indenture is governed by Article 9 of the UCC.

(h) No Debarment. The Borrower has fully complied with its verification obligations under 2 C.F.R. § 180.320 and confirms, based on such verification, that, to its knowledge, neither the Borrower nor any of its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. § 1532.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered pursuant to Section 11(a)(vi) (*Conditions Precedent – Conditions Precedent to Effectiveness*).

(i) Accuracy of Representations and Warranties. The representations, warranties and certifications of the Borrower set forth in this Agreement and all other Related Documents are true, correct, and complete, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true, correct, and complete as of such earlier date).

(j) Compliance with Laws.

(i) The Borrower, and each of its contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including without limitation 40 U.S.C. §§ 3141–3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. § 3914 (relating to American iron and steel products).

(ii) To ensure such compliance, the Borrower has included in all contracts with respect to the Project (A) the contract clauses relating to the Davis-Bacon

Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and (B) requirements that its contractor(s) (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 12(j) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 12(j) (including without limitation with respect to the Davis-Bacon Act requirements).

(iii) No notices of violation of any applicable law have been issued, entered or received by the Borrower or, to the Borrower's knowledge and solely in respect of the Project or any Principal Project Contract, any Principal Project Party, other than, in each case, notices of violations that are immaterial.

(iv) None of the Borrower nor, to the knowledge of the Borrower, any Principal Project Party, is (A) a Sanctioned Person or (B) in violation of or, since the date that is five (5) years prior to the Effective Date, has violated: (1) any applicable Anti-Money Laundering Laws; (2) any applicable Sanctions; (3) any applicable Anti-Corruption Laws; or (4) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal. There are no pending or, to the knowledge of the Borrower, threatened claims or investigations by any Governmental Authority against, or any internal investigations conducted by, the Borrower or any Principal Project Party, with respect to any possible or alleged violations of any Sanctions, Anti-Money Laundering Laws, Anti-Corruption Laws, or any anti-drug trafficking or anti-terrorism laws. No use of proceeds of the WIFIA Loan or any other transaction contemplated by this Agreement or any other Related Document will violate any applicable Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws, or any applicable anti-drug trafficking or anti-terrorism laws.

(k) Credit Ratings. The WIFIA Bond and the Bonds then Outstanding have received a public Investment Grade Rating from at least two (2) Nationally Recognized Rating Agencies, written evidence of such ratings has been provided to the WIFIA Lender prior to the Effective Date, and no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(l) No Defaults. No Default or Event of Default, and no default or event of default by the Borrower under any Related Document (excluding Principal Project Contracts), has occurred and is continuing.

(m) Governmental Approvals. All Governmental Approvals required as of the Effective Date and any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the Borrower of the Project, and for the operation and management thereof, have been obtained or effected and are in full force and effect and there is no basis for, nor proceeding that is pending or threatened that could reasonably be expected to result in, the revocation of any such Governmental Approval.

(n) Principal Project Contracts. Attached as **Schedule 12(n)** (*Principal Project Contracts*) is a list of the Existing Principal Project Contracts and all Additional Principal Project Contracts that are expected to be entered into. With respect to each Principal Project Contract

executed as of any date on which this representation and warranty is made, (x) it is in full force and effect, (y) all conditions precedent to the obligations of the respective parties under each such Principal Project Contract have been satisfied and (z) the Borrower has delivered to the WIFIA Lender a fully executed, complete and correct copy of each such Principal Project Contract, including any amendments or modifications thereto and any related credit support instruments or side letters. No event has occurred that gives the Borrower or, to the Borrower's knowledge, any Principal Project Party, the right to terminate any such Principal Project Contract. The Borrower is not in breach of any material term in or in default under any of such Principal Project Contracts, and to the knowledge of the Borrower no party to any of such agreements or contracts is in breach of any material term therein or in default thereunder.

(o) Information. The information furnished by, or on behalf of, the Borrower to the WIFIA Lender, when taken as a whole, is true and correct in all material respects (other than for projections and other forward-looking statements contained in the Base Case Financial Model and any Updated Financial Model which have been made in good faith and based on reasonable assumptions) and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading as of the date made or furnished.

(p) Environmental Matters. [Except as set forth in **Schedule 12(p)** (*Environmental Matters*), e][E]ach of the Borrower and, to the Borrower's knowledge, each Principal Project Party, is in compliance with all laws applicable to the System (including the Project) relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species), and (vii) other environmental, health or safety matters, including all laws applicable to the System (including the Project) (collectively, the "**Environmental Laws**"). All Governmental Approvals for the Project relating to Environmental Laws have been, or, when required, will be, obtained and are (or, as applicable, will be) in full force and effect. [Except as set forth in **Schedule 12(p)** (*Environmental Matters*), t][T]he Borrower has not received any written communication or notice, whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the Borrower is not in full compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Project and, to the Borrower's knowledge, there are no circumstances that may prevent or interfere with full compliance in the future by the Borrower with any such Environmental Law or Governmental Approval. The Borrower has provided to the WIFIA Lender all material assessments, reports, results of investigations or audits, and other material information in the possession of or reasonably available to the Borrower regarding the Borrower's or the Project's compliance with (A) Environmental Laws and (B) Governmental Approvals that are required for the Project and relate to Environmental Laws.

(q) Sufficient Rights. The Borrower possesses either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the System (including the Project), in each case as is necessary and sufficient as of the date this representation is made for the construction, operation, maintenance and repair of the System (including the Project). As of any date on which this representation and warranty is made, the Principal Project Contracts then in effect and the Governmental Approvals that have been obtained

and are then in full force and effect create rights in the Borrower sufficient to enable the Borrower to own, construct, operate, maintain and repair the System (including the Project) and to perform its obligations under the Principal Project Contracts to which it is a party.

(r) Insurance. The Borrower is in compliance with all insurance obligations required under each Principal Project Contract and the other Related Documents as of the date on which this representation and warranty is made. To the extent the Borrower self-insures, the Borrower's self-insurance program is actuarially sound and the Borrower has received an opinion from an accredited actuary within the last twelve (12) months, which opinion confirms that the Borrower's self-insurance program is actuarially sound.

(s) No Liens. Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien on the Pledged Collateral, the System, the Project, the Revenues, or the properties or assets in relation to the Project.

(t) Financial Statements. Each income statement, balance sheet and statement of operations and cash flows (collectively, "**Financial Statements**") delivered to the WIFIA Lender pursuant to Section 16(b) (*Reporting Requirements – Annual Financial Statements*) has been prepared in accordance with GAAP and presents fairly, in all material respects, the financial condition of the Borrower as of the respective dates of the balance sheets included therein and the results of operations of the Borrower for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of the Borrower of any nature whatsoever for the period to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.

(u) Securities Laws. Under existing law, the WIFIA Bond may be issued and sold without registration under the Securities Act of 1933, as amended, and any state blue sky laws, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(v) Taxes. The Borrower is not required to file tax returns with any Governmental Authority.

(w) Sufficient Funds. The amount of the WIFIA Loan, when combined with all other funds committed for the development and construction of the Project as set forth under the various sources of funds in the Base Case Financial Model and the Project Budget will be sufficient to carry out the Project, pay all Total Project Costs anticipated for the development and construction of the Project and achieve Substantial Completion by the Projected Substantial Completion Date.

(x) Sovereign Immunity. The Borrower has no immunity from the jurisdiction of any court of competent jurisdiction or from any legal process therein which could be asserted in any action to enforce the obligations of the Borrower under any of the Related Documents to which it is a party or the transactions contemplated hereby or thereby, including the obligations of the Borrower hereunder and thereunder.

(y) Patriot Act. The Borrower is not required to establish an anti-money laundering compliance program pursuant to the Patriot Act.⁶

(z) No Federal Debt. The Borrower has no delinquent federal debt (including tax liabilities but excluding any delinquencies that have been resolved with the appropriate federal agency in accordance with the standards of the Debt Collection Improvement Act of 1996).

Section 13. Representations and Warranties of WIFIA Lender. The WIFIA Lender represents and warrants that:

(a) Power and Authority. The WIFIA Lender has all requisite power and authority to make the WIFIA Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b) Due Execution; Enforceability. The Related Documents to which it is a party have been duly authorized, executed and delivered by the WIFIA Lender, and are legally valid and binding agreements of the WIFIA Lender, enforceable in accordance with their terms.

(c) Officers' Authorization. The officers of the WIFIA Lender executing each of the Related Documents to which the WIFIA Lender is a party are duly and properly in office and fully authorized to execute the same on behalf of the WIFIA Lender.

ARTICLE V COVENANTS

Section 14. Affirmative Covenants. The Borrower covenants and agrees as follows until the date the WIFIA Bond and the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Rate Covenant.

(i) The Borrower shall fix, establish, maintain and collect rates, fees, rents and charges for services of the System during each Borrower Fiscal Year which comply with the requirements specified in Section 6.13 of the Indenture, which requirements are hereby incorporated herein and a copy of such section, as of the Effective Date, is attached hereto as **Schedule VI** (*Rate Covenant*).

(ii) If the forecast furnished by the Borrower in the most recent Updated Financial Model delivered by the Borrower pursuant to Section 16(a) (*Reporting Requirements – Updated Financial Model*) demonstrates that projected Net Revenues may be inadequate to satisfy the Rate Covenant Requirement for any Borrower Fiscal Year covered by the Updated Financial Model, or if the Borrower fails to satisfy the Rate Covenant Requirement for the most recently ended Borrower Fiscal Year, the Borrower shall (A) within thirty (30) days after request by the WIFIA Lender, engage the Technical

⁶ Borrower to confirm.

and Rate Consultant to review and analyze the operations of the System and recommend actions regarding revising the rates or changing the methods of operations, or any other actions to increase the Net Revenues so as to satisfy the Rate Covenant Requirement, (B) cause the Technical and Rate Consultant to issue its report, including any such recommended actions, no later than ninety (90) days following such engagement, and (C) either, within thirty (30) days, (1) implement the Technical and Rate Consultant's recommendation or (2) undertake an alternative course of action after demonstrating to the WIFIA Lender's satisfaction that an alternative plan will generate an equivalent or greater increase to the Net Revenues so as to satisfy the Rate Covenant Requirement.

(b) Securing Liens. The Borrower shall at any and all times, to the extent permitted by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable in connection with assuring, conveying, granting, assigning, securing and confirming the Liens on the Pledged Collateral (whether now existing or hereafter arising) granted to the WIFIA Lender for its benefit pursuant to the Indenture, or intended so to be granted pursuant to the Indenture, or which the Borrower may become bound to grant, and the Borrower shall at all times maintain the Pledged Collateral free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the Liens created by the Indenture, other than as permitted by this Agreement, and all organizational, regulatory or other necessary action on the part of the Borrower to that end shall be duly and validly taken at all times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Pledged Collateral granted pursuant to the Indenture and for the benefit of the WIFIA Lender under the Indenture against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(c) Use of Proceeds. The Borrower shall use the proceeds of the WIFIA Loan for purposes permitted by applicable law and as otherwise permitted under this Agreement and the other Related Documents.

(d) Prosecution of Work; Verification Requirements.

(i) The Borrower shall diligently prosecute the work relating to the Project and complete the Project in accordance with the Construction Schedule, the Governmental Approvals in connection with the Project, and the highest standards of the Borrower's industry.

(ii) The Borrower shall ensure that each Principal Project Party complies with all applicable laws and legal or contractual requirements with respect to any performance security instrument delivered by such Principal Project Party to the Borrower and shall ensure that any letter of credit provided pursuant to any Principal Project Contract meets the requirements therefor set forth in such Principal Project Contract.

(iii) The Borrower shall comply with Subpart C of 2 C.F.R. Part 180, as supplemented by Subpart C of 2 C.F.R. Part 1532 (relating to debarment), including the verification requirements set forth in 2 C.F.R. §§ 180.300 and 180.320, and shall include in its contracts with respect to the Project similar terms or requirements for compliance.

(e) Operations and Maintenance. The Borrower shall (i) operate and maintain the System (including, but not limited to, the Project) (A) in a reasonable and prudent manner and (B) substantially in accordance with the Updated Financial Model most recently approved by the WIFIA Lender (except as necessary to prevent or mitigate immediate threats to human health and safety or to prevent or mitigate physical damage to material portions of the System (including the Project) and (ii) maintain the System (including the Project) in good repair, working order and condition and in accordance with the requirements of all applicable laws and each applicable Related Document. The Borrower shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the Governmental Approvals and any other rights, licenses, franchises, and authorizations material to the conduct of its business.

(f) Insurance.

(i) The Borrower shall at all times procure and maintain or cause to be maintained insurance on the System and the construction of the Project, with responsible insurers, or as part of a reasonable system of self-insurance that is adequately funded, in such amounts and against such risks (including damage to or destruction of the System) as are customarily maintained with respect to works and properties of like character against accident to, loss of, or damage to such works or properties. All policies of insurance required to be maintained herein shall, to the extent reasonably obtainable, provide that the WIFIA Lender shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby. The Borrower shall cause each Principal Project Party to obtain and maintain builders risk and casualty and liability insurance in accordance with the requirements of the applicable Principal Project Contract.

(ii) The Borrower shall (by self-insuring or maintaining with responsible insurers or by a combination thereof) provide for workers' compensation insurance for Borrower's workers and insurance against public liability and property damage to the System (including the Project) to the extent reasonably necessary to protect the Borrower and the WIFIA Lender.

(iii) The Borrower shall cause all liability insurance policies that it maintains (and, during the Construction Period, that are maintained by any Principal Project Party), other than workers' compensation insurance and other than self-insurance, to reflect the WIFIA Lender as an additional insured to the extent of its insurable interest.

(iv) Promptly upon request by the WIFIA Lender, the Borrower shall deliver to the WIFIA Lender copies of any underlying insurance policies obtained by or on behalf of the Borrower in respect of the Project. All such policies shall be available at all reasonable times for inspection by the WIFIA Lender, its agents and representatives.

(v) The Borrower shall comply with the insurance requirements of the Indenture and shall deliver to the WIFIA Lender within thirty (30) days after receipt thereof any certifications or opinions provided to the Borrower pursuant to the Indenture with respect to the Borrower's program of insurance or self-insurance.

(g) Maintain Legal Structure. The Borrower shall maintain its existence as a political subdivision of the State organized and existing under its Organizational Documents and the laws of the State.

(h) System Accounts; Investment Securities.

(i) The Borrower shall maintain the Revenue Fund and all other System Accounts in accordance with the terms hereof and the Indenture. All Revenues received shall be deposited into the Revenue Fund when and as received in trust for the benefit of the holders of the Obligations, subject to the application of Revenues to Operation and Maintenance Costs of the System.

(ii) The Borrower shall use Revenues to pay for Capital Expenditures, including any costs of capital improvements to the System, solely following deposit in the Renewal and Replacement Fund in accordance with Section 5.08 of the Indenture or as otherwise specified in Section 5.05(b) of the Indenture. The Borrower shall not otherwise pay or treat any Capital Expenditure as an Operation and Maintenance Cost.

(iii) Amounts on deposit in the System Accounts shall be held uninvested or invested in Investment Securities. Investment Securities must mature or be redeemable at the election of the holder at such times as may be necessary to ensure that funds will be available within the applicable account to be applied towards the purpose for which the applicable account has been established.

(i) Compliance with Laws.

(i) The Borrower shall, and shall require its contractors and subcontractors at all tiers with respect to the Project, to comply with all applicable laws, rules, regulations and requirements, including without limitation 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products).

(ii) To ensure such compliance, the Borrower shall include in all contracts with respect to the Project (A) the contract clauses relating to the Davis-Bacon Act requirements that are set forth in the Code of Federal Regulations, Title 29 Part 5.5 and (B) requirements that its contractor(s) (1) shall comply with all applicable laws, rules, regulations, and requirements set forth in this Section 14(i) and follow applicable federal guidance and (2) incorporate in all subcontracts (and cause all subcontractors to include in lower tier subcontracts) such terms and conditions as are required to be incorporated therein by any applicable laws, rules, regulations and requirements set forth in this Section 14(i) (including without limitation with respect to the Davis-Bacon Act requirements).

(j) Material Obligations. The Borrower shall pay its material obligations promptly and in accordance with their terms and pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Revenues or other assets of the System, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, might give rise to a Lien upon such properties or any part thereof or on the Revenues or the Pledged Collateral; provided,

however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(k) Variable Rate Bonds.

(i) As a condition to the issuance of any Bonds that are to bear interest at a Variable Interest Rate, to the extent that such issuance would cause the principal amount of all Outstanding Variable Rate Bonds to exceed twenty-five percent (25%) of the principal amount of all Outstanding Bonds, the Borrower shall enter into a Qualified Hedge with respect to such Bonds, with an aggregate stated notional amount of at least ninety-eight percent (98%) and not more than one hundred two percent (102%) of the aggregate principal amount of such Bonds projected to be Outstanding, and shall maintain such Qualified Hedge in place until (and such Qualified Hedge shall not have a stated maturity or termination date earlier than) the earliest to occur of (i) the date on which such Bonds no longer bear interest at a Variable Interest Rate, (ii) the date on which the aggregate principal amount of all Outstanding Variable Rate Bonds no longer exceeds twenty-five percent (25%) of the aggregate principal amount of all Outstanding Bonds, (iii) the date such Bonds have been repaid in full in cash and (iv) the Final Maturity Date. Each such Qualified Hedge shall have a payment profile that is reasonably consistent with the expected draw and repayment schedule of such Bonds.

(ii) Each Qualified Hedge required under this Section 14(k) shall provide for a fixed interest rate resulting in fixed payment amounts payable by the Borrower to the Qualified Hedge Provider. The Borrower's obligations to pay any Hedging Obligations shall be payable pursuant to Section 5.05 of the Indenture with the priority specified for, or on a basis subordinate to the priority specified for, the Obligations with respect to which such Hedging Transaction is entered into. The Borrower's obligations to pay any Hedging Termination Obligations shall be payable pursuant to Section 5.05 of the Indenture at the payment priority specified in Section 5.05(b) of the Indenture. The Borrower shall ensure that, as of the date following the termination date of any Qualified Hedge required under this Section 14(k) that for any reason terminates before the earliest to occur of (i) the maturity date of the Variable Rate Bonds subject to such Qualified Hedge, (ii) the date on which the aggregate principal amount of all Outstanding Variable Rate Bonds no longer exceeds twenty-five percent (25%) of the aggregate principal amount of all Outstanding Bonds and (iii) the Final Maturity Date, then (A) a new Qualified Hedge is in full force and effect commencing no later than the termination date of the Qualified Hedge that is terminating or (B) the Variable Rate Bonds have been converted to a fixed rate, in each case in accordance with this Agreement and the Indenture.

(iii) The Borrower shall neither terminate (other than Permitted Hedging Terminations), transfer, nor consent to any transfer (other than to a Qualified Hedge Provider) of any existing Qualified Hedge without the WIFIA Lender's prior written consent as long as the Borrower is required to maintain a Qualified Hedge pursuant to this Agreement.

(iv) With respect to any Qualified Hedge required under this Section 14(k), if at any time a Hedging Bank no longer satisfies the requirements for a Qualified Hedge Provider, the Borrower shall, within ten (10) days (or such lesser number of days required by the applicable Hedging Agreement, including any credit support annex thereto) of the date on which such Hedging Bank failed to qualify as a Qualified Hedge Provider, either (A) cash collateralize the mark-to-market value of the Hedging Termination Obligations (in accordance with the credit support annex or similar requirements of the applicable Hedging Agreement) or provide a guarantee for such amount from an entity with an Acceptable Credit Rating, or (B) cause such disqualified Hedging Bank to be replaced by a Qualified Hedge Provider, whether by means of a transfer of the disqualified Hedging Bank's Hedging Agreement to a Qualified Hedge Provider or by means of a termination of such disqualified Hedging Bank's Hedging Agreement and replacement thereof by a Hedging Agreement with a Qualified Hedge Provider on terms and conditions that satisfy the requirements of this Section 14(k); provided, that if the disqualified Hedging Bank's highest credit rating from any Nationally Recognized Rating Agency is less than 'A-', 'A3' or the equivalent, clause (A) shall not apply and the Borrower shall be required to cause such disqualified Hedging Bank to be replaced by a Qualified Hedge Provider pursuant to clause (B).]

(l) SAM Registration. The Borrower shall (i) obtain and maintain through the Final Disbursement Date an active registration status with the federal System for Award Management (www.SAM.gov) (or any successor system or registry) prior to the Effective Date and provide such registration information to the WIFIA Lender and (ii) within sixty (60) days prior to each anniversary of the Effective Date until the Final Disbursement Date, provide to the WIFIA Lender evidence of such active registration status with no active exclusions reflected in such registration.

(m) DUNS Number. The Borrower shall (i) obtain and maintain from Dun & Bradstreet (or a successor entity) a Data Universal Numbering System Number (a "**DUNS Number**") prior to the Effective Date and provide such number to the WIFIA Lender and (ii) within sixty (60) days prior to each anniversary of the Effective Date, provide to the WIFIA Lender evidence of the continuing effectiveness of such DUNS Number, in each case until the Final Maturity Date or to such earlier date as all amounts due or to become due to the WIFIA Lender under this Agreement have been irrevocably paid in full in immediately available funds.

(n) Events of Loss; Loss Proceeds. If an Event of Loss shall occur with respect to the System (including the Project) or any part thereof, the Borrower shall (i) diligently pursue all of its rights to compensation against all relevant insurers, reinsurers and Governmental Authorities, as applicable, in respect of such Event of Loss and (ii) apply all Net Loss Proceeds in respect of such Event of Loss to repair, reconstruct, and/or replace the portion of the System in respect of which the applicable Loss Proceeds were received. The Borrower shall begin such repair, reconstruction or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such repair, reconstruction or replacement as expeditiously as possible, and shall pay out of such Loss Proceeds all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the System shall be free and clear of all claims and Liens. If such Net Loss Proceeds exceed the costs of such repair, reconstruction or replacement, then the excess Net Loss Proceeds shall be deposited in the Revenue

Fund and be available for other proper uses of funds deposited in the Revenue Fund. If such Net Loss Proceeds are insufficient to enable the Borrower to restore or replace the damaged portions of the System, the Borrower shall provide additional funds for that purpose.

(o) Immunity. The parties do not believe that the Borrower would be able to assert protections of immunity of a governmental entity from lawsuits, other actions and claims, and any judgments with respect to the enforcement of any of the obligations of the Borrower under this Agreement or any other WIFIA Loan Document.

(p) Accounting and Audit Procedures.

(i) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all (A) Revenues, operating expenses, capital expenses, depreciation, reserves, debt issued and Outstanding and debt payments and (B) Project-related costs, WIFIA Loan requisitions submitted, WIFIA Loan proceeds received, payments made by the Borrower with regard to the Project, other sources of funding for the Project (including amounts paid from such sources for Project costs so that audits may be performed to ensure compliance with and enforcement of this Agreement). The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP, including, with respect to the WIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts Outstanding.

(ii) The Borrower shall have a single or program-specific audit conducted in accordance with 2 C.F.R. Part 200 Subpart F and 31 U.S.C. § 7502 for 2025 and annually thereafter, except to the extent biennial audits are permitted for the Borrower pursuant to 2 C.F.R. § 200.504 and 31 U.S.C. § 7502(b). Upon reasonable notice, the Borrower shall cooperate fully in the conduct of any periodic or compliance audits conducted by the WIFIA Lender, or designees thereof, pursuant to 40 C.F.R. Part 35, 31 U.S.C. § 7503(b), or 31 U.S.C. § 6503(h) and shall provide full access to any books, documents, papers or other records that are pertinent to the Project or the WIFIA Loan, to the WIFIA Lender, or the designee thereof, for any such project or programmatic audit.

(q) Access; Records.

(i) So long as the WIFIA Loan or any portion thereof shall remain Outstanding and until five (5) years after the WIFIA Loan shall have been paid in full, the WIFIA Lender shall have the right, upon reasonable prior notice, to visit and inspect any portion of the Project, to examine books of account and records of the Borrower relating to the Project, to make copies and extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts relating to the Project with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the WIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 14(q) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the WIFIA Lender may request. The Borrower agrees to pay all out-of-pocket

expenses incurred by the WIFIA Lender in connection with the WIFIA Lender's exercise of its rights under this Section 14(q) at any time when an Event of Default shall have occurred and be continuing.

(ii) The Borrower shall maintain and retain all files relating to the Project and the WIFIA Loan until five (5) years after the later of the date on which (i) all rights and duties under this Agreement and under the WIFIA Bond (including payments) have been fulfilled and any required audits have been performed and (ii) any litigation relating to the Project, the WIFIA Loan or this Agreement is finally resolved or, if the WIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the WIFIA Lender and the Borrower. The Borrower shall provide to the WIFIA Lender in a timely manner copies (paper or electronic) of all records and documentation relating to the Project that the WIFIA Lender may reasonably request from time to time.

Section 15. Negative Covenants. The Borrower covenants and agrees as follows until the date the WIFIA Bond and the obligations of the Borrower under this Agreement (other than contingent indemnity obligations) are irrevocably paid in full in immediately available funds, unless the WIFIA Lender waives compliance in writing:

(a) Indebtedness.

(i) Except for Permitted Indebtedness, the Borrower shall not without the prior written consent of the WIFIA Lender issue or incur any Obligation or indebtedness of any kind payable from, secured or supported by the Pledged Collateral; provided, that the Borrower shall not incur any Obligation or indebtedness of any kind payable from, secured or supported by the Pledged Collateral, including Permitted Indebtedness, without the prior written consent of the WIFIA Lender, while an Event of Default has occurred and is continuing.

(ii) The Borrower may not create, incur or suffer to exist (A) any Obligations the payments of which are senior or prior in right to the payment by the Borrower of the Bonds, (B) any Obligations the payments of which are *pari passu* in right of payment by the Borrower of the Bonds or (C) any indebtedness of any kind incurred in respect of the Project that are secured by a Lien on any assets or property of the Borrower other than the Pledged Collateral.

(iii) [The Borrower shall not issue or incur any Additional Bonds except in accordance with all requirements and conditions set forth in Section 2.02, Section 2.03, Section 2.04, Section 2.05 and Section 2.06 of the Indenture, which requirements and conditions are hereby incorporated herein and a copy of each such section, as of the Effective Date, is attached hereto as **Schedule VII** (*Additional Bonds Test*). Notwithstanding the foregoing or the provisions of Section 2.03(d)(2) of the Indenture, the Borrower shall not issue or incur any Additional Bonds pursuant to or in reliance on Section 2.03(d)(2) of the Indenture without satisfaction of the provisions of Section 2.03(c)(3) of the Indenture except after the prior written consent of the WIFIA Lender.]

(iv) The Borrower shall not create, incur or suffer to exist any Obligation that is subordinate to the WIFIA Bond or other Bonds without the prior written consent of the WIFIA Lender, unless such indebtedness satisfies the requirements under the definition of “Subordinate Obligations” hereunder; provided that no issuing document or resolution pursuant to which such Subordinate Obligation is issued or incurred shall contain a right to accelerate without the consent of all of the Bondholders of the Bonds.

(v) Upon the incurrence of any Additional Bonds or Subordinate Obligations, the Borrower shall provide to the WIFIA Lender a certificate signed by the Borrower’s Authorized Representative, (A) specifying the closing date with respect to such proposed Additional Bonds or Subordinate Obligations, as applicable, and (B) confirming that the incurrence of such proposed Additional Bonds or Subordinate Obligations, as applicable, is authorized pursuant to, and satisfies the conditions in, this Section 15(a) and satisfies the applicable requirements under the Indenture Documents.

(b) No Lien Extinguishment or Adverse Amendments. The Borrower shall not, and shall not permit any Person to, without the prior written consent of the WIFIA Lender, (i) extinguish or lower the Rate Covenant Requirement; (ii) extinguish or impair the Liens on the Pledged Collateral or any dedicated source of repayment of the WIFIA Loan or any other Obligations (the proceeds of which are applied to fund Total Project Costs), in each case granted pursuant to the Indenture, (iii) amend, modify, replace or supplement any Related Document or permit a waiver of any provision thereof in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to result in a Material Adverse Effect, or (iv) terminate, assign or replace any Related Document (other than the replacement of any Principal Project Contract permitted under Section 17(a)(xi) (*Events of Default and Remedies – Default Under Principal Project Contracts*)) in a manner that could adversely affect the WIFIA Lender or could reasonably be expected to have a Material Adverse Effect.

(c) No Prohibited Liens. Except for Permitted Liens, the Borrower shall not create, incur, assume or permit to exist any Lien on the Project, the Pledged Collateral, the Revenues, or the Borrower’s respective rights therein.

(d) Restricted Payments and Transfers. The Borrower shall not permit Revenues or other assets of the System, or any funds in any accounts held under the Indenture or in any other fund or account held by or on behalf of the Borrower, to be paid or transferred or otherwise applied for purposes other than ownership, operation or maintenance of the System.

(e) No Prohibited Sale, Lease or Assignment. The Borrower shall not sell, lease or assign its rights in and to the System, a substantial portion of the assets included in the System, or its rights and obligations under any Principal Project Contract, in each case unless such sale, lease or assignment (i) could not reasonably be expected to have a Material Adverse Effect and (ii) is made by the Borrower in the ordinary course of business.

(f) Borrower Fiscal Year. The Borrower shall not at any time adopt any fiscal year other than the Borrower Fiscal Year, except with thirty (30) days’ prior written notice to the WIFIA Lender.

(g) Mergers and Acquisitions. The Borrower shall not, and shall not agree to, reorganize, consolidate with or merge into another Person unless (i) such reorganization, merger or consolidation is with or into another entity established by State law and such reorganization, merger or consolidation is mandated by State law, and in each case, does not adversely affect or impair to any extent or in any manner (A) the Revenues or other elements of the Pledged Collateral or (B) the availability of the Revenues for the payment and security of the obligations of the Borrower under this Agreement; and (ii) the Borrower provides to the WIFIA Lender, no later than sixty (60) days prior to the date of reorganization, consolidation or merger, prior written notice of such reorganization, consolidation or merger and the agreements and documents authorizing the reorganization, consolidation or merger, satisfactory in form and substance to the WIFIA Lender. In addition, the Borrower shall provide all information concerning such reorganization, consolidation or merger as shall have been reasonably requested by the WIFIA Lender.

(h) No Defeasance. Notwithstanding anything to the contrary in the Indenture or document related thereto, the WIFIA Loan shall not be subject to defeasance and no amounts in respect of the WIFIA Loan shall be considered or deemed to have been paid until the WIFIA Lender shall have received irrevocable payment in immediately available funds in accordance with the requirements for payment set forth in this Agreement.

(i) Hedging. The Borrower shall not enter into any Hedging Transaction with respect to or payable from the Revenues for any speculative purpose. The Borrower shall not create, incur, assume or permit to exist any Lien on the Pledged Collateral securing payment of any Hedging Obligations except a Lien on the Revenues on a parity with or on a basis subordinate in all respects to the pledge of and lien thereon securing the Obligations with respect to which such Hedging Transaction is entered into. The Borrower shall not create, incur, assume or permit to exist any Lien on the Pledged Collateral securing payment of any Hedging Termination Obligations except a Lien on the Revenues on a basis subordinate in all respects to all other Obligations and payable at the payment priority specified in Section 5.05(b) of the Indenture.

Section 16. Reporting Requirements.

(a) Updated Financial Model.

(i) The Borrower shall provide to the WIFIA Lender as soon as available, but no later than thirty (30) days after delivery of the annual audited financial statements required under Section 16(b) (*Reporting Requirements — Annual Financial Statements*), an updated Base Case Financial Model reflecting the then-current and projected conditions for a period not less than the lesser of (A) the duration of the Borrower's then-current adopted five-year capital improvement plan period for the System and (B) the remaining term of the WIFIA Loan.

(ii) The Updated Financial Model shall demonstrate to the satisfaction of the WIFIA Lender that the Borrower has developed and identified adequate revenues to implement a plan for operating, maintaining and repairing the Project over its useful life, and shall include: (A) the Borrower's capital improvement plan, major maintenance plan, projected rates and charges, projected debt outstanding and annual debt service, projected operation and maintenance costs of the System; (B) evidence of compliance with the Rate

Covenant Requirement for the most recent Borrower Fiscal Year and the projected Rate Covenant Requirement coverages through the period covered by the Updated Financial Model in accordance with this Section 16(a); (C) a written narrative identifying any material changes to the underlying assumptions from the previous Updated Financial Model and (D) a certificate signed by the Borrower's Authorized Representative, certifying that (1) the Updated Financial Model, including the assumptions and supporting documentation, as of its date, is accurate and reasonable to the best of the Borrower's knowledge and belief, (2) the annual projected Net Revenues will be sufficient to meet the Loan Amortization Schedule and to satisfy the Rate Covenant Requirement through the period covered by the Updated Financial Model in accordance with this Section 16(a), and (3) the Borrower is in compliance with its obligations in respect of the Rate Covenant Requirement pursuant to Section 14(a) (*Affirmative Covenants – Rate Covenant*).

(iii) The Borrower represents and warrants that the Updated Financial Model reflects the Borrower's reasonable expectations, using assumptions that the Borrower believes to be reasonable, of the System's expected operations, including capital costs, capital spending schedule, rates and revenues or charges (if applicable), Revenues, operating and maintenance expenses, major maintenance costs, financing structure and other scheduling, cost and financing elements required to be included in the Base Case Financial Model. The Updated Financial Model shall independently model the Project (as well as the System) addressing each of the foregoing as it may apply to the Project.

(b) Annual Financial Statements. The Borrower shall deliver to the WIFIA Lender, as soon as available, but no later than one hundred eighty (180) days after the end of each Borrower Fiscal Year:

(i) a copy of the audited income statement and balance sheet of the Borrower as of the end of such Borrower Fiscal Year and the related audited statements of operations and of cash flow of the Borrower for such Borrower Fiscal Year, (A) setting forth in each case in comparative form the figures for the previous fiscal year, (B) certified without qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower and (C) which shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except, with respect to the annual financial statements, for changes approved or required by the independent public accountants certifying such statements and disclosed therein); and

(ii) together with each delivery of such annual audited financial statements, a certificate signed by the chief executive officer or chief financial officer of the Borrower or the Borrower's Authorized Representative, stating whether or not, to the Borrower's knowledge, during the annual period covered by such financial statements, there occurred any Default or Event of Default and, if any such Default or Event of Default shall have occurred during such period, the nature of such Default or Event of Default and the actions that the Borrower has taken or intends to take in respect thereof;

provided, that the failure of the Borrower to deliver to the WIFIA Lender the annual audited financial statements required under this Section 16(b) during the period that is one hundred eighty (180) days after the end of the applicable Borrower Fiscal Year shall not constitute a Default or an Event of Default, so long as the Borrower provides such annual audited financial statements within thirty (30) days after the end of such period.

(c) Final Design Specifications. The Borrower shall deliver to the WIFIA Lender, no later than thirty (30) days prior to (i) any bid advertisement related to the Project, a copy of the final specifications relating to the development and construction of the Project, and (ii) any notice to proceed for the Project, a copy of the executed construction contract related to such notice to proceed and the final Project specifications.

(d) Construction Reporting. The WIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) the development of the Project, including environmental compliance, design, and construction of the Project. The Borrower shall be responsible for administering construction oversight of the Project in accordance with applicable federal, state and local governmental requirements. The Borrower agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation or other information as shall be requested by the WIFIA Lender or its agents, including any independent engineer reports, documentation or information. During the period through Substantial Completion of the Project, the Borrower shall furnish to the WIFIA Lender, on a quarterly basis, a report on the status of the Project, substantially in the form of **Exhibit K** (*Form of Quarterly Report*). The report shall be executed by the Borrower's Authorized Representative and, for any quarter, shall be delivered to the WIFIA Lender within thirty (30) days of the following quarter (or if such day is not a Business Day, on the next following Business Day). If the then-current projection for the Substantial Completion Date is a date later than the Projected Substantial Completion Date, the Borrower shall provide in such report a description in reasonable detail to the reasonable satisfaction of the WIFIA Lender of the reasons for such projected delay, an estimate of the impact of such delay on the capital and operating costs of the System (if any), and that the new date could not reasonably be expected to result in a Material Adverse Effect. The Projected Substantial Completion Date shall automatically be adjusted to the date specified by the Borrower in its report unless the WIFIA Lender objects to the adjustment in writing to the Borrower within sixty (60) days following receipt of the Borrower's report on the basis that the Borrower's report does not demonstrate the matters specified in this Section 16(d).

(e) Public Benefits Report. The Borrower shall deliver to the WIFIA Lender a report, in the form of **Exhibit L** (*Form of Public Benefits Report*) (the "**Public Benefits Report**"), (i) no later than thirty (30) days prior to the Effective Date, (ii) within ninety (90) days following the Substantial Completion Date and (iii) within ninety (90) days following the fifth (5th) anniversary of the Substantial Completion Date. The Borrower agrees that information described under this Section 16(e) may be made publicly available by the WIFIA Lender at its discretion.

(f) Modifications to Total Project Costs. For the period through the Substantial Completion Date, the Borrower shall provide the WIFIA Lender with written notification at least thirty (30) days prior to instituting any increase or decrease to the aggregate Total Project Costs in an amount equal to or greater than five percent (5%), which notification shall set forth the nature of the proposed increase or decrease and an estimate of the impact of such increase or decrease on

the capital costs and operating costs of the System. The Borrower's notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is necessary or beneficial to the Project, does not materially impair the WIFIA Lender's security or the Borrower's ability to comply with its obligations under the Related Documents (including any financial ratios or covenants included therein), and could not reasonably be expected to result in a Material Adverse Effect.

(g) Operations and Maintenance. The WIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and, as the WIFIA Lender may request from time to time, to receive reporting on the operation and management of the Project, and copies of any contracts relating to the operation and maintenance of the Project. The Borrower agrees to cooperate in good faith with the WIFIA Lender in the conduct of such monitoring by promptly providing the WIFIA Lender with such reports, documentation, or other information requested by the WIFIA Lender. The WIFIA Lender has the right, in its sole discretion, to retain such consultants or advisors, to carry out the provisions of this Section 16(g). On or prior to the Substantial Completion Date, the Borrower shall deliver to the WIFIA Lender an operations and maintenance manual with respect to the Project, in form and substance reasonably acceptable to the WIFIA Lender.

(h) Notices.

(i) The Borrower shall, within fifteen (15) days after the Borrower learns of the occurrence, give the WIFIA Lender notice of any of the following events or receipt of any of the following notices, as applicable, setting forth details of such event:

(A) Substantial Completion: the occurrence of Substantial Completion, such notice to be provided in the form set forth in **Exhibit J** (*Form of Certificate of Substantial Completion*);

(B) Defaults; Events of Default: any Default or Event of Default;

(C) Litigation: (1) the filing of any litigation, suit or action, or the commencement of any proceeding, against the Borrower before any arbitrator, Governmental Authority, alternative dispute resolution body, or other neutral third-party, or the receipt by the Borrower in writing of any threat of litigation, suit, action, or proceeding, or of any written claim against the Borrower that, in each case, could reasonably be expected to have a Material Adverse Effect, and any material changes in the status of such litigation, suit, action or claim, and (2) any judgments against the Borrower with award amounts in excess of \$[_____], either individually or in the aggregate;

(D) Delayed Governmental Approvals: any failure to receive or delay in receiving any Governmental Approval or making any required filing, notice, recordation or other demonstration to or with a Governmental Authority, in each case to the extent such failure or delay will or could reasonably be expected to result in a delay to any major milestone date (including the Projected Substantial Completion Date) set forth in the Construction Schedule, together with a written explanation of the reasons for such failure or delay and the Borrower's plans to remedy or mitigate the effects of such failure or delay;

(E) Environmental Notices: any material notice of violation or material change in finding under any Environmental Law related to the Project or any material changes to the NEPA Determination;

(F) Amendments: any material amendment of any Related Document, subject to Section 16(j) (*Reporting Requirements – Amendments*); provided, that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(G) Related Document Defaults: any material breach or default or event of default on the part of the Borrower or any other party under any Related Document; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(H) Uncontrollable Force: the occurrence of any Uncontrollable Force that could reasonably be expected to materially and adversely affect the Project;

(I) Ratings Changes: any change in the rating assigned to the Bonds, the WIFIA Loan or any Subordinate Obligations, in each case by any Nationally Recognized Rating Agency that has provided a public rating on such indebtedness, and any notices, reports or other written materials (other than those that are ministerial in nature) received from any such rating agencies; provided, that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(J) 2 C.F.R. § 180.350 Notices: any notification required pursuant to 2 C.F.R. § 180.350, whether attributable to a failure by the Borrower to disclose information previously required to have been disclosed or due to the Borrower or any of its principals meeting any of the criteria set forth in 2 C.F.R. § 180.335;

(K) Additional Principal Project Contracts: the execution of any Additional Principal Project Contract, which notice shall include copies of any such contracts (together with any related contracts, side letters or other understandings);

(L) Issuance of Obligations: the issuance or incurrence of any Obligation, which notice shall include copies of any final issuing instrument (together with any continuing disclosure documents, ordinances, official statement, certifications or cash flow projections in connection therewith), prepared in connection with the issuance or incurrence of any such Obligation; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant documents on EMMA;

(M) Postings on EMMA: the posting of any document on EMMA in accordance with the requirements of any Continuing Disclosure Agreement with respect to any Outstanding Obligations relating to annual financial information and operating data and the reporting of significant events; provided that such notice can be accomplished through an email to the WIFIA Lender that includes a link to the posting of the relevant document on EMMA;

(N) Other Adverse Events: the occurrence of any other event or condition, including without limitation any notice of breach from a contract counterparty or any

holder of any Obligations, that could reasonably be expected to result in a Material Adverse Effect or have a material and adverse effect on the Project;

(O) Draws on Debt Service Reserve Account: the occurrence of any draws on the Debt Service Reserve Account to fund payments of interest on or principal of any Bonds or Repayment Obligations when due; and

(P) Approval of Rate Increases. any failure of the Administrative Control Board of the Borrower to approve or consider annual rate increases contemplated by or necessary to satisfy the Rate Covenant Requirement prior to the beginning of the Borrower Fiscal Year for which such annual rate increases are applicable.

(ii) Within thirty (30) calendar days after the Borrower learns of the occurrence of an event specified in clause (i) above (other than sub-clauses (A) (*Substantial Completion*), (F) (*Amendments*) or (I) (*Ratings Changes*) (in the case of a ratings upgrade), (K) (*Additional Principal Project Contracts*), (L) (*Issuance of Obligations*), and (M) (*Postings on EMMA*)), the Borrower's Authorized Representative shall provide a statement to the WIFIA Lender setting forth the actions the Borrower proposes to take with respect thereto. The Borrower shall also provide the WIFIA Lender with any further information reasonably requested by the WIFIA Lender from time to time concerning the matters described in clause (i) above.]

(i) Requested Information. The Borrower shall, at any time while the WIFIA Loan remains Outstanding, promptly deliver to the WIFIA Lender such additional information regarding the business, financial, legal or organizational affairs of the Borrower or regarding the Project or the Revenues as the WIFIA Lender may from time to time reasonably request.

(j) Amendments. The Borrower shall furnish to the WIFIA Lender, except as otherwise agreed by the WIFIA Lender in writing, copies of (1) any proposed amendments to the provisions or definitions of the Indenture included in **Schedule V** (*Flow of Funds*), **Schedule VI** (*Rate Covenant*) and **Schedule VII** (*Additional Bonds Test*) or referenced in Section 1 (*Definitions*) at least thirty (30) days prior to the effective date thereof and (2) copies of fully executed amendments of any Related Document within ten (10) days following execution thereof.

ARTICLE VI EVENTS OF DEFAULT

Section 17. Events of Default and Remedies.

(a) An “**Event of Default**” shall exist under this Agreement if any of the following occurs:

(i) Payment Default. The Borrower shall fail to (i) pay when due any part of the principal amount of or interest on the WIFIA Loan (including WIFIA Debt Service required to have been paid pursuant to the provisions of Section 8 (*Payment of Principal and Interest*) or (ii) make any mandatory prepayment required pursuant to the provisions of Section 9 (*Prepayment*), in each case when and as the payment thereof shall

be required under this Agreement or the WIFIA Bond or on the Final Maturity Date (each such failure, a “**Payment Default**”).

(ii) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the WIFIA Bond or any other WIFIA Loan Document (other than in the case of any Payment Default, any Development Default or any failure to comply with the Rate Covenant Requirement), and such failure shall not be cured within thirty (30) days after the earlier to occur of (A) receipt by the Borrower from the WIFIA Lender of written notice thereof or (B) the Borrower’s knowledge of such failure; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under this Section 17(a)(ii), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured and (y) such failure is cured within one hundred eighty (180) days of the date specified in either (A) or (B) above, as applicable.

(iii) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the WIFIA Loan Documents (or in any certificates delivered by the Borrower in connection with the WIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided, that no Event of Default shall be deemed to have occurred under this Section 17(a)(iii) if and so long as (A) such misrepresentation is not intentional, (B) such misrepresentation is not a misrepresentation in respect of Section 12(h) (*Representations and Warranties of Borrower – No Debarment*), Section 12(j) (*Representations and Warranties of Borrower – Compliance with Laws*), or Section 12(y) (*Representations and Warranties of Borrower – Patriot Act*), (C) in the reasonable determination of the WIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a Material Adverse Effect, (D) in the reasonable determination of the WIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured and (E) the underlying issue giving rise to the misrepresentation is cured by the Borrower within thirty (30) days from the date on which the Borrower first became aware (or reasonably should have become aware) of such misrepresentation.

(iv) Acceleration of Bonds. Any acceleration shall occur of the maturity of any Bond, or any such Bond shall not be paid in full upon the final maturity thereof.

(v) Cross Default with Other Financing Documents. Any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under the Related Documents (other than the Principal Project Contracts), and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Related Documents (other than the Principal Project Contracts) (as the case may be) with respect to such default, and the Borrower shall

have failed to cure such default or to obtain an effective written waiver thereof in accordance with the terms thereof.

(vi) Material Adverse Judgment. Any final, non-appealable judgment related to the Revenues, the System or the Project shall be entered against the Borrower which has a Material Adverse Effect.

(vii) Occurrence of a Bankruptcy Related Event. A Bankruptcy Related Event shall occur with respect to the Borrower.

(viii) Invalidity of WIFIA Loan Documents. (A) Any WIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, contests in any manner the validity or enforceability of any WIFIA Loan Document to which it is a party or denies it has any further liability under any WIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any WIFIA Loan Document to which it is a party; (B) the Indenture ceases (other than as expressly permitted thereunder) to be effective or to grant a valid and binding security interest on any material portion of the Pledged Collateral other than as a result of actions or a failure to act by, and within the control of, the Trustee or any Secured Party, and with the priority purported to be created thereby; or (C) any event occurs that results in the material impairment in the perfection or priority of the WIFIA Lender's security interest in the Pledged Collateral or in the value of such Pledged Collateral.

(ix) Failure to Satisfy Rate Covenant. The Borrower fails to satisfy the Rate Covenant Requirement for two (2) consecutive Borrower Fiscal Years.

(x) Development Default. A Development Default shall occur.

(xi) Default Under Principal Project Contracts. The Borrower shall default in the timely performance of any covenant, agreement or obligation under any Principal Project Contract or any Principal Project Contract shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a Material Adverse Effect), and the Borrower shall have failed to cure such default or to obtain an effective written waiver or revocation thereof prior to the expiration of the applicable grace period specified in any such Principal Project Contract, or to obtain an effective revocation of such termination (as the case may be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under this Section 17(a)(xi) if, in the case of any termination of a Principal Project Contract, the Borrower replaces such Principal Project Contract with a replacement agreement (A) entered into with another counterparty that (1) is of similar or greater creditworthiness (including credit support), technical capability and relevant experience as the counterparty being replaced was at the time the applicable Principal Project Contract was originally executed (or otherwise reasonably acceptable to the WIFIA Lender), (2) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, and (3) is not, at the time of such replacement, in violation of any applicable laws; (B) on

substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the WIFIA Lender) and (C) effective as of the date of termination of the Principal Project Contract being replaced.

(xii) Cessation of System Operations. Following the Substantial Completion Date, operation of the System shall cease for a continuous period of not less than one hundred eighty (180) days unless (A) such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of the Borrower (and which the Borrower could not reasonably have avoided or mitigated) or (B) the Borrower shall either be self-insured in an amount sufficient to cover, or shall have in force an insurance policy or policies under which the Borrower is entitled to recover amounts sufficient to pay (and may use such amounts to pay), Debt Service for all Bonds (including WIFIA Debt Service) and costs and expenses of the Borrower during such cessation of operations.

(b) [WIFIA and WIFIA Counsel to propose language relating to an increase in interest rate to 400 basis points above Treasury for a Bankruptcy Related Event]

(c) Upon the occurrence of any Event of Default, the WIFIA Lender, by written notice to the Borrower, may exercise any or all of the following remedies:

(i) the WIFIA Lender may suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the WIFIA Loan;

(ii) the WIFIA Lender may cease permitting interest on the WIFIA Loan to be capitalized;

(iii) the WIFIA Lender may apply the Default Rate provisions of Section 6 (*Interest Rate*);

(iv) the WIFIA Lender may suspend or debar the Borrower from further participation in any Government program administered by the WIFIA Lender and to notify other departments and agencies of such default; and/or

(v) the WIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder or under the WIFIA Bond or the other WIFIA Loan Documents, and may prosecute any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the WIFIA Lender shall have all of the rights and remedies of a creditor, and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by Borrower under this Agreement, the WIFIA Bond or the other WIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the WIFIA Bond or the other WIFIA Loan Documents.

(d) No action taken pursuant to this Section 17 shall relieve Borrower from its obligations pursuant to this Agreement, the WIFIA Bond or the other WIFIA Loan Documents, all of which shall survive any such action.

ARTICLE VII MISCELLANEOUS

Section 18. Disclaimer of Warranty. The WIFIA Lender makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Project or any portion thereof or any other warranty with respect thereto. In no event shall the WIFIA Lender be liable for any incidental, indirect, special or consequential damages incidental to or arising out of this Agreement or the System (including the Project) or the existence, furnishing, functioning or use of the Project or any item or products or services provided for in this Agreement.

Section 19. No Personal Recourse. No official, employee or agent of the WIFIA Lender or the Borrower or any Person executing this Agreement or any of the other WIFIA Loan Documents shall be personally liable on this Agreement or such other WIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.

Section 20. No Third Party Rights. The parties hereby agree that this Agreement creates no third party rights against the Borrower, the Government, or the WIFIA Lender, solely by virtue of the WIFIA Loan, and the Borrower agrees to indemnify and hold the WIFIA Lender, the Servicer (if any), the Administrator, and the Government harmless, to the extent permitted by law and in accordance with Section 32 (*Indemnification*), from any lawsuit or claim arising in law or equity solely by reason of the WIFIA Loan, and that no third party creditor of the Borrower shall have any right against the WIFIA Lender with respect to the WIFIA Loan made pursuant to this Agreement.

Section 21. Borrower's Authorized Representative. The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the WIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

Section 22. WIFIA Lender's Authorized Representative. The WIFIA Lender hereby appoints the Director of the WIFIA Program, whose notice details are set forth below in Section 31 (*Notices*), to serve as the WIFIA Lender's Authorized Representative under this Agreement until such time as a successor or successors shall have been appointed. Thereafter, the successor in office shall serve as the WIFIA Lender's Authorized Representative. The WIFIA Lender shall provide notice to the Borrower within a reasonable time period following the succession.

Section 23. Servicer. The WIFIA Lender may from time to time designate another entity or entities to perform, or assist the WIFIA Lender in performing, the duties of the Servicer or specified duties of the WIFIA Lender under this Agreement and the WIFIA Bond. The WIFIA Lender shall give the Borrower written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer.

Any references in this Agreement to the WIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the WIFIA Lender shall have delegated to such Servicer. The WIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the WIFIA Bond. The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

Section 24. Amendments and Waivers. No amendment, modification, termination, or waiver of any provision of this Agreement shall in any event be effective without the written consent of each of the parties hereto.

Section 25. Governing Law. This Agreement shall be governed by the federal laws of the United States of America if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

Section 26. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 27. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder nor any interest therein may be assigned or delegated by the Borrower without the prior written consent of the WIFIA Lender.

Section 28. Remedies Not Exclusive. No remedy conferred herein or reserved to the WIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 29. Delay or Omission Not Waiver. No delay or omission of the WIFIA Lender to exercise any right or remedy provided hereunder upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the WIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the WIFIA Lender.

Section 30. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Pursuant to the Uniform Electronic Transactions Act, Title 46, Chapter 4 of the Utah Code Annotated 1953, as amended, the WIFIA Lender and the Borrower hereby agree and consent to the use of electronic signatures and electronic records in connection with the this Agreement

and the transactions contemplated hereby; provided, however, that such consent and agreement only permits the use of, but does not require, electronic signatures or electronic records, including on documents delivered in counterparts.

Section 31. Notices. Notices hereunder shall be (a) in writing, (b) effective as provided below and (c) given by (i) nationally recognized courier service, (ii) hand delivery, or (iii) email, in each case to:

If to WIFIA Lender: Environmental Protection Agency
WJC-W 6201A
1200 Pennsylvania Avenue NW
Washington, D.C. 20460
Attention: WIFIA Director
Email: WIFIA_Portfolio@epa.gov

If to Borrower: _____

Attention: _____
Email: [_____]

If to Trustee: _____

Unless otherwise instructed by the WIFIA Lender's Authorized Representative, all notices to the WIFIA Lender should be made by email to the email address noted above for the WIFIA Lender. Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower's Authorized Representative, with respect to notices to the Borrower, or by the WIFIA Lender's Authorized Representative, with respect to notices to the WIFIA Lender or the Servicer. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 31 (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 31 (or in accordance with the latest unrevoked written direction from the receiving party); provided, that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

Section 32. Indemnification. The Borrower shall, to the extent permitted by law, indemnify the WIFIA Lender and any official, employee, agent or representative of the WIFIA Lender (each such Person being herein referred to as an "**Indemnatee**") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnatee and the costs of environmental remediation), whether known, unknown, contingent or otherwise,

incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement, the WIFIA Bond or any of the other Related Documents, (b) the WIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided, that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities, fines, penalties, costs or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnatee. In case any action or proceeding is brought against an Indemnatee by reason of any claim with respect to which such Indemnatee is entitled to indemnification hereunder, the Borrower shall be entitled, at its expense, to participate in the defense thereof; provided, that such Indemnatee has the right to retain its own counsel, at the Borrower's expense, and such participation by the Borrower in the defense thereof shall not release the Borrower of any liability that it may have to such Indemnatee. Any Indemnatee against whom any indemnity claim contemplated in this Section 32 is made shall be entitled, after consultation with the Borrower and upon consultation with legal counsel wherein such Indemnatee is advised that such indemnity claim is meritorious, to compromise or settle any such indemnity claim. Any such compromise or settlement shall be binding upon the Borrower for purposes of this Section 32. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnatee. To the extent permitted by applicable law, neither the Borrower nor the WIFIA Lender shall assert, and each of the Borrower and the WIFIA Lender hereby waives, any claim against any Indemnatee or the Borrower, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the other transactions contemplated hereby and thereby, the WIFIA Loan or the use of the proceeds thereof, provided, that nothing in this sentence shall limit the Borrower's indemnity obligations to the extent such damages are included in any third party claim in connection with which an Indemnatee is entitled to indemnification hereunder. All amounts due to any Indemnatee under this Section 32 shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section 32 shall survive the payment or prepayment in full or transfer of the WIFIA Bond, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section 32) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

Section 33. Sale of WIFIA Loan. The WIFIA Lender shall not sell the WIFIA Loan at any time prior to the Substantial Completion Date. After such date, the WIFIA Lender may sell the WIFIA Loan to another entity or reoffer the WIFIA Loan into the capital markets only in accordance with the provisions of this Section 33. Such sale or reoffering shall be on such terms as the WIFIA Lender shall deem advisable. However, in making such sale or reoffering the WIFIA Lender shall not change the terms and conditions of the WIFIA Loan without the prior written consent of the Borrower in accordance with Section 24 (*Amendments and Waivers*). The WIFIA Lender shall provide, at least sixty (60) days prior to any sale or reoffering of the WIFIA Loan, written notice to the Borrower of the WIFIA Lender's intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the continuation of any

Event of Default. The provision of any notice pursuant to this Section 33 shall not (x) obligate the WIFIA Lender to sell nor (y) provide the Borrower with any rights or remedies in the event the WIFIA Lender, for any reason, does not sell the WIFIA Loan.

Section 34. Effectiveness. This Agreement shall be effective on the Effective Date.

Section 35. Termination. This Agreement shall terminate upon the irrevocable payment in full in immediately available funds by the Borrower of the Outstanding WIFIA Loan Balance, together with all accrued interest, fees and expenses with respect thereto; provided, however, that the indemnification requirements of Section 32 (*Indemnification*), the reporting and record keeping requirements of Section 14(q) (*Affirmative Covenants – Access; Records*) and the payment requirements of Section 10 (*Fees and Expenses*) shall survive the termination of this Agreement as provided in such Sections.

Section 36. Integration. This Agreement constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT, UTAH,
by its authorized representative

By: _____
Name: Andy Garland
Title: General Manager

**UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY**, acting by and
through the Administrator of the
Environmental Protection Agency

By: _____
Name: Andrew R. Wheeler
Title: Administrator

[Signature page to [Name of Project] – WIFIA Loan Agreement]

SCHEDULE I
PROJECT BUDGET⁷

SOURCES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
[]		
Total Sources of Funds		
USES OF FUNDS	AMOUNT (\$ USD)	PERCENTAGE (%)
[]		
Total Uses of Funds		
Total Eligible Project Costs		
Total Project Costs		

⁷ To be completed by Borrower.

SCHEDULE II
CONSTRUCTION SCHEDULE

*[To be provided by Borrower]*⁸

⁸ The schedule should clearly specify the projected substantial completion date, which should match up with the WLA's definition of "Projected Substantial Completion Date" and also be reflected accordingly in the Base Case Financial Model.

SCHEDULE III
EXISTING INDEBTEDNESS⁹

A. Bonds

	Agreement/Series	Outstanding Principal¹⁰
1.	Series [____] Bonds, issued pursuant to the [____] Supplemental Indenture, dated [____], maturing on [____]	
2.		
3.		
4.		
5.		

B. Subordinate Obligations

	Agreement/Series	Outstanding Principal¹¹
1.	[]	
2.		
3.		
4.		
5.		

C. Unsecured Obligations

	Agreement/Series	Outstanding Principal¹²
1.	[]	
2.		
3.		
4.		
5.		

⁹ To be completed by Borrower.

¹⁰ As of Effective Date

¹¹ As of Effective Date

¹² As of Effective Date

SCHEDULE IV

WIFIA PAYMENT INSTRUCTIONS

Acceptable Methods for WIFIA Payments to EPA

Option 1 PAY.GOV

Use of Pay.gov to make payments to EPA is the preferred electronic payment method. In Pay.gov, users can track their payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality.

1. Access the Pay.gov system by going to <https://www.pay.gov> and search for WIFIA or click on the following hyperlink to directly launch the [WIFIA Loan Collection & Fees Form](#).
2. Provide the following information on your payment to ensure proper credit:
 - Remitter's contact phone number
 - Company/Organization Name as it appears on EPA document
 - Complete address, including city, state, zip code
 - Project Name
 - Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
 - From the "Payment Type" drop down menu select the type from the Fee Notice letter
 - Other Description: please note the reference number from the Fee Notice letter
3. Follow the remaining on-screen instructions to successfully process the payment to EPA.
4. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Option 2 FEDWIRE

Wire transfers made through FedWire are an alternative electronic wire transfer initiated between the borrower and its organization's financial institution (bank) and EPA. FedWire is typically used to initiate financial institution (bank) generated "same day" electronic payments.

Borrowers must work within the processing guidelines established by their bank, which may include processing cutoffs, transaction fees, and other bank requirements.

Banks that do not maintain an account at a Federal Reserve Bank (FRB) must use the services of correspondent banks that do have an FRB account. To process a payment using FedWire please:

1. Send FedWire deposits as early as possible and no later than 5 p.m. ET on the desired EPA receipt date
2. Review the FedWire form Instructions provided in Attachment 1 and complete the form. It is very important that all relevant details identified in the instructions are accurate.
3. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

Option 3 CHECK PAYMENTS (Not allowed for payment of Principal or Interest)

1. Send checks to:


USPS Mailing Address	Courier Address (e.g., FEDEX, UPS)
Laura Collier	Courier Address
USEPA Headquarters	Laura Collier
William Jefferson Clinton Building	Ronald Reagan Building
1200 Pennsylvania Avenue, N. W.	1300 Pennsylvania Ave., N.W.
Mail Code: 2733R	Rm # 81164
Washington, DC 20460	Washington, DC 20004
2. Provide the following information on your check payment to ensure proper credit please:
 - Company/remitter's name (borrower name as it appears on EPA document)
 - Complete address, including city, state, zip

- Remitter's point of contact person and phone number
 - EPA WIFIA Loan # (NOT the remitter's number)
 - Payment Type/Reason for payment from the Fee Notice letter
 - Reference number from the Fee Notice letter.
3. Send an email to OCFO-OC-ACAD-WIFIA@epa.gov and wifia_portfolio@epa.gov informing that a payment has been submitted.

NOTES:

1. *When checks are provided as payment, you authorize the EPA to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When the EPA uses information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from your financial institution.*
2. *As of the Effective Date, EPA is temporarily unable to accept paper checks due to the COVID-19 response. Prior to sending any paper check, contact EPA to determine whether paper checks are acceptable for payment at the time.*

Attachment 1 – FedWire Payment Form and Instructions

		U.S. Environmental Protection Agency FUNDS TRANSFER DEPOSIT		
PC		INSTRUCTIONS: Explicit completion and routing instructions are located on the reverse of this form. It is requested that prudent care be taken to ensure that all information is provided in the requested format. Failure to provide the information in the requested format may cause a delay in the notification of the funds transfer to EPA.		
TO 021030004	TYPE 10			
FROM	CL	REF	AMOUNT \$	
SENDER				
RECEIVER TREAS NYC/(68010099)EPA				
THIRD PARTY INFORMATION				

The above FedWire form presented to your bank (*who will initiate and transmit the FedWire payment*) **MUST** contain all details below: *

TO (ABA)	021030004
TYPE	10
RECEIVER	TREAS NYC/(68010099)EPA
THIRD PARTY INFORMATION	<p>To ensure proper credit please include the following information on your payment:</p> <ul style="list-style-type: none"> • Company/remitter's name (borrower name as it appears on EPA document) • Complete address, including city, state, zip code • Remitter's point of contact person and phone number • EPA WIFIA Loan # (NOT the remitter's number) • Payment Type/Reason for payment from the Fee Notice letter • Reference number from the Fee Notice letter
Shaded Areas	Those items that are shaded on the Form are to be entered by the bank on the funds transfer message. (Depending on the Federal Reserve District, some items may not be required.)
*Important: Failure to initiate the FedWire electronic wire transaction properly with the above fields included, will result in untimely or non-receipt of funds at EPA.	

For questions about payments to EPA please contact EPA's Office of the Controller:

Phone: 202-564-7593. Voicemails can be left when calling outside business hours

Email: OCFO-OC-ACAD-WIFIA@epa.gov

For questions about the WIFIA program:

Email: wifia@epa.gov

SCHEDULE V

FLOW OF FUNDS

All terms used in this Schedule V shall have the meaning assigned to such terms as provided in the Indenture. All section references used in this Schedule V shall be references to the appropriate section in the Indenture. All references to this Indenture in this Schedule V shall be references to the Indenture.

Section 5.05. Flow of Funds. (a) On or before the fourth Business Day prior to the end of each month, after payment of unpaid Operation and Maintenance Costs then due, the District shall transfer from the Revenue Fund, to the extent of moneys available therein, and deposit, in the following order:

- (1) [Reserved], and
- (2) into the following Funds and Accounts, the amounts set forth below:

(A) Into the Principal and Interest Fund:

(i) for credit to the Bond Service Account, the amount, if any, required so that the balance in each of the Series Subaccounts in the Bond Service Account shall equal the Accrued Debt Service on the Series of Bonds and, to the extent required by the Supplemental Indenture creating such Series Subaccount, on any Security Instrument Obligations for which such Series Subaccount was established; provided that if there are not sufficient moneys to satisfy the requirements of this subsection (A) with respect to all Series Subaccounts in the Bond Service Account, all moneys available for distribution among such Series Subaccounts shall be deposited into the Bond Service Account and distributed on a pro rata basis to the deficient Series Subaccounts in the Bond Service Account, such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency for each Series Subaccount bears to the total deficiency for all Series Subaccounts; and provided further, that in the event and to the extent moneys have been deposited in any Project Account pursuant to Section 2.03(b)(2), such moneys shall be transferred from the appropriate Project Account and deposited into the appropriate Series Subaccount in the Bond Service Account in an amount sufficient to cause the balance in such Series Subaccount to equal the interest component of Accrued Debt Service on the Series of Bonds; and

(ii) for credit to the Debt Service Reserve Account, without priority or preference as between subsections (A) or (B):

(A) if, after the issuance of a Series of Bonds, an amount equal to the Debt Service Reserve Requirement is not on deposit in the Series Subaccount established in the Debt Service Reserve Account for such Series of Bonds because sufficient moneys for that purpose were not required by a Supplemental Indenture to be deposited into the Debt Service Reserve Account

pursuant to the provisions of Section 2.02(a)(10), such amount as shall be required by the Supplemental Indenture authorizing such Series of Bonds, in not to exceed sixty (60) approximately equal monthly installments commencing no later than the business day immediately preceding the first interest payment date of such Series of Bonds, computed as of the contemplated date of issuance of such Series of Bonds, necessary to cause the balance in such Series Subaccount to equal the Debt Service Reserve Requirement;

(B) if moneys shall ever have been paid out of any Series Subaccount in the Debt Service Reserve Account for the purpose specified in Section 5.07(b) or if for any other reason moneys in any Series Subaccount in the Debt Service Reserve Account shall have been removed and in either case if such moneys shall not have been replaced from any source, such amount as shall be necessary to cause either the amount so paid out of or removed from such Series Subaccount in the Debt Service Reserve Account to be replaced, or the amount to be on deposit in such Series Subaccount to be equal to the Debt Service Reserve Requirement attributable to the corresponding Series of Bonds, whichever is less; and

(C) with respect to a Series of Bonds for which a Debt Service Reserve Requirement has been established pursuant to a Supplemental Indenture and for which the Debt Service Reserve Requirement has been increased because of a decline in the amount by which Net Revenues exceeded Aggregate Debt Service, such amount, in monthly installments, as shall be required by the Supplemental Indenture authorizing such Series of Bonds to cause the balance in such Series Subaccount to equal the Debt Service Reserve Requirement then existing for such Series of Bonds;

provided that if there are not sufficient moneys in the Revenue Fund to satisfy the requirements of this subsection (ii), all moneys available for distribution among the Series Subaccounts in the Debt Service Reserve Account shall be deposited into the Debt Service Reserve Account and distributed pro rata based on the amount of the deficiencies to the deficient Series Subaccounts in the Debt Service Reserve Account.

(B) Into the Renewal and Replacement Fund:

(i) if the Renewal and Replacement Fund Reserve Requirement shall ever be increased in accordance with the provisions of paragraph (d) of Section 5.08, the amount specified in a Written Certificate of the District identifying a schedule of sixty (60) approximately equal monthly deposits into the Renewal and Replacement Fund sufficient to cause the balance in the Renewal and Replacement Fund to equal the increased Renewal and Replacement Fund Reserve Requirement as required in paragraph (d) of Section 5.08; and

(ii) if moneys shall ever have been paid out of the Renewal and Replacement Fund and shall not have been replaced from any source, the amount of money necessary, in not to exceed one hundred twenty (120) approximately equal monthly installments, to cause the amount so paid out of the Renewal and Replacement Fund to be replaced, or to cause to be on deposit in the Renewal and Replacement Fund an amount equal to the Renewal and Replacement Fund Reserve Requirement, whichever is less;

provided, however, that so long as there shall be held in the Principal and Interest Fund, excluding any Reserve Instrument Coverage, an amount sufficient to pay in full all Outstanding Bonds and all outstanding Repayment Obligations in accordance with their terms (including Principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Principal and Interest Fund.

(b) Amounts remaining in the Revenue Fund at the end of each month after payment of the amounts required by subsection (a) of this Section may be applied by the District, free and clear of the lien of the Indenture, to any one or more of the following, to the extent permitted by law: (1) the purchase or redemption of any Bonds and payment of expenses in connection therewith; (2) payments of principal or redemption price of and interest on any bonds, including general obligation or junior lien revenue bonds of the District, issued to acquire improvements or extensions to the System; (3) payments into any Project Account or Accounts established in the Construction Fund for application to the purposes of such Accounts; (4) payment of the costs of capital improvements to the System; and (5) any other lawful purpose of the District.

(c) Upon any purchase or redemption, pursuant to subsection (b) of this Section, of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, the principal amount of such Bonds shall be credited toward such Sinking Fund Installments in such order of their due dates as directed by the District, unless the District shall elect to have the Sinking Fund Installments next due credited as provided in Section 5.06(c).

Section 5.06. Principal and Interest Fund - Bond Service Account. (a) Each Supplemental Indenture providing for the issuance of a Series of Bonds shall establish a separate Series Subaccount in the Bond Service Account for each such Series of Bonds issued *provided, however*, that such a separate Series Subaccount need not be established in the Principal and Interest Fund for a Series of Bonds if such Series of Bonds is secured by Series Subaccount in the Debt Service Reserve Account that also secures one or more other Series of Bonds as contemplated by Section 5.07(a) (in which case the Supplemental Indenture may provide for the payment of principal and interest on such Series of Bonds from the same Series Subaccount in the Principal and Interest Fund as the principal and interest on such other Series of Bonds are payable from). There shall be deposited into each Series Subaccount the amounts required to be so deposited pursuant to Section 5.05(a)(A)(i). Any payments made by a Security Instrument Issuer with respect to a Series of Bon shall be deposited into the Series Subaccount in the Bond Service Account relating to such Series of Bonds, subject to the provisions of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

(b) The Trustee shall pay out of the appropriate Series Subaccount in the Bond Service Account to the respective Paying Agent (1) on or before each interest payment date for each Series of Bonds, the amount required for the interest payable on such date; (2) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (3) on or before any redemption date for each Series of Bonds, the amount required for the payment of Redemption Price of and accrued interest on such Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents to pay Principal Installments and Redemption Price of, and interest on the related Series of Bonds. The Trustee shall pay out of the appropriate Series Subaccount in the Bond Service Account to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the District) and the Trustee shall keep its records accordingly.

(c) Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in any Series Subaccount in the Bond Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the District in a Written Request not less than 30 days before the due date of such Sinking Fund Installment, be applied by the Trustee to (1) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, (2) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (3) any combination of (1) and (2). All purchases of any Bonds pursuant to this subsection (c) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the District shall direct the Trustee. The applicable sinking fund Redemption Price (or Principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Service Account until such Sinking Fund Installment date for the purpose of calculating the amount of such Account. As soon as practicable after the 60th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the appropriate Series Subaccount in the Bond Service Account to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by the District as an Operation and Maintenance Cost.

Section 5.07 Principal and Interest Fund - Debt Service Reserve Account. (a) Each Supplemental Indenture providing for the issuance of a Series of Bonds may establish in the Debt Service Reserve Account a separate Series Subaccount for each such Series of Bonds issued and, if established, shall specify the Debt Service Reserve Requirement to be on deposit in such Series Subaccount.

(b) If on the third Business Day prior to the end of any month, after the deposit of moneys required by Section 5.05(a)(A)(i) the amount in any Series Subaccount in the Bond Service Account shall

be less than the amount required to be in such Series Subaccount, the Trustee shall (1) apply amounts from the corresponding Series Subaccount, if any, in the Debt Service Reserve Account to the extent necessary to make good the deficiency; and (2) to the extent that moneys and investments available in the corresponding Series Subaccount, if any, in the Debt Service Reserve Account are not sufficient to eliminate the deficiency in the Series Subaccount in the Bond Service Account and Reserve Instruments are in effect for the corresponding Series of Bonds, immediately make a demand for payment on all such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof in the appropriate Series Subaccount in the Bond Service Account.

(c) Whenever the moneys on deposit in a Series Subaccount in the Debt Service Reserve Account, including investment earnings and Reserve Instrument Coverage with respect thereto, shall exceed the Debt Service Reserve Requirement for such Series Subaccount, such excess shall be transferred by the Trustee to the corresponding Series Subaccount in the Bond Service Account and shall be used to pay Debt Service on the related Bonds, subject to any limitations contained in the Tax Certificate relating to such Bonds.

(d) Whenever the amount in a Series Subaccount in the Debt Service Reserve Account, excluding any Reserve Instrument Coverage, together with the amount in the corresponding Series Subaccount in the Bond Service Account for a Series of Bonds, is sufficient to pay in full all Outstanding Bonds of such Series and related Repayment Obligations in accordance with their terms (including Principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in such Series Subaccount in the Debt Service Reserve Account shall be transferred to the corresponding Series Subaccount in the Bond Service Account and no deposits shall be required to be made into such Series Subaccount in the Debt Service Reserve Account.

(e) Unless otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, in calculating the amount on deposit in a Series Subaccount in the Debt Service Reserve Account, the amount of the Reserve Instrument Coverage for the corresponding Series of Bonds will be treated as an amount on deposit in such Series Subaccount in the Debt Service Reserve account. So long as any Series of Bonds rated by a Rating Agency is Outstanding, the District agrees that it will not invest moneys held in a Series Subaccount in the Debt Service Reserve Account in a Reserve Instrument without providing notice of such investment to such Rating Agency.

(f) Unless otherwise specified in the Supplemental Indenture authorizing a Series of Bonds, no Reserve Instrument for such Series of Bonds shall be allowed to expire unless and until cash has been deposited into the appropriate Series Subaccount in the Debt Service Reserve Account, or a new Reserve Instrument has been issued in place of the expiring Reserve Instrument, in an amount or to provide coverage at least equal to the Debt Service Reserve Requirement for the corresponding Series of Bonds.

Section 5.08. Renewal and Replacement Fund. (a) The amounts in the Renewal and Replacement Fund shall, from time to time, be applied by the District to the payment of extraordinary Operation and Maintenance Costs, and contingencies, including the prevention or correction of any unusual loss or damage to the System to the extent not covered by the proceeds of insurance or other moneys recoverable as a result thereof.

(b) If on the third Business Day prior to the end of any month the amount in any Series Subaccount in the Bond Service Account shall be less than the amount required to be in such Series Subaccount in the Bond Service Account pursuant to Section 5.05(a)(A)(i), and there shall not be on deposit in the corresponding Series Subaccount in the Debt Service Reserve Account sufficient moneys to cure such deficiency, the Trustee shall request that the District transfer from the Renewal and Replacement Fund and deposit into such Series Subaccount in the Bond Service Account the amount necessary (or all the moneys in the Renewal and Replacement Fund, if less than the amount necessary) to make up such deficiency; provided that to the extent that such deficiencies occur in more than one Series Subaccount in the Bond Service Account and there are insufficient moneys available in the Renewal and Replacement Fund to make up such deficiencies, the amount transferred and deposited from the Renewal and Replacement Fund shall be distributed on a pro rata basis to the deficient Series Subaccounts in the Bond Service Account based on the proportion that the total funds available to remedy the total deficiency bears to the deficiency for each Series of Bonds.

(c) At the end of each Fiscal Year any balance of moneys or Investment Securities in the Renewal and Replacement Fund in excess of the Renewal and Replacement Fund Reserve Requirement and not required to meet any deficiency in the Bond Service Account or needed for any of the purposes for which the Renewal and Replacement Fund was established, shall be transferred by the District and deposited into the Revenue Fund.

SCHEDULE VI

RATE COVENANT

All terms used in this Schedule VI shall have the meaning assigned to such terms as provided in the Indenture. All section references used in this Schedule VI shall be references to the appropriate section in the Indenture. All references to this Indenture in this Schedule VI shall be references to the Indenture.

Section 6.13. Rates and Charges. (a) In order to assure full and continuous performance of the covenants contained in Sections 6.01 and 6.08 with a margin for contingencies and temporary unanticipated reduction in Revenues, the District covenants and agrees to establish, fix, prescribe, continue and collect (directly or through leases, use agreements or other agreements, or licenses or ordinances) rates and charges for the sale or use of the System services furnished by the District which, together with other income, are reasonably expected to yield Net Revenues at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The term “Rate Covenant Requirement” shall mean an amount equal to at least (1) 125% of the Aggregate Debt Service excluding amounts payable on Repayment Obligations for the Fiscal Year, (2) 100% of the Repayment Obligations, if any, which will be due and payable during the forthcoming Fiscal Year and (3) 100% of the amounts, if any, then required by the Indenture to be deposited into the Debt Service Reserve Account during the forthcoming Fiscal Year.

(b) if the annual financial statement made in accordance with the provisions of Section 6.12(b) relating to Revenues discloses that during the period covered by such financial statement the Net Revenues were not at least equal to the Rate Covenant Requirement, the District shall not be in default under this Section if, within 60 days after the date of such financial statement (1) the District obtains recommendations from a Qualified Engineer as to the revision of the rates, charges and fees necessary to produce Net Revenues at least equal to the Rate Covenant Requirement and (2) the District, on the basis of such recommendations, revises the schedule of rates, charges and fees insofar as is practicable and revises Operation and Maintenance Costs so as to produce Net Revenues at least equal to the Rate Covenant Requirement.

SCHEDULE VII

ADDITIONAL DEBT TEST

All terms used in this Schedule VII shall have the meaning assigned to such terms as provided in the Indenture. All section references used in this Schedule VII shall be references to the appropriate section in the Indenture. All references to this Indenture in this Schedule VII shall be references to the Indenture.

Section 2.02. General Provisions for the Issuance of Bonds. (a) Whenever the District shall determine to issue any Series of Bonds, the District shall execute and deliver a Supplemental Indenture which shall specify the following:

- (1) The purpose for which such Series of Bonds is to be issued, which shall be for a purpose set forth in Section 2.03, Section 2.04 or Section 2.05, or a combination of such purposes;
- (2) The authorized Principal amount and Series designation of such Series of Bonds;
- (3) The Issue Date and the maturity date or dates of the Bonds of such Series;
- (4) The interest rate or rates (including a zero interest rate) of the Bonds of such Series, or the manner of determining such rate or rates, *provided* that the Supplemental Indenture shall specify the maximum rate that the Bonds of such Series may bear if such Bonds are Variable Rate Bonds, and the interest payment dates of the Bonds of such Series;
- (5) The authorized denominations of the Bonds of such Series;
- (6) Any Paying Agents and the places of payment of the Principal and Redemption Prices, if any, of, and interest on, the Bonds of such Series, and, if other than the Trustee, any Transfer Agents and the places where Bonds may be registered for transfer or exchange;
- (7) The Redemption Prices, if any, and subject to Article IV, the redemption terms, if any, for the Bonds of such Series;
- (8) The amount and due date of each Sinking Fund Installment, if any, for the Bonds of such Series;
- (9) The Record Date for the Bonds of such Series;
- (10) Any Debt Service Reserve Requirement for such series of Bonds pursuant to Section 5.07(a) and the amount, if any, to be deposited from the proceeds of such Series of Bonds into any Series Subaccount in the Debt Service Reserve Account established for such Series of Bonds;

(11) The amount, if any, to be deposited from any legally available source into the Construction Fund;

(12) The amount, if any, to be deposited from any legally available source into the Renewal and Replacement Fund;

(13) The forms of the Bonds of such Series;

(14) To the extent applicable, the obligations payable under any Security Instrument Agreement or Reserve Instrument Agreement entered into in connection with the issuance of the Bonds of such Series which, when outstanding, shall constitute Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations, as the case may be, and which portions of such Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations, as the case may be, are to be attributed to principal of and to interest on such Repayment Obligations; and

(15) Any further covenants by the District required by any Security Instrument Issuer, Reserve Instrument Issuer or purchaser of Bonds deemed necessary or desirable by the District in connection with the sale of such Series of Bonds.

(b) The Bonds of any Series shall be executed by the District for issuance under the Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the District or upon the Written Request of the District but only upon receipt by the Trustee of the following documents or moneys or securities, all of such documents dated or certified, as the case maybe, as of the date of such delivery by the Trustee (unless the Trustee shall accept any of such documents bearing a prior date):

(1) A certified copy of the Supplemental Indenture relating to the issuance of the Bonds of such Series;

(2) A Written Request of the District as to the delivery of the Bonds of such Series;

(3) An Opinion of Bond Counsel to the effect that (i) the District has the power under the Act, as amended to the date of such Opinion, to issue the Bonds of such Series and to execute and deliver the Indenture, and the Indenture has been duly and lawfully executed and delivered by the District, is in full force and effect and is valid and binding upon the District and enforceable in accordance with its terms, and no other authorization for the Indenture is required; (ii) the Indenture creates the valid pledge which it purports to create of the Revenues, Funds, moneys, securities and funds held or set aside under the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; (iii) the Bonds of such Series are valid and binding special obligations of the District, enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture and the Act, as amended to the date of such Opinion; and (iv) the Bonds of such Series have been duly and validly authorized and issued in accordance with law and the Indenture; provided that such Opinion of Counsel may contain limitations acceptable to the purchaser of such Series of Bonds, including

limitations as to enforcement by bankruptcy or similar laws, equity principles, sovereign police powers, and federal powers;

(4) A Written Certificate of the District setting forth (A) the Debt Service for each Fiscal Year of the Bonds of such Series or (B) the Aggregate Debt Service, including such Series of Bonds being issued, for each Fiscal Year, whichever is applicable, and containing such additional statements as may be reasonably necessary to show compliance with the requirements of the Indenture;

(5) The amounts, if any, necessary for deposit into the Construction Fund, the Revenue Fund, and any Series Subaccount in the Debt Service Reserve Account for such Series of Bonds; and

(6) Such further documents, moneys and securities as are required by the provisions of Section 2.03, Section 2.04 or Section 2.05, or of any Supplemental Indenture.

(c) The District may authorize by Supplemental Indenture the delivery to the Trustee of one or more Security Instruments with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith.

(d) The District may authorize by Supplemental Indenture the issuance and delivery to the Trustee of one or more Reserve Instruments and the execution and delivery of any Reserve Instrument Agreements deemed necessary in connection therewith.

(e) The District may authorize by Supplemental Indenture the issuance of Put Bonds; provided that any obligation of the District to pay the purchase price of any such Put Bonds shall not be secured by a pledge of Revenues on a parity with the pledge contained in Section 5.01. The District may provide for the appointment of such Remarketing Agents, indexing agents or other agents as the District may determine.

(f) The District may authorize by Supplemental Indenture such other provisions relating to a Series of Bonds as are permitted by law and are consistent with the provisions of the Indenture.

(g) After the original issuance of the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III, Section 4.04 or Section 8.06.

(h) Notwithstanding any provision of this Section 2.02 to the contrary, a Supplemental Indenture may provide for the delivery of a Series of Bonds, issued in the form of a single Bond, in installments to be noted by the Trustee in a delivery schedule on the reverse side thereof or attached thereto.

Section 2.03. Special Provisions for the Issuance of Construction Bonds. (a) One or more Series of Construction Bonds may be authenticated and delivered upon original issuance from time to time in such Principal amount for each such Series as may be determined by the District for the

purpose of paying or providing for the payment of all or a portion of (i) the Cost of Construction of a Project, (ii) Principal, Redemption Price and interest on Bond Anticipation Notes or (iii) any combination of (i) and (ii). Each such Series shall be in such Principal amount which, when taken together with other funds legally available for such Project, will provide the District with sufficient funds to pay the estimated Cost of Construction of such Project, as set forth in the Written Certificate of the District furnished pursuant to Section 2.03(c)(1).

(b) Each Supplemental Indenture authorizing the issuance of a Series of Construction Bonds:

(1) Shall specify the Project for which the proceeds of such Series of Construction Bonds were applied; and

(2) May require the District to deposit a specified amount of money from the proceeds of the sale of such Series of Construction Bonds or from other legally available sources into the applicable Project Account sufficient to pay when due all or a portion of the interest on such Series of Construction Bonds to accrue up to 12 months following the Estimated Completion Date set forth in the Written Certificate of the District delivered with respect to such Series of Construction Bonds pursuant to Section 2.03(c)(1), plus interest to accrue on such Series of Construction Bonds after the Estimated Completion Date for up to one Year (or such different period as may then be permitted by law).

(c) Each Series of Construction Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of the following documents, all dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(1) A Written Certificate of the District setting forth the then Estimated Completion Date and the then estimated Cost of Construction of the Project being financed by such Series of Bonds.

(2) A Written Certificate of the District to the effect that, upon the authentication and delivery of the Bonds of such Series, no event will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture.

(3) Either:

(A) A Written Certificate of the District either for the District's most recent Fiscal Year or for any Year during the most recent eighteen (18) months showing that, the Net Revenues for such period would not be less than the Rate Covenant Requirement with respect to all Bonds to be Outstanding at any time during the Year next following the issuance of the proposed Series of Bonds and to the Repayment Obligations to be outstanding at any time during the Year next following the issuance of the proposed Series of Bonds; or

(B) (I)(x) An Accountant's Certificate, (y) an Engineer's Certificate or (z) any combination of (x) and (y) setting forth the Estimated Net Revenues (assuming the completion of the Project on its then Estimated Completion Date) for whichever of the following periods shall extend until the latest date:

(i) If the Supplemental Indenture authorizing the Series of Bonds being issued requires that interest on the Series of Bonds be capitalized until a certain date in accordance with Section 2.03(b)(2), for each of the two Fiscal Years succeeding such date, or

(ii) If the Supplemental Indenture authorizing the Series of Bonds being issued does not require that interest on the Series of Bonds be capitalized, for the then current Fiscal Year and each succeeding Fiscal Year to and including the third Fiscal Year succeeding the date of issuance of such Series of Bonds; and

(II) A Written Certificate of the District showing the Aggregate Debt Service for each of the Fiscal Years set forth in the certificate or certificates delivered pursuant to clause (I) above and showing that the Estimated Net Revenues as shown in such certificate or certificates for each of such Fiscal Years are not less than the Rate Covenant Requirement for each of such Fiscal Years with respect to all Series of Bonds to be Outstanding after the issuance of the proposed Series of Construction Bonds and to the Repayment Obligations to be outstanding after the issuance of the proposed Series of Construction Bonds.

(d) Notwithstanding any other provision of the Indenture, the provisions of Section 2.03(c)(3) shall not apply:

(1) to the first Series of Construction Bonds issued under the Indenture;

(2) to any Series of Construction Bonds all of the proceeds of which are to be applied to pay the Cost of Construction of a Project necessary, as expressed in an Engineer's Certificate delivered to the Trustee, to keep the System in good operating condition or to prevent a loss of Revenues therefrom, or to comply with requirements of any governmental agency having jurisdiction over the System;

(3) to any Series of Bonds, the aggregate Principal amount of which, together with the aggregate Principal amount of all other Outstanding Bonds issued pursuant to this paragraph (3) during any Fiscal Year, does not exceed ten percent (10%) of Revenues for the most recent Fiscal Year prior to the issuance of such Series of Bonds for which audited financial statements are available, all as expressed in a Written Certificate of the District; provided that the Trustee shall have received a Written Certificate of the District showing that the Estimated Net Revenues for the next succeeding Fiscal Year are not less than the Rate Covenant Requirement for such Fiscal Year with respect to all Series of Bonds to be Outstanding at any time during such Fiscal Year and to the Repayment Obligations to be outstanding at any time during such Fiscal Year; or

(4) to any Series of Bonds issued to pay the Cost of Construction necessary to complete any Project for which Construction Bonds have previously been issued, provided that the Trustee shall have received:

(A) A Written Certificate of the District stating that the nature and purpose of such Project has not materially changed since the initial Written Certificate of the District was filed pursuant to Section 2.03(c)(1); and

(B) A Written Certificate of the District to the effect that (i) all of the proceeds (including investment earnings) of Construction Bonds (or Bond Anticipation Obligations) previously issued to finance such Project have been or will be used to pay Costs of Construction of the Project, (ii) the then estimated Costs of Construction of the Project as contained in the Written Certificate of the District delivered pursuant to Section 2.03(c)(1) exceeds the sum of the Costs of Construction already paid plus moneys available in the Project Account established for the Project (including unspent proceeds of Bonds previously issued for such purpose), (iii) the issuance of such Series of Bonds is necessary to provide funds to pay Costs of Construction necessary for the Project and (iv) the Principal amount of such Series of Bonds does not exceed fifteen percent (15%) of the Principal amount of all Construction Bonds previously issued to finance such Project.

(e) The proceeds, including accrued interest, of the Construction Bonds of each Series shall be deposited simultaneously with the delivery of such Bonds in the Construction Fund and, to the extent permitted by law and the provisions of the Indenture, in any other Funds or such other funds or accounts as may be established by the Supplemental Indenture, in such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Construction Bonds.

(f) There may also be deposited from any legally available source, to the extent permitted by law and the provisions of the Indenture, in the Funds, including, but not limited to the Renewal and Replacement Fund, or such other funds or accounts as may be established by the Supplemental Indenture, such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Construction Bonds.

Section 2.04. Special Provisions for the Issuance of Refunding Bonds. (a) One or more Series of Refunding Bonds may be issued in such Principal amount which, when taken together with other legally available funds, will provide the District with funds sufficient to accomplish the refunding of all or a part of the Outstanding Bonds of one or more Series or all or part of any other borrowing of the District payable in whole or in part from the Revenues, including in each case the payment of all expenses in connection with such refunding. As used in this Section, the term “Refunded Debt” shall refer to such Bonds or other debt to be so refunded.

(b) Each Supplemental Indenture authorizing the issuance of a Series of Refunding Bonds shall specify the Refunded Debt to be refunded.

(c) Each Series of Refunding Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of the following documents or moneys or securities (or if such documents or moneys or securities are to be delivered as hereinafter provided to the lender for other borrowings, to such lender, with a copy or other evidence of such delivery to the Trustee), all of such documents dated as of the date of such delivery (unless the Trustee or lender, as appropriate, shall accept any of such documents bearing a prior date):

(1) A Written Certificate of the District stating that the issuance of such Series of Refunding Bonds complies with the requirements of the Indenture and either:

(A) A Written Certificate of the District setting forth the Aggregate Debt Service for each Fiscal Year to and including the Fiscal Year in which occurs the latest maturity of the Refunded Debt to be refunded or such Series of Refunding Bonds, whichever is later, (i) with respect to the Refunded Debt to be refunded and (ii) with respect to the Series of Refunding Bonds to be authenticated and delivered, and stating that the Aggregate Debt Service for any Fiscal Year set forth pursuant to clause (ii) of this subparagraph (A) is no greater than the Aggregate Debt Service for any Fiscal Year set forth pursuant to clause (i) of this subparagraph (A); or

(B) An Accountant's Certificate (I) setting forth for the latest Fiscal Year preceding the authentication and delivery of such Series of Bonds for which Fiscal Year an audited financial report is available, the Net Revenues for such period, and (II) showing that such Net Revenues for such Year would not be less than the Rate Covenant Requirement (for each Fiscal Year to and including the Fiscal Year in which occurs the latest maturity of such Series of Refunding Bonds) with respect to all Bonds to be Outstanding at any time during the Year next following the issuance of the proposed Series of Bonds and to the Repayment Obligations to be outstanding at any time during the Year next following the issuance of the proposed Series of Bonds.

(2) Irrevocable instructions to the Trustee (or the lender or its designee), satisfactory to it, to give due notice of redemption of all the Refunded Debt to be refunded on the redemption date or dates specified in such instructions;

(3) If the Refunded Debt to be refunded is not by its terms subject to redemption within the next succeeding 60 days, irrevocable instructions to the Trustee (or the lender or its designee for other borrowings), satisfactory to it, to mail the notice provided for in Section 11.01(b) (or any similar provision for other borrowings) to the Refunded Debt being refunded;

(4) Either (i) moneys in an amount sufficient to effect payment at the applicable redemption price of the Refunded Debt to be refunded, together with accrued interest to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents (or the lender or its designee for other borrowings) in a separate account irrevocably in trust for and assigned to the respective holders of the Refunded Debt to be refunded, or (ii) Investment Securities (or similar investments as provided in the other

document relating to other borrowings) in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of Section 11.01(b) (or any similar provision for other borrowings), which Investment Securities and moneys shall be held in trust and used only as provided in such Section; and

(5) If the Refunding Bonds to be issued are Cross-over Refunding Bonds, the Supplemental Indenture providing for the issuance of the Refunding Bonds shall, in addition to all other requirements of this Section 2.04, provide:

(A) That until the Cross-over Date neither Principal of nor interest on the Cross-over Refunding Bonds shall be payable from or secured by a pledge of the Revenues, but shall be payable solely from the escrow provided for in Section 11-27-3, Utah Code Annotated 1953, as amended; and

(B) there shall be filed with the Trustee an Accountant's Certificate demonstrating the sufficiency of the moneys and investments in the escrow provided for in Section 11-27-3, Utah Code Annotated 1953, as amended, to pay Principal of and interest on the Cross-over Refunding Bonds to the Cross-over Date (which Cross-over Date may, at the option of the District, be extended as provided in the Supplemental Indenture providing for the issuance of the Cross-over Refunding Bonds, but only upon filing a revised Accountant's Certificate which demonstrates that the moneys and investments then in the escrow will be sufficient to pay Principal of and interest on the Cross-over Refunding Bonds to the extended Cross-over Date).

(d) A Series of Refunding Bonds may be combined with a Series of Construction Bonds.

Section 2.05. Conditions for Issuance of Bond Anticipation Notes. (a) One or more Series of Bond Anticipation Notes, payable on a parity with all Outstanding Bonds (except as provided in Section 2.05(b)(2) below), may be authenticated and delivered upon original issuance from time to time in such Principal amount for each such Series as may be determined by the District for the purpose of paying or providing for the payment of all or a portion of the Cost of Construction of a Project, or the refunding of Bond Anticipation Notes, or a combination of such purpose. Each such Series shall be in such Principal amount which, when taken together with funds previously used or to be provided by the District for such Project, will provide the District with sufficient funds to pay the estimated Cost of Construction of such Project, as set forth in the Written Certificate of the District furnished pursuant to Section 2.05(c)(1). The District hereby covenants to apply so much of the proceeds of the Bonds in anticipation of which such Bond Anticipation Notes have been issued as shall be necessary to provide for the payment of all Principal Installments on such Bond Anticipation Notes.

(b) (1) Each Supplemental Indenture authorizing the issuance of a Series of Bond Anticipation Notes (i) shall specify the Project for which the proceeds of such Series of Bond Anticipation Notes will be applied, and (ii) may require the District to deposit a specified amount of money from the proceeds of the sale of such Series of Bond Anticipation Notes into a Project

Account in the Construction Fund to pay when due all or a portion of the interest on such Series of Bond Anticipation Notes accrued and to accrue to the Estimated Completion Date set forth in the Written Certificate of the District delivered with respect to such Series of Bond Anticipation Notes pursuant to Section 2.05(c)(1), plus interest to accrue on such Series of Bond Anticipation Notes after the Estimated Completion Date for up to one Year (or such different period as may then be permitted by law). Such Supplemental Indenture may also contain such limitations and restrictions on, and covenants and agreements of, the District and such rights and remedies for the holders of such Series of Bond Anticipation Notes, as deemed necessary and desirable by the District; provided, however, that such limitations, restrictions, covenants, agreements, rights and remedies shall not be contrary to or inconsistent with the limitations, restrictions, covenants, agreements, rights and remedies contained in this Indenture for the payment and security of any Bonds then Outstanding.

(2) If so provided in the Supplemental Indenture providing for the issuance of any Series of Bond Anticipation Notes, the payment of the Principal Installments on such Bond Anticipation Notes shall be subject to the prior lien and charge created herein for the payment of the Bonds out of the Principal and Interest Fund. In such case, such Supplemental Indenture shall provide that each of such Bond Anticipation Notes shall state on its face that the payment of Principal Installments thereof is so subordinated.

(3) No Bond Anticipation Note shall mature later than ten years from its date, including all refundings thereof by other Bond Anticipation Notes (whether such refundings occur by reason of exchanges of Bond Anticipation Notes or by reason of payment of such Bond Anticipation Notes from refunding Bond Anticipation Notes, or otherwise).

(c) Each Series of Bond Anticipation Notes shall be authorized and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02 and Section 2.05(d) below) of the following documents, all dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(1) a Written Certificate of the District setting forth the then Estimated Completion Date and the then estimated Cost of Construction of the Project being financed by such Series of Bond Anticipation Notes; and

(2) a Written Certificate of the District to the effect that, upon the authentication and delivery of the Bond Anticipation Notes of such Series, no event will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture; provided, however, that in the case of refunding Bond Anticipation Notes, the Principal Installments of which have been subordinated pursuant to Section 2.05(b)(2) above, the District need not so certify with respect to such Principal Installments.’

(d) As of the date of issuance of any Series of Bond Anticipation Notes, the aggregate Principal amount of all outstanding Bond Anticipation Notes (including such Series) shall never exceed the Principal amount of a hypothetical Series of Bonds which could be issued by the District

on such date in compliance with Section 2.03(c)(3), having an assumed final maturity of 30 years, bearing an assumed rate of interest equal to the highest rate then borne by any outstanding Bond Anticipation Notes and having Debt Service due in each Fiscal Year in approximately equal amounts; provided that if no Series of Bond Anticipation Notes are then Outstanding under the Indenture, the interest rate used for purposes of the calculation set forth in this Section 2.05(d) shall be the interest rate borne by the Series of Bond Anticipation Notes to be issued. Each Series of Bond Anticipation Notes shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02 and Section 2.05(c) above) of a Written Certificate of the District, together with a supporting Accountant's Certificate or a supporting Engineer's Certificate, as appropriate, all dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date), stating that the person signing each such certificate has reviewed and is familiar with the provisions of paragraph Section 2.05(d) and that, in the opinion of such signer, the Bond Anticipation Notes then proposed to be issued by the District can be duly and validly issued by the District pursuant to the provisions hereof, assuming for purposes of compliance with Section 2.03(c)(3) as required by the preceding sentence, that the Debt Service on the proposed Series of Bond Anticipation Notes is calculated on the basis of the hypothetical Series of Bonds as set forth in this Section 2.05(d).

Section 2.06. Provisions Regarding Bonds Secured by a Security Instrument. (a) The District may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the District deems appropriate, including:

(1) So long as the Security Instrument is in full force and effect, and payment on the Security Instrument is not in default, (A) the Security Instrument Issuer shall be deemed to be the Holder of the Outstanding Bonds of such Series when the approval, consent or action of the Bondholders for such Series of Bonds is required or may be exercised under the Indenture and following an Event of Default and (B) the Indenture may not be amended in any manner which affects the rights of such Security Instrument Issuer without its prior written consent.

(2) In the event that the Principal and Redemption Price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements and other obligations of the District to the Bondholders of such Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondholders in accordance with the terms of such Security Instrument.

(b) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

SCHEDULE 12(f)

LITIGATION¹³

No.	Parties	Date Initiated	Description	Venue

¹³ To be completed by Borrower, if applicable.

SCHEDULE 12(n)
PRINCIPAL PROJECT CONTRACTS¹⁴

A. Existing Principal Project Contracts

Contract	Date	Parties	Description

B. Additional Principal Project Contracts

Contract	Expected Effective Date (if known)	Parties	Description

¹⁴ To be completed by Borrower.

SCHEDULE 12(p)

ENVIRONMENTAL MATTERS

[To be provided by Borrower, if applicable]

EXHIBIT A

FORM OF WIFIA BOND¹⁵

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH

[NAME OF PROJECT]

(WIFIA – [N____])
WIFIA BOND

Maximum Principal Amount: \$ [Maximum Amount of WIFIA Loan]
(including the maximum amount of capitalized interest that has been authorized)

Effective Date: _____ **Due:** _____

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH, a political subdivision created under the laws of the State of Utah (the “**Borrower**”), for value received, hereby promises to pay to the order of the **UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**, acting by and through the Administrator of the United States Environmental Protection Agency, or its assigns (the “**WIFIA Lender**”), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the “**Disbursements**”) made by the WIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the WIFIA Loan Agreement (as defined below), being hereinafter referred to as the “**Outstanding Principal Sum**”), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the WIFIA Loan Agreement) on the Outstanding Principal Sum and all fees, costs and other amounts payable in connection therewith, all as more fully described in the WIFIA Loan Agreement. The principal hereof shall be payable in the manner and at the place provided in the WIFIA Loan Agreement in accordance with **Exhibit F** (*WIFIA Debt Service*) to the WIFIA Loan Agreement, as revised from time to time in accordance with the WIFIA Loan Agreement, until paid in full (which **Exhibit F**, as modified from time to time in accordance with the terms of the WIFIA Loan Agreement, is incorporated in and is a part of this WIFIA Bond). The WIFIA Lender is hereby authorized to modify the Loan Amortization Schedule included in **Exhibit F** to the WIFIA Loan Agreement from time to time in accordance with the terms of the WIFIA Loan Agreement to reflect the amount of each disbursement made thereunder and the date and amount of principal or interest paid by the Borrower thereunder. Absent manifest error, the WIFIA Lender’s determination of such matters as set forth on **Exhibit F** to the WIFIA Loan Agreement shall be conclusive evidence thereof; provided, however, that neither the failure to make any such recordation nor any error in such recordation shall affect in any manner the Borrower’s obligations hereunder or under any other WIFIA Loan Document.

The interest rate on this WIFIA Bond shall be [____] percent ([____]%) per annum. Interest will accrue and be computed on the Outstanding Principal Sum (as well as on any past due interest)

¹⁵ This will need to be harmonized with the Borrower’s form of bond, but these are the concepts that EPA would like to be addressed in the WIFIA Bond.

from time to time on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months; provided, that, upon the occurrence of an Event of Default, the Borrower shall pay interest on the Outstanding Principal Sum at the Default Rate (as defined in the WIFIA Loan Agreement to be the sum of (a) the WIFIA Interest Rate set forth above plus (b) [____] basis points) in accordance with Section 6 (*Interest Rate*) of the WIFIA Loan Agreement.

Payments hereon are to be made in accordance with Section 8(d) (*Payment of Principal and Interest – Manner of Payment*) and Section 31 (*Notices*) of the WIFIA Loan Agreement as the same become due. Principal of and interest on this WIFIA Bond shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America that at the date of payment is legal tender for the payment of public and private debts. [If the Final Maturity Date is amended in connection with an update to the Updated Financial Model approved by the WIFIA Lender pursuant to Section 16(a) (*Reporting Requirements – Updated Financial Model*) of the WIFIA Loan Agreement, the due date of this WIFIA Bond shall be deemed to be amended to change the due date to such revised Final Maturity Date without any further action required on the part of the Borrower or the WIFIA Lender and such amendment shall in no way amend, modify or affect the other provisions of this WIFIA Bond without the prior written agreement of the WIFIA Lender. Any such amendment shall be reflected in a revised **Exhibit F**.]¹⁶

This WIFIA Bond has been executed under and pursuant to that certain WIFIA Loan Agreement, dated as of the date hereof, between the WIFIA Lender and the Borrower (the “**WIFIA Loan Agreement**”) and is issued to evidence the obligation of the Borrower under the WIFIA Loan Agreement to repay the loan made by the WIFIA Lender and any other payments of any kind required to be paid by the Borrower under the WIFIA Loan Agreement or the other WIFIA Loan Documents referred to therein. Reference is made to the WIFIA Loan Agreement for all details relating to the Borrower’s obligations hereunder. All capitalized terms used in this WIFIA Bond and not defined herein shall have the meanings set forth in the WIFIA Loan Agreement.

This WIFIA Bond may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the WIFIA Loan Agreement; provided, however, such prepayments shall be in principal amounts of at least \$1,000,000 or any integral multiple of \$1 in excess thereof), from time to time, but not more than annually, without penalty or premium, by paying to the WIFIA Lender all or part of the principal amount of the WIFIA Bond in accordance with the WIFIA Loan Agreement.

This WIFIA Bond shall be subject to mandatory prepayment on the terms and conditions set forth in the WIFIA Loan Agreement.

Payment of the obligations of the Borrower under this WIFIA Bond is secured pursuant to the Indenture referred to in the WIFIA Loan Agreement.

¹⁶ To be included when the WIFIA Lender has agreed to a Final Maturity Date that is a defined anniversary of the Substantial Completion Date. Pursuant to the Act, the Final Maturity Date cannot be later than the 35th anniversary of the Substantial Completion Date. The actual number of years will be determined as part of the WIFIA Lender’s underwriting process.

This WIFIA Bond, including the interest hereon, is payable from the Revenues and other funds of the Borrower pledged for the payment hereof and this WIFIA Bond does not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitations or provisions.

Any delay on the part of the WIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the State of Utah to happen, exist, and be performed precedent to and in the issuance of this WIFIA Bond have happened, exist and have been performed as so required. This WIFIA Bond is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the State of Utah shall govern its construction to the extent such federal laws are not applicable.

IN WITNESS WHEREOF, MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH has caused this WIFIA Bond to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

**SUMMIT COUNTY, UTAH ACTING ON
BEHALF OF THE MOUNTAIN
REGIONAL WATER SPECIAL
SERVICE DISTRICT, UTAH,**

(SEAL)

by the Summit County Council acting as the
governing body

By _____
Name: Tonja Hanson
Title: Chair

ATTEST:

Name: Evelyn Furse
Title: County Clerk

CERTIFICATE OF AUTHENTICATION

This WIFIA Bond is the WIFIA Bond described in the within-mentioned Indenture.

[NAME OF TRUSTEE]

By: _____
(Authorized Signer)

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the Undersigned hereby unconditionally sells, assigns
and transfers unto _____

(Please Insert Social Security or other identifying number of Assignee(s)):

the within note and all rights thereunder.

Dated: _____

NOTICE: The signature to this assignment
must correspond with the name as it appears
upon the face of the within note in every
particular, without alteration or enlargement or
any change whatever.

EXHIBIT B
ANTICIPATED WIFIA LOAN DISBURSEMENT SCHEDULE

<u>Federal Fiscal Year</u>	<u>Amount</u>
	\$

EXHIBIT C

FORM OF NON-DEBARMENT CERTIFICATE

The undersigned, MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH, hereby certifies that MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH, has fully complied with its verification obligations under 2 C.F.R. § 180.320 and hereby further confirms, based on such verification, that, to its knowledge, the Borrower and its principals (as defined in 2 C.F.R. § 180.995 and supplemented by 2 C.F.R. 1532.995):

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) Have not within a three (3) year period preceding the Effective Date been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three (3) year period preceding the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

Dated: _____

**MOUNTAIN REGIONAL WATER SPECIAL
SERVICE DISTRICT, UTAH,**

by the Summit County Council, acting as the governing
body

By: _____

Name: Tonja Hanson

Title: Chair

EXHIBIT D

REQUISITION PROCEDURES

This **Exhibit D** sets out the procedures which the Borrower agrees to follow in submitting Requisitions for the disbursement of WIFIA Loan proceeds in respect of the Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the WIFIA Lender may reject or correct Requisitions submitted by the Borrower or withhold a disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the WIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the WIFIA Lender under the WIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the WIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower if it fails to carry out its obligations under the WIFIA Loan Agreement during the term thereof.

Section 1. General Requirements. All requests by the Borrower for the disbursement of WIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the WIFIA Lender, in accordance with Section 31 (*Notices*) of the WIFIA Loan Agreement, of a Requisition, in form and substance satisfactory to the WIFIA Lender and completed and executed by the Borrower's Authorized Representative. The form of Requisition is attached as **Appendix One** (*Form of Requisition*) to this **Exhibit D**.

Supporting documentation should be submitted with the requisition. If the Borrower anticipates that it will draw down all or a portion of the proceeds of the WIFIA Loan to reimburse the Borrower for Eligible Project Costs paid by or on behalf of the Borrower prior to such disbursement of WIFIA Loan proceeds, whether paid from funds of the Borrower or proceeds of Obligations issued by the Borrower, including for the purpose of paying or redeeming such Obligations, the Borrower shall deliver appropriate documentation, including invoices and records, evidencing such incurred or paid Eligible Project Costs (the "**Eligible Project Costs Documentation**"). The Eligible Project Costs Documentation must provide sufficient detail to enable the WIFIA Lender to verify that such costs are Eligible Project Costs paid by the Borrower, in connection with the reimbursement of such Eligible Project Costs or for the purpose of paying or redeeming, in whole or part, the portion of any such short-term interim financing in respect of which the proceeds were used to pay such documented Eligible Project Costs. The WIFIA Lender shall review the Eligible Project Costs Documentation for compliance with WIFIA disbursement requirements, and any amounts approved by the WIFIA Lender as Eligible Project Costs will be disbursed at such time as the Borrower submits a Requisition in respect of such approved amounts.

The WIFIA Lender agrees to promptly send to the Borrower in accordance with Section 31 (*Notices*) of the WIFIA Loan Agreement, an acknowledgement of receipt of each Requisition in the form attached as **Appendix Two** (*[Approval/Disapproval] of the WIFIA Lender*) to this **Exhibit D** setting forth the date of receipt by the WIFIA Lender of such Requisition and setting forth the Business Day on which disbursement will be made absent denial by the WIFIA Lender. All disbursement requests must be received by the WIFIA Lender at or before 5:00 P.M. (EST) on the first (1st) Business Day of a calendar month in order to obtain disbursement by the fifteenth (15th) day of such calendar month or, if either such day is not a Business Day, the next succeeding

Business Day. If a Requisition is approved by the WIFIA Lender, the WIFIA Lender will notify the Borrower of such approval and of the amount so approved.

Section 2. Rejection. A Requisition may be rejected in whole or in part by the WIFIA Lender if it is: (a) submitted without signature; (b) submitted under signature of a Person other than a Borrower's Authorized Representative; (c) submitted after prior disbursement of all proceeds of the WIFIA Loan; (d) submitted without adequate Eligible Project Costs Documentation, including (i) copies of invoices and records evidencing the Eligible Project Costs, (ii) a summary of the progress of construction of the Project and a general description of the work done for which the funds being requisitioned are being applied (or a certification that no change has occurred since the date of the latest quarterly report provided pursuant to Section 16(d) (*Reporting Requirements – Construction Reporting*), and (iii) a copy of the most recent update to the Borrower's risk register, if requested by the WIFIA Lender.

The WIFIA Lender will notify the Borrower of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified above (other than Section 2(c)) must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the WIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the WIFIA Lender will so notify the Borrower.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the WIFIA Lender, after telephonic or email notification to the Borrower, and will thereafter be treated as if submitted in the corrected amount.

Section 4. Withholding. The WIFIA Lender shall be entitled to withhold approval (in whole or in part) of any pending or subsequent requests for the disbursement of WIFIA Loan proceeds if: (a) a Default or an Event of Default shall have occurred and be continuing; (b) the Borrower (i) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable law, in connection with the transactions contemplated hereby; (ii) prevents or materially impairs the ability of the WIFIA Lender to monitor compliance by the Borrower with applicable law pertaining to the Project or with the terms and conditions of the WIFIA Loan Agreement; (iii) fails to observe or comply with any applicable law, or any term or condition of the WIFIA Loan Agreement; (iv) fails to satisfy the conditions set forth in Section 4 (*Disbursement Conditions*) and Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*) of the WIFIA Loan Agreement; or (v) fails to deliver Eligible Project Costs Documentation satisfactory to the WIFIA Lender at the times and in the manner specified by the WIFIA Loan Agreement; provided, that in such case of Section 4(v), the WIFIA Lender may, in its sole discretion, partially approve a disbursement request in respect of any amounts for which adequate Eligible Project Costs has been provided and may, in its sole discretion, disburse in respect of such properly documented amounts.

APPENDIX 1
FORM OF REQUISITION

United States Environmental Protection Agency¹⁷
1200 Pennsylvania Avenue NW
WJC-W 6201A
Washington, D.C. 20460
Attention: WIFIA Director

Re: [Name of Project] (WIFIA — _____)

Ladies and Gentlemen:

Pursuant to Section 4 (*Disbursement Conditions*) of the WIFIA Loan Agreement, dated as of [____], 2025 (the “**WIFIA Loan Agreement**”), by and between MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH (the “**Borrower**”) and the UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, acting by and through the Administrator (the “**WIFIA Lender**”), the Borrower hereby requests disbursement in the amount set forth below in respect of Eligible Project Costs paid or incurred by the Borrower. Capitalized terms used but not defined herein have the meaning set forth in the WIFIA Loan Agreement.

In connection with this Requisition the undersigned, as the Borrower’s Authorized Representative, hereby represents and certifies the following:

1.	Project name	[Name of Project]
2.	Borrower name	Summit County, Utah acting on behalf of the Mountain Regional Water Special Service District, Utah
3.	WIFIA reference number	[__]
4.	Requisition number	[__]
5.	Requested disbursement amount	\$[__]

¹⁷ If there is a Servicer for the WIFIA Loan, provide a copy to the Servicer as well and include its notice details here.

6.	Requested disbursement date (the “Disbursement Date”)	[__]
7.	Total amounts previously disbursed under the WIFIA Loan Agreement	\$[__]
8.	Wire instructions	[__]

1. The amounts hereby requisitioned have been paid or incurred and approved for payment by or on behalf of the Borrower for Eligible Project Costs and have not been paid for or reimbursed by any previous disbursement from WIFIA Loan proceeds. No portion of the amounts requisitioned will be applied to pay for Eligible Project Costs that have been previously paid, or are expected to be paid, with proceeds of debt of the Borrower that is not the WIFIA Loan (“**Other Debt**”)[.][, except as set forth below:

Source of Other Debt	Amount of Other Debt
[__]	\$[__]
Total Amount of Other Debt	\$[__]

The portion of the amount requisitioned equal to the total amount of the Other Debt set forth above will be promptly applied by the Borrower to either (i) discharge a like principal amount of such Other Debt or (ii) reimburse the applicable fund or account from which the proceeds of such Other Debt were spent.]¹⁸

2. The aggregate amount of all disbursements of the WIFIA Loan (including the amount requested under this Requisition but excluding any interest that is capitalized in accordance with the WIFIA Loan Agreement) does not exceed (a) the amount of the WIFIA Loan, (b) the amount of Eligible Project Costs paid or incurred by the Borrower, and (c) the cumulative disbursements through the end of the current Federal Fiscal Year as set forth in the Anticipated WIFIA Loan Disbursement Schedule.

¹⁸ This paragraph should be included when the Eligible Project Costs for which the proceeds of the requisition are to be applied were previously funded with bond anticipation notes or other short-term interim financing by the Borrower on a temporary basis with the intent of redeeming the bond anticipation notes or other obligations with proceeds of the WIFIA Loan as permanent financing, or reimbursing the applicable funds of the other obligations such that they become available for payment of other Project costs.

3. The Borrower has sufficient available funds committed to the Project, which together with funds that remain available and not yet drawn under the WIFIA Loan, will be sufficient to pay the reasonably anticipated remaining Total Project Costs.
4. The total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs.
5. The Borrower has all Governmental Approvals necessary as of the date hereof and as of the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project and each such Governmental Approval has been issued and is in full force and effect (and is not subject to any notice of violation, breach or revocation).
6. Each of the insurance policies obtained by the Borrower in satisfaction of Section 11(a)(xvi) (*Conditions Precedent – Conditions Precedent to Effectiveness*) of the WIFIA Loan Agreement is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.
7. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of WIFIA Loan proceeds), (i) no Default or Event of Default and (ii) no event of default under any other Related Document and no event that, with the giving of notice or the passage of time or both, would constitute an event of default under any Related Document, in each case, has occurred and is continuing. No Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since _____.
8. The Borrower, and each of its contractors and subcontractors at all tiers with respect to the Project, has complied with all applicable laws, rules, regulations and requirements, including without limitation 40 U.S.C. §§3141-3144, 3146, and 3147 (relating to Davis-Bacon Act requirements) (and regulations relating thereto) and 33 U.S.C. §3914 (relating to American iron and steel products). Supporting documentation, such as certified payroll records and certifications for all iron and steel products used for the Project, are being maintained and are available for review upon request by the WIFIA Lender.
9. The representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other Related Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

10. Each Indenture Document and each Principal Project Contract that has been delivered by the Borrower to the WIFIA Lender pursuant to Section 11(b) (*Conditions Precedent – Conditions Precedent to Disbursements*) is complete, fully executed and in full force and effect.
11. The current estimated percentage of physical completion of the Project is [____]%. The Borrower is in compliance with Section 16(d) (*Reporting Requirements – Construction Reporting*) and no change has occurred since the date of the most recently delivered quarterly construction progress report that could reasonably be expected to cause a Material Adverse Effect.¹⁹
12. All documentation evidencing the Eligible Project Costs to be reimbursed to the Borrower [or to be used to pay Eligible Project Costs previously paid from proceeds of Other Debt] by the above-requested disbursement has been delivered by the Borrower to the WIFIA Lender at the times and in the manner specified by the WIFIA Loan Agreement, including the details set forth [in the attachment hereto, which is in form satisfactory to the WIFIA Lender][below:

								WIFIA USE ONLY	
Vendor or Contractor Name ²⁰	Invoice Number ²¹	Invoice Date	Payment Date	Invoice Amount	WIFIA Requested Amount ²²	Activity Type ²³	Description of Activity ²⁴	Approved Amount	Notes

¹⁹ The most recent quarterly progress report should set out a summary of the progress of construction of the Project, as well as a general description of the work done for which the funds being requisitioned are being applied and a summary of any material changes/risks. If not, PM should request additional information (including a risk register, if applicable).

²⁰ If seeking reimbursement for internal costs, enter “Internally financed activities.”

²¹ Vendor’s number indicated on the invoice sent to the Borrower.

²² If the amount requested for reimbursement by the WIFIA Lender is less than the total amount of the invoice, include an explanation for the difference.

²³ Specify whether activity is: (a) **Development phase activity**, which includes planning, preliminary engineering, design, environmental review, revenue forecasting and other pre-construction activities; (b) **Construction**, which includes construction, reconstruction, rehabilitation and replacement activities; (c) **Acquisition of real property**, which includes acquiring an interest in real property, environmental mitigation, construction contingencies and acquisition of equipment; (d) **Carrying costs**, including capitalized interest, as necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses and other carrying costs during construction; (e) **WIFIA fees**, including for application and credit processing; or (f) **Other**, with an explanation in the “Description of Activity” column.

²⁴ Provide a brief description of the activities included in the invoice for which WIFIA funds are being requested and any other notes that will aid in the review of the disbursement request.

The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001, to the extent the Government deems appropriate.

Date: _____

MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT, UTAH,
By its authorized representative

By: _____

Name: Andy Garland

Title: General Manager

APPENDIX TWO TO EXHIBIT D

[APPROVAL/DISAPPROVAL] OF THE WIFIA LENDER (To be delivered to the Borrower)

Requisition Number [_____] is [approved in the amount of \$[_____] [approved in part in the amount of \$[_____] [not approved, for the reasons set forth in Annex A attached hereto,]²⁵ by the WIFIA Lender (as defined herein) pursuant to Section 4 (*Disbursement Conditions*) of the WIFIA Loan Agreement, dated as of [_____] 2025, by and between Summit County, Utah acting on behalf of the Mountain Regional Water Special Service District, Utah (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “**WIFIA Lender**”).

Any determination, action or failure to act by the WIFIA Lender with respect to the Requisition set forth above, including any withholding of a disbursement, shall be at the WIFIA Lender’s sole discretion, and in no event shall the WIFIA Lender be responsible for or liable to the Borrower for any and/or all consequence(s) which are the result thereof.

**UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY**, acting by and
through the Administrator

By: _____
WIFIA Lender’s Authorized Representative
Name:
Title:
Dated:

²⁵ If there is any partial or full denial of approval, the WIFIA Lender should provide a separate attachment setting forth the reasons for such partial or full denial of approval.

EXHIBIT E

FORM OF NON-LOBBYING CERTIFICATE

The undersigned, on behalf of MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH, hereby certifies, to the best of his or her knowledge and belief, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of the WIFIA Loan.

(b) If any funds other than proceeds of the WIFIA Loan have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the WIFIA Loan, the Borrower shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The Borrower shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement, dated as of [____], 2025 (the "WIFIA Loan Agreement"), by and between the United States Environmental Protection Agency, acting by and through the Administrator (the "WIFIA Lender"), and the Borrower, as the same may be amended from time to time.

This certification is a material representation of fact upon which reliance was placed when the WIFIA Lender entered into the WIFIA Loan Agreement. Submission of this certification is a prerequisite to the effectiveness of the WIFIA Loan Agreement imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Dated: _____

**MOUNTAIN REGIONAL WATER SPECIAL
SERVICE DISTRICT, UTAH,**
by its authorized representative

By: _____
Name: Andy Garland
Title: General Manager

EXHIBIT F
WIFIA DEBT SERVICE²⁶

²⁶ WIFIA Underwriting to work with Borrower to provide an initial amortization schedule. This will need to be finalized on the day of closing to account for the final interest rate.

EXHIBIT G-1

OPINIONS REQUIRED FROM COUNSEL TO BORROWER

An opinion of the counsel of the Borrower, dated as of the Effective Date, to the effect that:

(a) the Borrower is duly formed, validly existing, and in good standing under the laws of the jurisdiction of its organization;

(b) the Borrower has all requisite power and authority to conduct its business and to execute and deliver, and to perform its obligations under the Related Documents to which it is a party;

(c) the execution and delivery by the Borrower of, and the performance of its respective obligations under, the Related Documents to which it is a party, have been duly authorized by all necessary organizational or regulatory action;

(d) the Borrower has duly executed and delivered each Related Document to which it is a party and each such Related Document constitutes the legal, valid and binding obligation of such party; enforceable against such party in accordance with their respective terms;

(e) no authorization, consent, or other approval of, or registration, declaration or other filing with any governmental authority of the United States of America or of the State is required on the part of the Borrower for the execution and delivery by such party of, and the performance of such party under, any Related Document to which it is a party other than authorizations, consents, approvals, registrations, declarations and filings that have already been timely obtained or made by the Borrower;

(f) the execution and delivery by the Borrower of, and compliance with the provisions of, the Related Documents to which it is a party in each case do not (i) violate the Organizational Documents of the Borrower, (ii) violate the law of the United States of America or of the State or (iii) conflict with or constitute a material breach of or material default under any material agreement or other instrument known to such counsel to which the Borrower is a party, or to the best of such counsel's knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower is subject;

(g) the Borrower is not an investment company required to register under the Investment Company Act of 1940, as amended;

(h) to our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the Borrower by or before any State of Utah or federal court in the State of Utah, arbitrator or any other Governmental Authority in connection with the Related Documents or the Project that are pending; and

(i) the Borrower is not entitled to claim governmental immunity in any breach of contract action under the WIFIA Loan Agreement or the WIFIA Bond or by the Trustee under the Indenture.

EXHIBIT G-2

OPINIONS REQUIRED FROM BOND COUNSEL

An opinion of bond counsel, dated as of the Effective Date, to the effect that:

(a) The Borrower has been duly created and validly exists as a municipal corporation and political subdivision created under and pursuant to the laws of the State of Utah (including the Bond Act as amended to the date hereof) (the “**Borrower Act**”), with good right and power to issue the WIFIA Bond.

(b) The Borrower has the right and power under the laws of the State, including the Borrower Act, to enter into the Indenture, the Related Documents and the WIFIA Bond, and each has been duly authorized, executed and delivered by the Borrower, is in full force and effect, and constitutes a legal, valid and binding agreement of the Borrower enforceable against the Borrower in accordance with its respective terms and conditions;

(c) The WIFIA Bond is (i) secured by the Pledged Collateral, (ii) a Bond entitled to the benefits of a Bond under the Indenture, (iii) enforceable under the laws of the State without any further action by the Borrower or any other Person, and (iv) rank *pari passu* in right of payment and right of security with all Bonds and are senior in right of payment and right of security to all Subordinate Obligations;

(d) The Indenture creates the valid and binding assignment and pledge of the Pledged Collateral to secure the payment of the principal of, interest on, and other amounts payable in respect of, the WIFIA Bond, irrespective of whether any party has notice of the pledge and without the need for any physical delivery, recordation, filing or further act;

(e) All actions by the Borrower that are required for the application of Revenues as required under the Indenture and under the WIFIA Loan Agreement have been duly and lawfully made;

(f) The Borrower has complied with the requirements of State law to lawfully pledge the Pledged Collateral and use the Revenues as required by the terms of the Indenture and the WIFIA Loan Agreement; and

(g) The Borrower is not eligible to be a debtor in either a voluntary or involuntary case under the United States Bankruptcy Code.

EXHIBIT H

FORM OF CERTIFICATE OF TRUSTEE

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT, UTAH

WIFIA Bond,
[Name of Project]
(WIFIA – _____)

The undersigned, U.S. Bank Trust Company, National Association (the “**Trustee**”), by its duly appointed, qualified and acting [____], certifies with respect to the above referenced bond (the “**WIFIA Bond**”) dated as of [____], 2025, as follows (capitalized terms used in this Certificate which are not otherwise defined shall have the meanings given to such terms in the Indenture (as defined below)):

1. That the Trustee is a national association duly organized and validly existing under the laws of the United States of America and [is duly licensed and] in good standing under the laws of [_____].

2. All approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Trustee of its duties and obligations under the documents pertaining to the issuance of the WIFIA Bond have been obtained by the Trustee and are in full force and effect.

3. That the documents pertaining to the issuance of the WIFIA Bond to which the Trustee is a party were executed by the Trustee and the WIFIA Bond was authenticated on behalf of the Trustee by one or more of the persons whose names and offices appear on Annex One attached hereto and made part hereof, that each person was at the time of the execution of such documents and the authentication of the WIFIA Bond and now is duly appointed, qualified and acting incumbent of his or her respective office, that each such person was authorized to execute such documents and to authenticate the WIFIA Bond, and that the signature appearing after the name of each such person is a true and correct specimen of that person’s genuine signature.

4. That the undersigned is authorized to act as Trustee and accept the trusts conveyed to it under the Indenture (“**Trusts**”), has accepted the Trusts so conveyed and in so accepting the Trusts and so acting is in violation of no provision of its articles of association or bylaws, any law, regulation or court or administrative order or any agreement or other instrument to which it is a party or by which it may be bound.

5. That attached to this Certificate as Annex [One][Two]²⁷ is a full, true and correct copy of excerpts from [resolutions of the board of directors][the bylaws] of the Trustee and other applicable documents that evidence the Trustee’s trust powers and the authority of the officers referred to above to act on behalf of the Trustee; and that these excerpts and other applicable documents were in effect on the date or dates such officers acted and remain in full force and effect

²⁷ If the Trustee’s authorizing document is the same document that sets out the incumbency signatures (e.g. US Bank NA), refer to and attach one annex. If separate documents, refer here to and attach as a second annex.

today, and such excerpts and documents have not been amended since the date of the last amendment thereto shown on any such copy, as applicable.

6. That receipt is acknowledged of all instruments, certifications and other documents or confirmations required to be received by the Trustee pursuant to Section [____] of that certain Subordinate General Indenture of Trust (the “**Indenture**”), dated as of _____ 1, 2025, between Mountain Regional Water Special Service District, Utah (the “**Borrower**”) and the Trustee.

7. That receipt is also acknowledged of that certain WIFIA Loan Agreement, dated as of [____], 2025 (the “**WIFIA Loan Agreement**”), between the Borrower and the United States Environmental Protection Agency, acting by and through the Administrator (the “**WIFIA Bondholder**”).

8. That the Trustee also accepts its appointment and agrees to perform the duties and responsibilities of Trustee [and of Bond Registrar and Paying Agent] for and in respect of the WIFIA Bond as set forth in the Indenture and the WIFIA Loan Agreement, including from time to time redeeming all or a portion of the WIFIA Bond as provided in Section [____] of the Indenture. In accepting such duties and responsibilities, the Trustee shall be entitled to all of the privileges, immunities, rights and protections set forth in Section [____] of the Indenture.

9. That all funds and accounts for the payment of the WIFIA Bond pursuant to the Indenture (including, but not limited to, the Bond Service Account) have been established as provided in the Indenture.

Dated: [____], 2025

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION

By: _____
Name:
Title:

ANNEX ONE TO EXHIBIT H

[See attached]

EXHIBIT I

FORM OF CLOSING CERTIFICATE

Reference is made to that certain WIFIA Loan Agreement, dated as of [_____], 2025 (the “**WIFIA Loan Agreement**”), by and among Mountain Regional Water Special Service District, Utah (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator (the “**WIFIA Lender**”). Capitalized terms used in this certificate and not defined shall have the respective meanings ascribed to such terms in the WIFIA Loan Agreement.

In connection with Section 11(a) (*Conditions Precedent – Conditions Precedent to Effectiveness*) of the WIFIA Loan Agreement, the undersigned, [_____], as Borrower’s Authorized Representative, does hereby certify on behalf of the Borrower and not in his/her personal capacity as of the date hereof:

- (a) pursuant to Section 11(a)(viii), attached hereto as Annex A is an incumbency certificate that lists all persons, together with their positions and specimen signatures, who are duly authorized by the Borrower to execute the Related Documents to which the Borrower is or will be a party, and who have been appointed as a Borrower’s Authorized Representative in accordance with Section 21 (*Borrower’s Authorized Representative*) of the WIFIA Loan Agreement;
- (b) pursuant to Section 11(a)(ii), attached hereto as Annex B are copies of the Indenture and each Supplemental Indenture (including the WIFIA Supplemental Indenture) and any other Indenture Document authorizing Obligations in respect of the Project that has been entered into on or prior to the Effective Date, together with any amendments, waivers or modifications thereto, and each such document is complete, fully executed, and in full force and effect, and all conditions contained in such documents that are necessary to the closing of the WIFIA transactions contemplated hereby have been fulfilled;
- (c) pursuant to Section 11(a)(iii), attached hereto as Annex C are copies of each Existing Principal Project Contract, together with any amendments, waivers or modifications thereto, and each such document is complete, fully executed, and in full force and effect;
- (d) pursuant to Section 11(a)(iv), attached hereto as Annex D is a copy of the Borrower’s Organizational Documents, as in effect on the Effective Date (and certified by the Secretary of State of the State, to the extent applicable), which Organizational Documents are in full force and effect. Other than the WIFIA Supplemental Indenture, there are no additional instruments or documents necessary for the Borrower to execute and deliver, or to perform its obligations under, the WIFIA Loan Documents to which it is a party and to consummate and implement the transactions contemplated by the WIFIA Loan Documents;

- (e) pursuant to Section 11(a)(viii)(1), the aggregate of all funds committed to the development and construction of the Project as set forth in the Base Case Financial Model and in the Project Budget are sufficient to carry out the Project, pay all Total Project Costs anticipated for the Project and achieve Substantial Completion by the Projected Substantial Completion Date;
- (f) pursuant to Section 11(a)(viii)(2), the Borrower has obtained all Governmental Approvals necessary (i) as of the Effective Date in connection with the Project and (ii) to execute and deliver, and perform its obligations under the WIFIA Loan Documents, and each such Governmental Approval is final, non-appealable and in full force and effect (and is not subject to any notice of violation, breach or revocation);
- (g) pursuant to Section 11(a)(viii)(3), (i) the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), together with the amount of any other credit assistance provided under the Act to the Borrower, does not exceed forty-nine percent (49%) of reasonably anticipated Eligible Project Costs and (ii) the total federal assistance provided to the Project, including the maximum principal amount of the WIFIA Loan (excluding any interest that is capitalized in accordance with the terms hereof), does not exceed eighty percent (80%) of Total Project Costs;
- (h) pursuant to Section 11(a)(viii)(4), the Borrower is in compliance with NEPA and any applicable federal, state or local environmental review and approval requirements with respect to the Project, and, if requested by the WIFIA Lender, has provided evidence satisfactory to the WIFIA Lender of such compliance;
- (i) pursuant to Section 11(a)(viii)(5), the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project during its useful life;
- (j) pursuant to Section 11(a)(viii)(6), (i) the Borrower's Federal Employer Identification Number is 87-60000279, (ii) the Borrower's Data Universal Numbering System number is 028442379, and (iii) the Borrower has registered with, and obtained confirmation of active registration status from, the federal System for Award Management (www.SAM.gov), which confirmation is attached hereto as Annex [];
- (k) pursuant to Section 11(a)(viii)(7), the CUSIP number for the WIFIA Loan is [];
- (l) pursuant to Section 11(a)(viii)(8), the representations and warranties of the Borrower set forth in the WIFIA Loan Agreement and in each other Related Document to which the Borrower is a party are true and correct on and as of the date hereof, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct as of such earlier date;

- (m) pursuant to Section 11(a)(viii)(9), no Material Adverse Effect, or any event or condition that could reasonably be expected to have a Material Adverse Effect, has occurred or arisen since _____;
- (n) pursuant to Section 11(a)(x), none of the rating letters delivered to the WIFIA Lender pursuant to such Section 11(a)(x) has been reduced, withdrawn or suspended as of the Effective Date;
- (o) pursuant to Section 11(a)(xi), [the Borrower has delivered to the WIFIA Lender][attached hereto as Annex [] is] the Base Case Financial Model, which (i) demonstrates that projected Net Revenues are sufficient to meet the Loan Amortization Schedule, (ii) demonstrates compliance with the Rate Covenant Requirement for each Borrower Fiscal Year through the Final Maturity Date, (iii) reflects principal amortization and interest payment schedules acceptable to the WIFIA Lender, (iv) demonstrates that the Borrower has developed, and identified adequate revenues to implement, a plan for operating, maintaining and repairing the Project over its useful life and (v) otherwise meets the requirements of such Section 11(a)(xi); [and]
- (p) pursuant to Section 11(a)(xii), attached hereto as Annex [] [are certificates of insurance][is a certificate of the Borrower's risk management department pertaining to the Borrower's self-insurance program], and such insurance certificate is true and correct and demonstrates compliance with the requirements of Section 14(f) (*Affirmative Covenants – Insurance*) of the WIFIA Loan Agreement[; and][.]
- (q) [*any other attachments and provisions, as may apply to the specific WIFIA Loan Agreement*].

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

**MOUNTAIN REGIONAL WATER SPECIAL
SERVICE DISTRICT, UTAH**, by its authorized
representative

By: _____
Name: Andy Garland
Title: General Manager

ANNEX A TO EXHIBIT I

INCUMBENCY CERTIFICATE

The undersigned certifies that he/she is the [County Clerk] of Summit County, Utah acting on behalf of the Mountain Regional Water Special Service District, Utah, a political subdivision of the State of Utah (the “Borrower”), and as such he/she is authorized to execute this certificate and further certifies that the following persons have been elected or appointed, are qualified, and are now acting as officers or authorized persons of the Borrower in the capacity or capacities indicated below, and that the signatures set forth opposite their respective names are their true and genuine signatures. He/She further certifies that any of the officers listed below is authorized to sign agreements and give written instructions with regard to any matters pertaining to the WIFIA Loan Documents as the Borrower’s Authorized Representative (each as defined in that certain WIFIA Loan Agreement, dated as of the date hereof, between the Borrower and the United States Environmental Protection Agency, acting by and through the Administrator):

<u>Name</u>	<u>Title</u>	<u>Signature</u>
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____

IN WITNESS WHEREOF, the undersigned has executed this certificate as of this [_____] day of [_____], 2025.

SUMMIT COUNTY, UTAH, by its authorized representative

By: _____
Name: Evelyn Furse
Title: County Clerk

EXHIBIT J

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[Letterhead of Borrower]

[Date]

WIFIA Program Office
[Insert Proper Address]
Attention: Administrator

Project: [Name of Project] [WIFIA Project Reference Number]

Dear Director:

This Notice is provided pursuant to Section 16(a)(i)(A) (*Affirmative Covenants – Notice – Substantial Completion*) of that certain WIFIA Loan Agreement (the “**WIFIA Loan Agreement**”), dated as of [____], 2025, by and between Mountain Regional Water Special Service District, Utah (the “**Borrower**”) and the United States Environmental Protection Agency, acting by and through its Administrator (the “**WIFIA Lender**”).

Unless otherwise defined herein, all capitalized terms in this Notice have the meanings assigned to those terms in the WIFIA Loan Agreement.

I, the undersigned, in my capacity as the Borrower’s Authorized Representative and not in my individual capacity, do hereby certify to the WIFIA Lender that:

- (a) on *[insert date Substantial Completion requirements were satisfied]*, the Project satisfied each of the requirements for Substantial Completion set forth in the *[Insert reference to the concession agreement, design-build or similar agreement for the Project]*;
- (b) Substantial Completion has been declared under each of the above-referenced agreements and copies of the notices of Substantial Completion under such agreements are attached to this certification; and
- (c) Substantial Completion, as defined in the WIFIA Loan Agreement, has been achieved.

**MOUNTAIN REGIONAL WATER SPECIAL
SERVICE DISTRICT, UTAH**, by its authorized
representative

By: _____
Name: Andy Garland
Title: General Manager

EXHIBIT K

FORM OF QUARTERLY REPORT

United States Environmental Protection Agency
WIFIA Director
WJC-W 6201A
1200 Pennsylvania Avenue NW
Washington, DC 20460
WIFIA_Portfolio@epa.gov

Re: [Name of Project] (WIFIA – _____)

This Quarterly Report for the period of [____] is provided pursuant to Section 16(d) (*Reporting Requirements – Construction Reporting*) of the WIFIA Loan Agreement, dated as of [____], 2025 (the “**WIFIA Loan Agreement**”), by and between Mountain Regional Water Special Service District, Utah (“**the Borrower**”) and the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency (the “**WIFIA Lender**”). Unless otherwise defined herein, all capitalized terms in this Quarterly Report have the meanings assigned to those terms in the WIFIA Loan Agreement.

(i) Amount Expended

Principal Project Contract (PPC)	Original Contract Amount	Change Orders to Date	Total Estimated Costs	Estimated Costs to Complete	Costs Earned or Paid Through Previous Reporting period	Current Reporting Period Costs Earned or Paid	Total Costs Earned or Paid to date	% Costs Earned or Paid to Date
TOTAL								

(ii) Construction Progress, Governmental Approvals, Updated Schedule

Assessment of overall construction progress:

--

Notice of receipt of relevant Governmental Approvals since the Effective Date and since the prior Quarterly Report:

--

Assessment of construction progress compared to Construction Schedule provided in the prior Quarterly Report:

Principal Project Contract (PPC)	NTP Effective Date	Original Time for Completion (days)	Original Contract Completion (date)	Time Added to Date (days)	Current Contract Completion (date)	Days Elapsed	% Contract Duration

(iii) Substantial Completion Date

Current projection for the Substantial Completion Date: _____

If the current projection for the substantial completion date is later than previously reported in the prior Quarterly Report, provide a description in reasonable detail for such projected delay:

(iv) Material Problems (if any)

Detailed description of all material problems (including actual and anticipated cost and/or schedule overruns, if any), encountered or anticipated in connection with the construction of the Project during the preceding quarter, together with an assessment of how such problems may impact the Construction Schedule and the meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems:

(v) Proposed or pending change orders that exceed the threshold set out in Section 16(f) (*Modifications to Total Project Costs*) or could reasonably be expected to result in a Material Adverse Effect

(vi) Other matters related to the Project

Date: _____

**MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT, UTAH,**
by its authorized representative

By: _____

Name: Andy Garland

Title: General Manager

EXHIBIT L

FORM OF PUBLIC BENEFITS REPORT

Pursuant to [Section 11(a)(xiv))] [and] [Section 16(e)] of the WIFIA Loan Agreement, Mountain Regional Water Special Service District, Utah (the “**Borrower**”) is providing this Public Benefits Report in connection with the [Name of Project] (WIFIA – _____):

- (i) **The estimated interest savings the Borrower is realizing through the use of the WIFIA Loan compared to comparable market rate financing:**

The estimated interest savings from use of the WIFIA Loan compared to a comparable market rate financing is \$[____] million on a gross savings basis and \$[____] million on a present value basis.

- (ii) **With respect to the report delivered [prior to the Effective Date][within ninety (90) days following the Substantial Completion Date][within ninety (90) following the fifth anniversary of the Substantial Completion Date], the number of jobs projected to be created by the Project during the period between the Effective Date and the Substantial Completion Date:**

The Borrower projects [____] jobs to be created by the Project during the period between [[(1)] the Effective Date and the Substantial Completion Date]²⁸ [and] [[(2)] the Substantial Completion Date and the fifth anniversary of the Substantial Completion Date]²⁹.

- (iii) **Whether the Project will assist the Borrower in complying with applicable regulatory requirements, and if so, a narrative description describing such enhancements:**

[____].

- (iv) **The amount by which the Project will [assist the Borrower (measured by percent annually) in reducing levels of Nitrogen, Phosphorus, biochemical oxygen demand (BOD) and total suspended solids (TSS)][increase the volume of potable water produced (measured in MGD annually)][increase the volume of water recycled, recharged or redirected (measured in MGD annually)][increase Class [A][B] biosolids (measured in tons annually)]³⁰:**

[____].

²⁸ Include for both the reports delivered (i) prior to the Effective Date and (ii) 90 days following the Substantial Completion Date.

²⁹ Include for both the reports delivered (i) prior to the Effective Date and (ii) 90 days following the fifth anniversary of the Substantial Completion Date.

³⁰ Include one of the bracketed items as applicable.



Mountain Regional Water SSD

Treatment Plant Expansion and WIFIA Presentation

June 11, 2025



Outline



Summarized District Overview

Project Information and Background

Parameters Resolution \$61M

- \$43M WIFIA FUNDING
- \$18M 2023 Bond Refunding

Q&A



System Metrics



Approximately
6,067 connections

Standby
Customers: 937

Area:
approximately
40 square miles

6.3 million gallons
of drinking water
delivered on peak
day

9,200 GPM
capacity at Lost
Canyon pump
station

2.6 MGD surface
water treatment
capacity

Interconnections:

- Regionalized many independent water systems
- 7 emergency/wholesale with other water agencies

Sources/Distribution/Storage:

- 16 groundwater wells
- Over 130 miles of pipe
- 12.5 MG drinking water storage
- 8.9 MG raw water storage

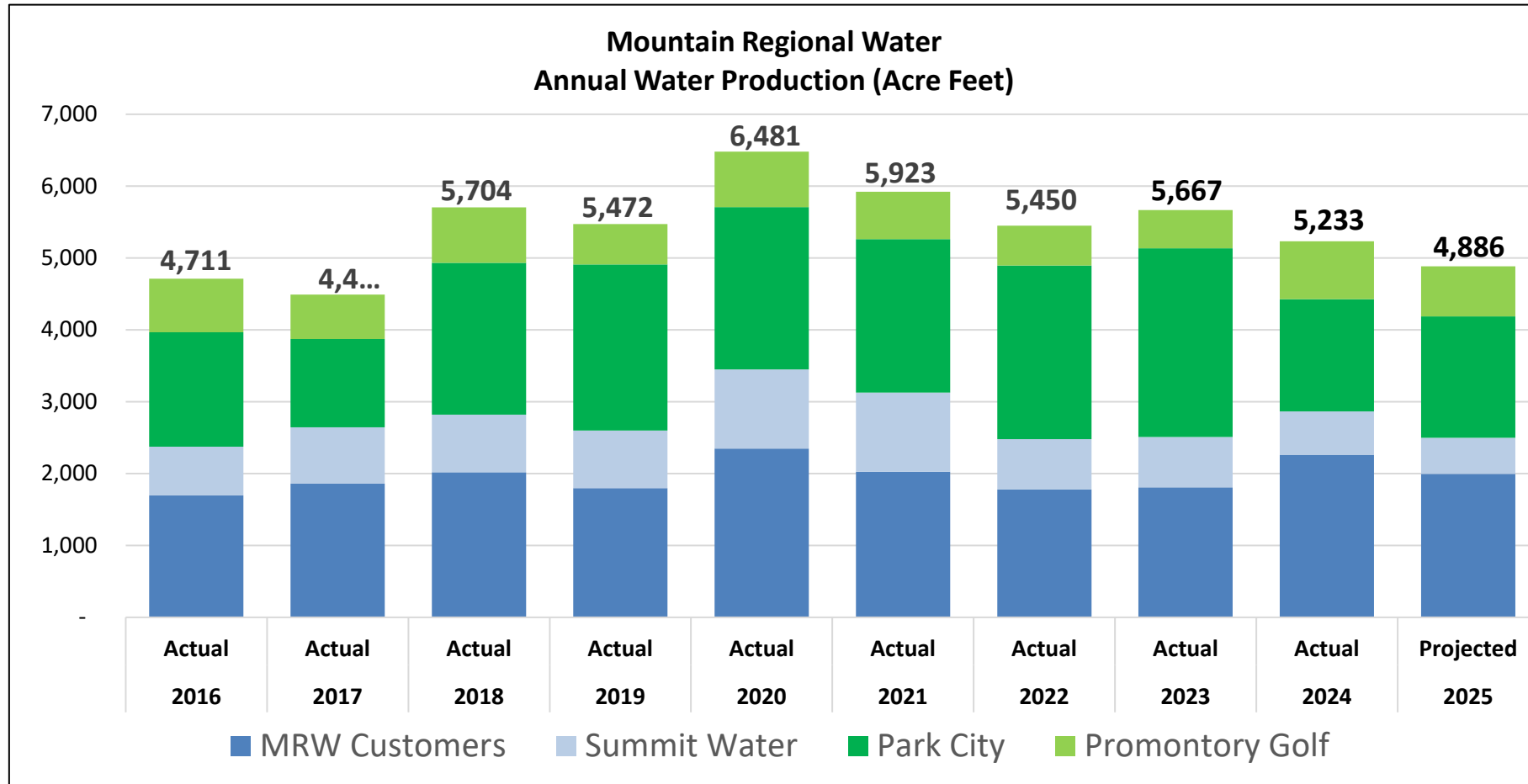
Who are we?



- More than 300 years combined experience in water service. 3 of 31 have been here since the District inception
- Licensed Civil Engineer
- Licensed Surveyor
- Licensed Contractor
- 16 Operators certified at the highest level
- Masters in Business Administration
- Certified Public Accountant
- Certified Backflow Administrator
- Certified GIS Administrator
- Civil, Structural, Electrical Engineering Consultants



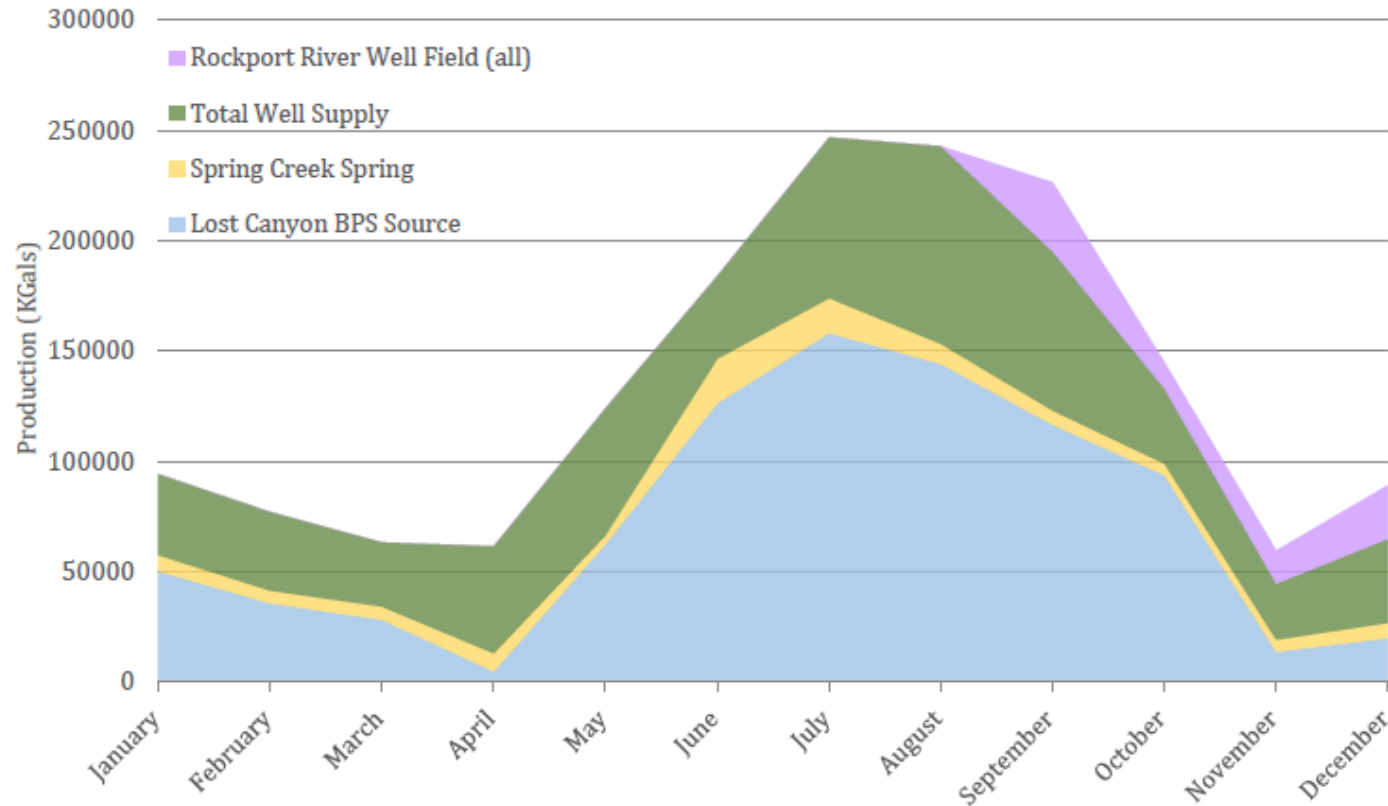
Water Delivery by Category



Project Information and Background



District Water Supply

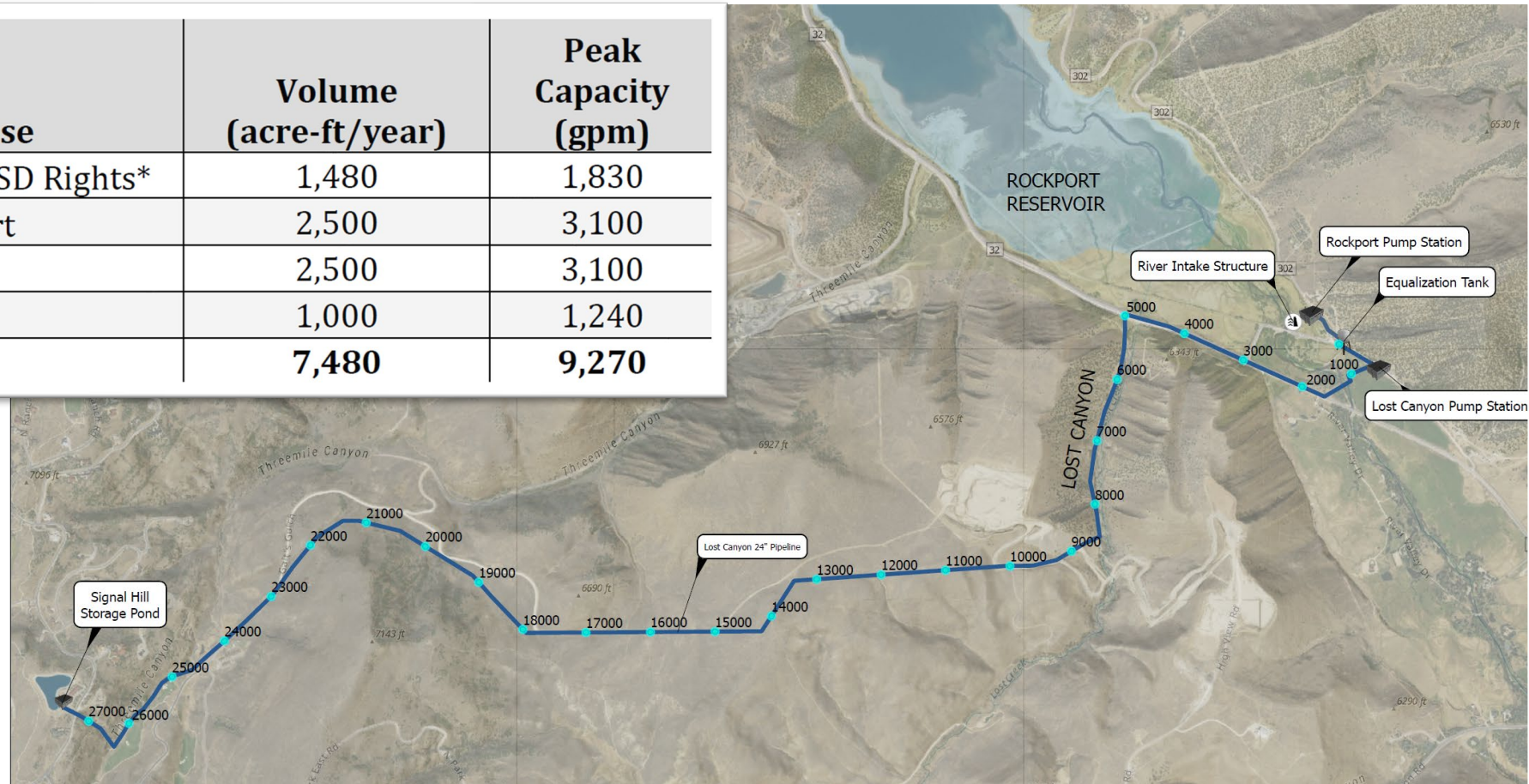


- 2020 example production year, monthly drinking water production from all facilities
- Peak day typically in July, with a ~3-week sustained window

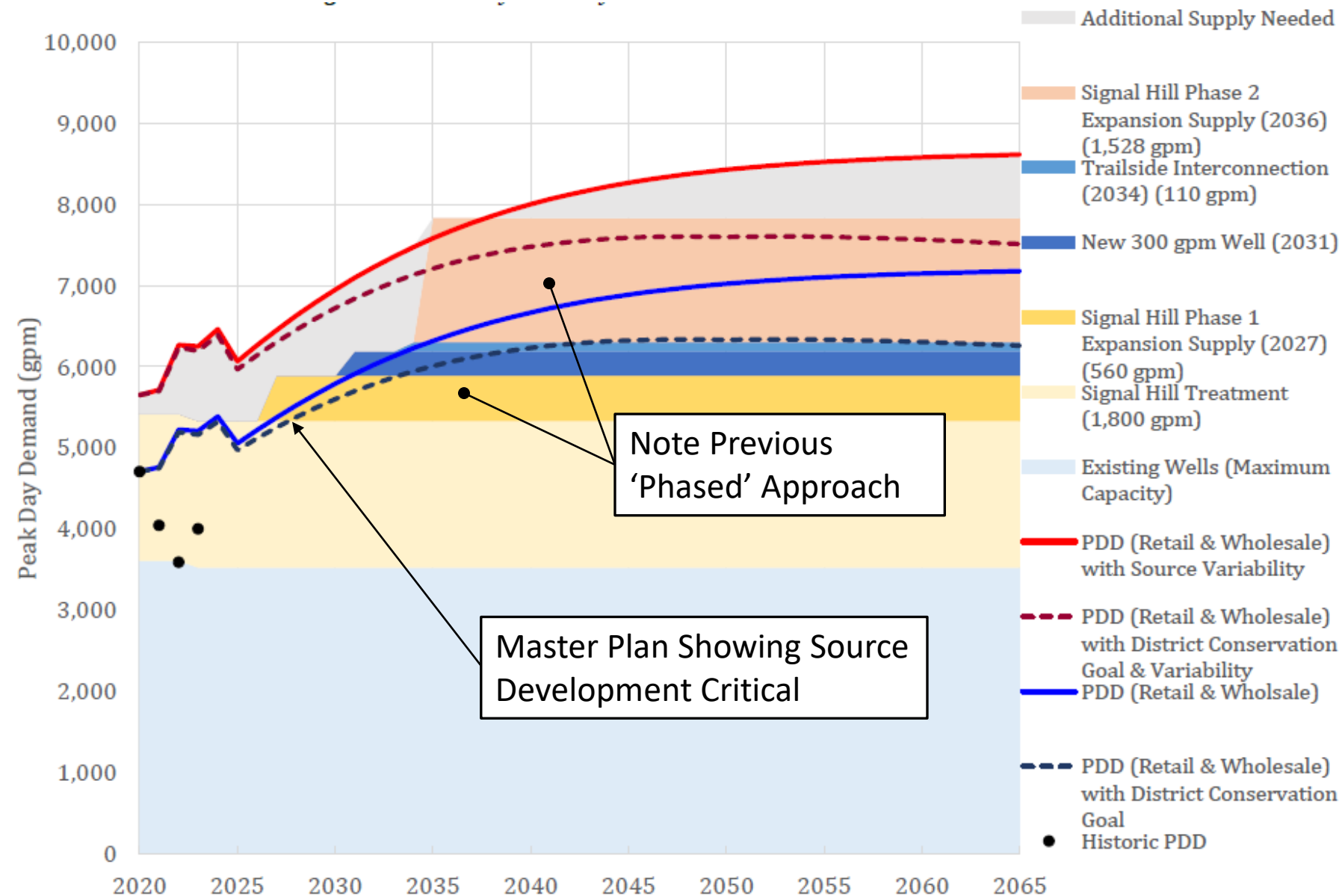
Lost Canyon System



Purpose	Volume (acre-ft/year)	Peak Capacity (gpm)
Existing MRWSSD Rights*	1,480	1,830
Park City Import	2,500	3,100
Other Import	2,500	3,100
Contingency	1,000	1,240
Total	7,480	9,270



Master Planning Peak Day

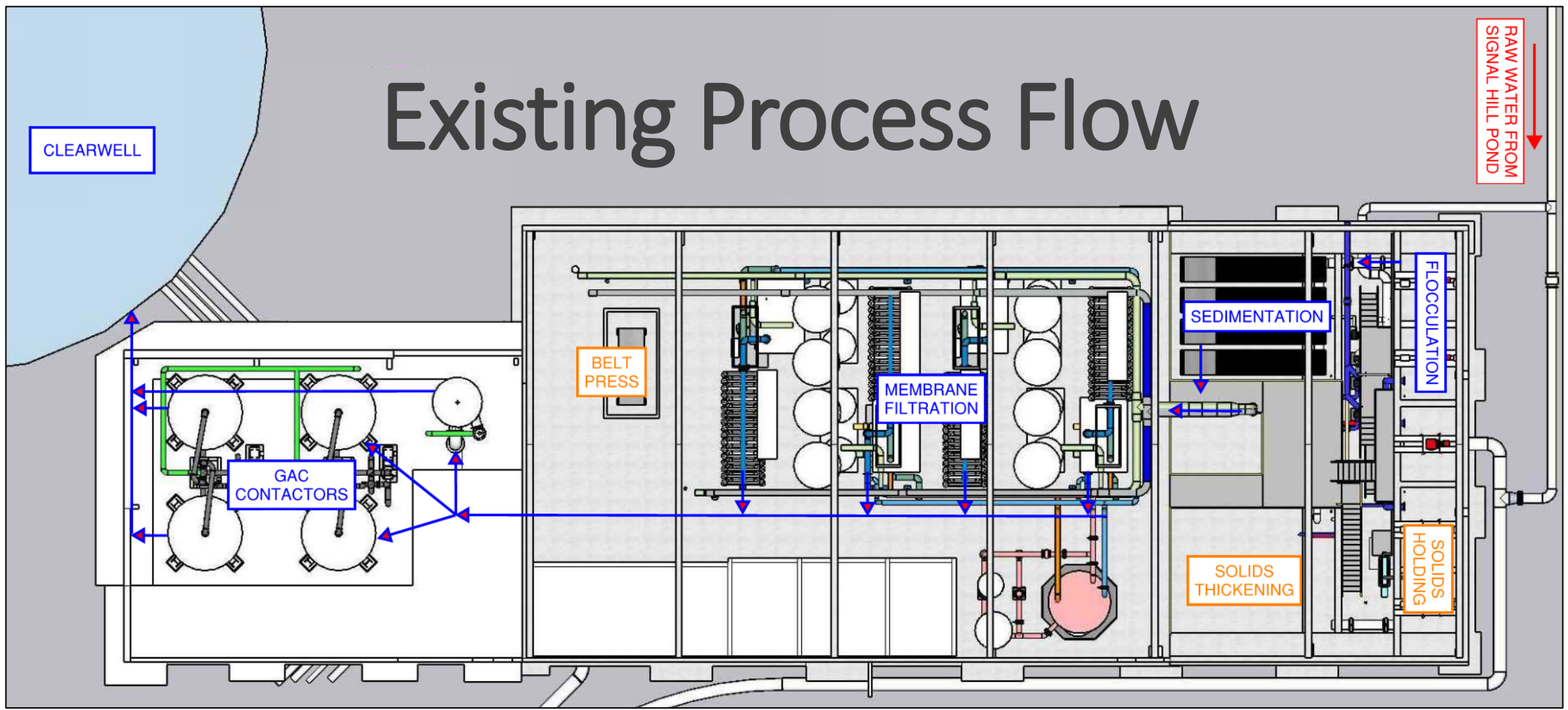
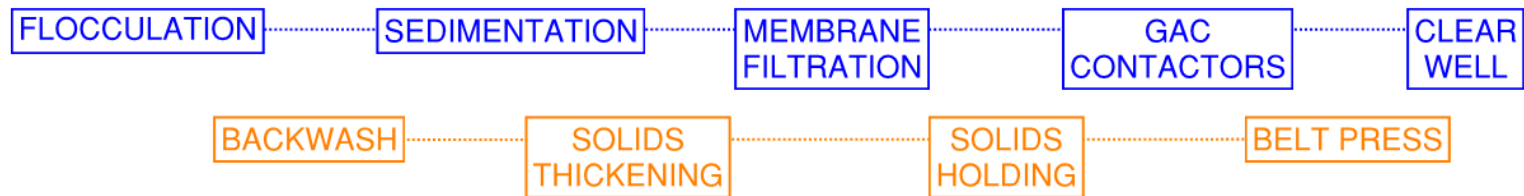


Project Objectives

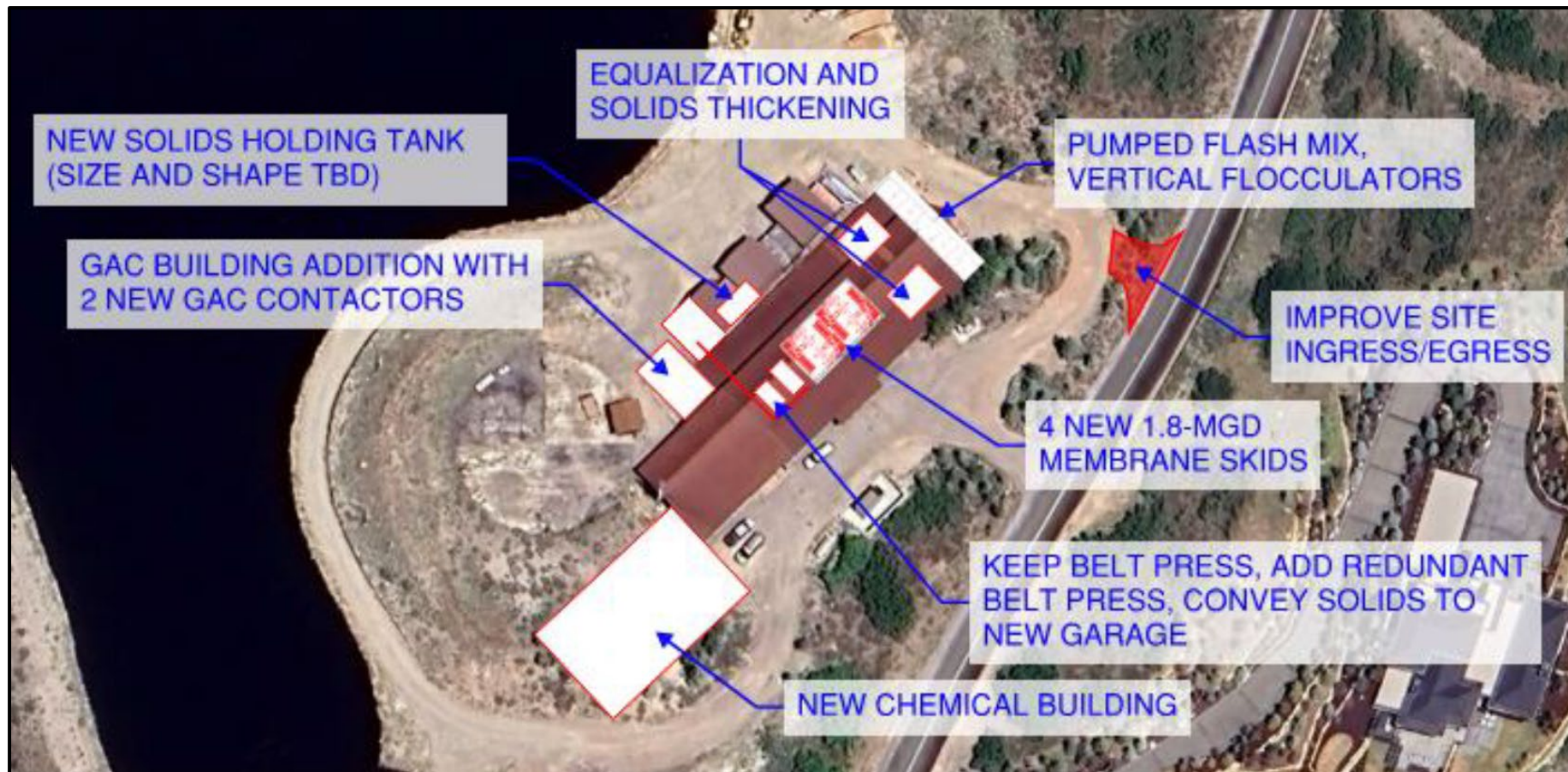


- Meet increased demand
- Fully utilize Lost Canyon water
- Meet water quality objectives
- Increase safety
- Improve operations & maintenance
- Provide reliability/redundancy
- Future resilience (e.g., regulatory changes, wildfire, etc.)
- Capital and O&M costs





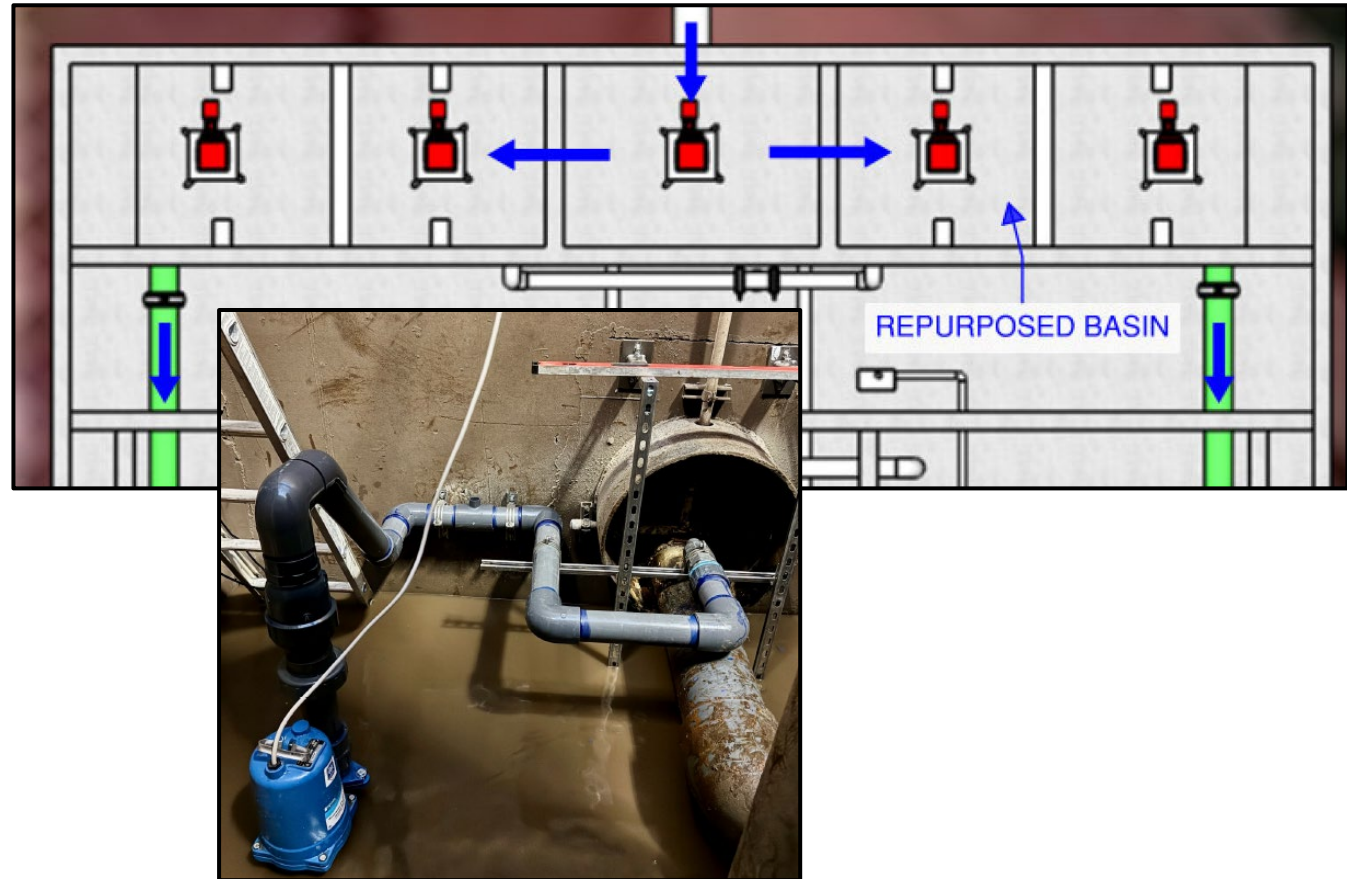
Proposed Project Layout



Flash Mix and Flocculation

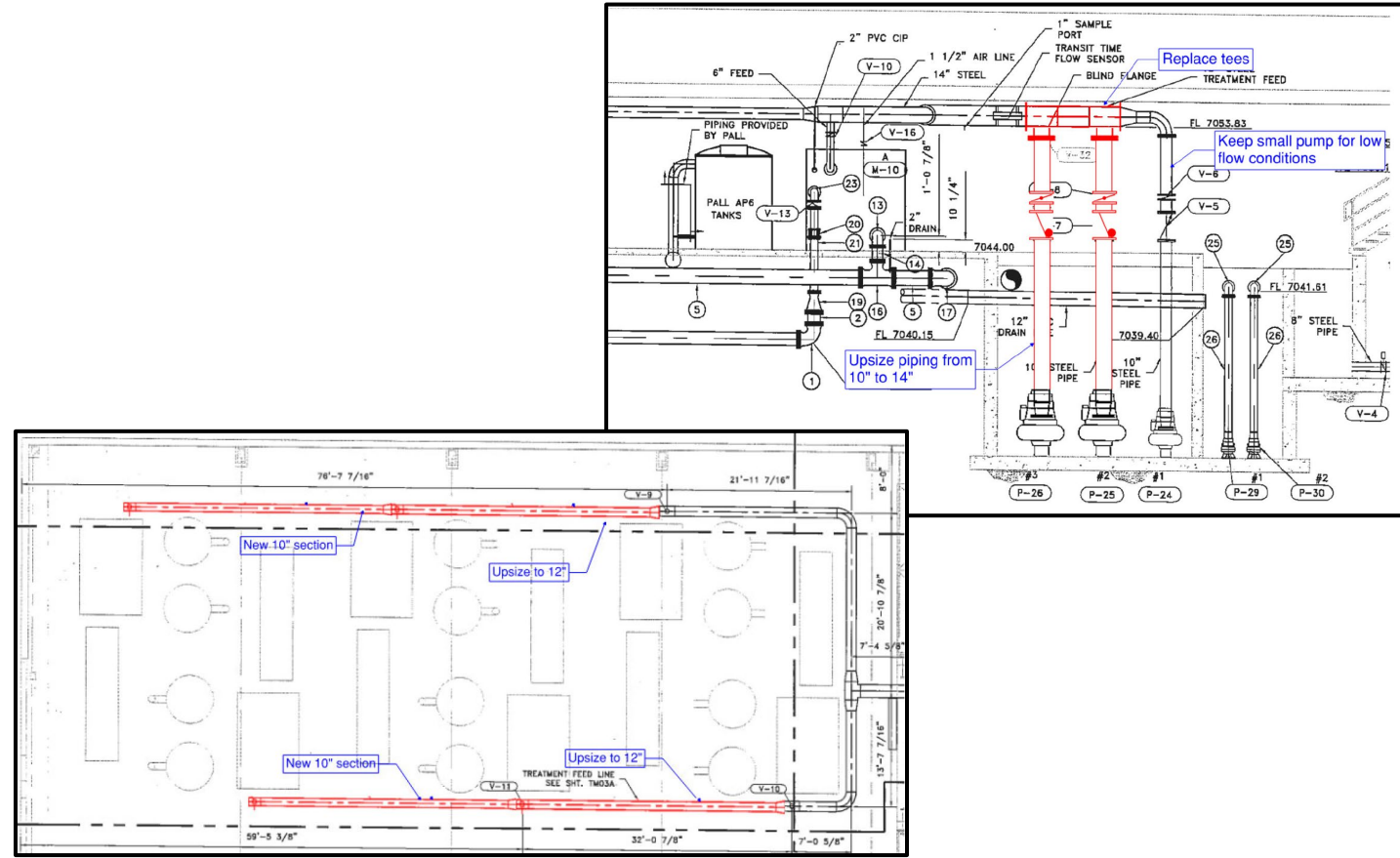


- Reclaims solids holding tank for improved flocculation process
- Removes flawed bubble mixer and implements pumped flash mix
- Cost: **\$895,000**



Direct Filtration and Membrane Wet Well

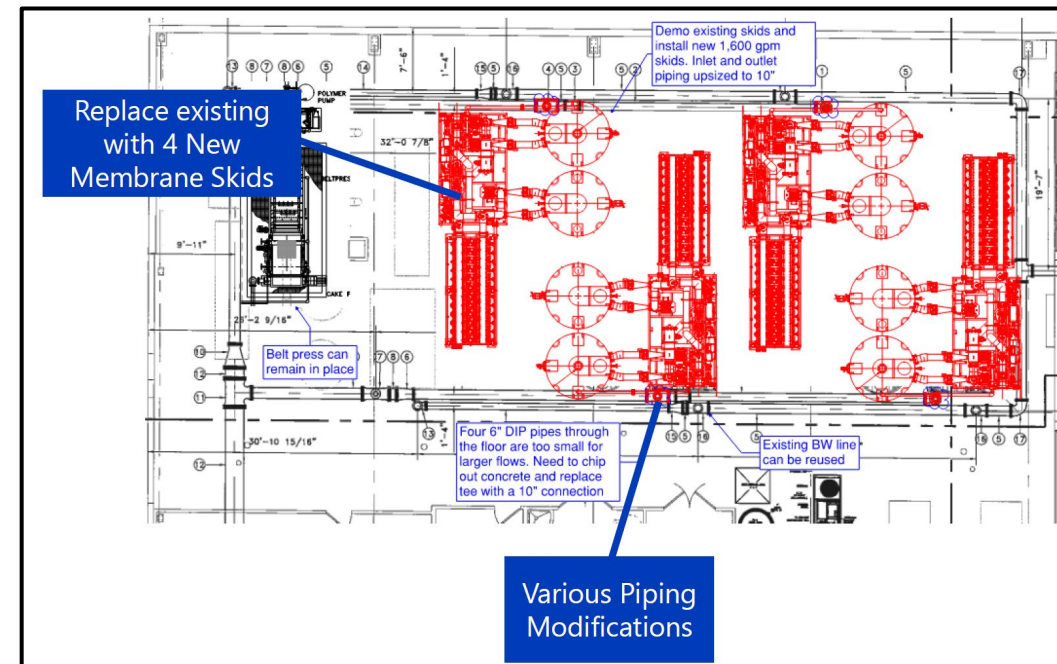
- Eliminates needs for sedimentation basins, **\$9M capital savings**
- Increased capacity and new configuration
- Cost: **\$120,000**



Membrane Filtration



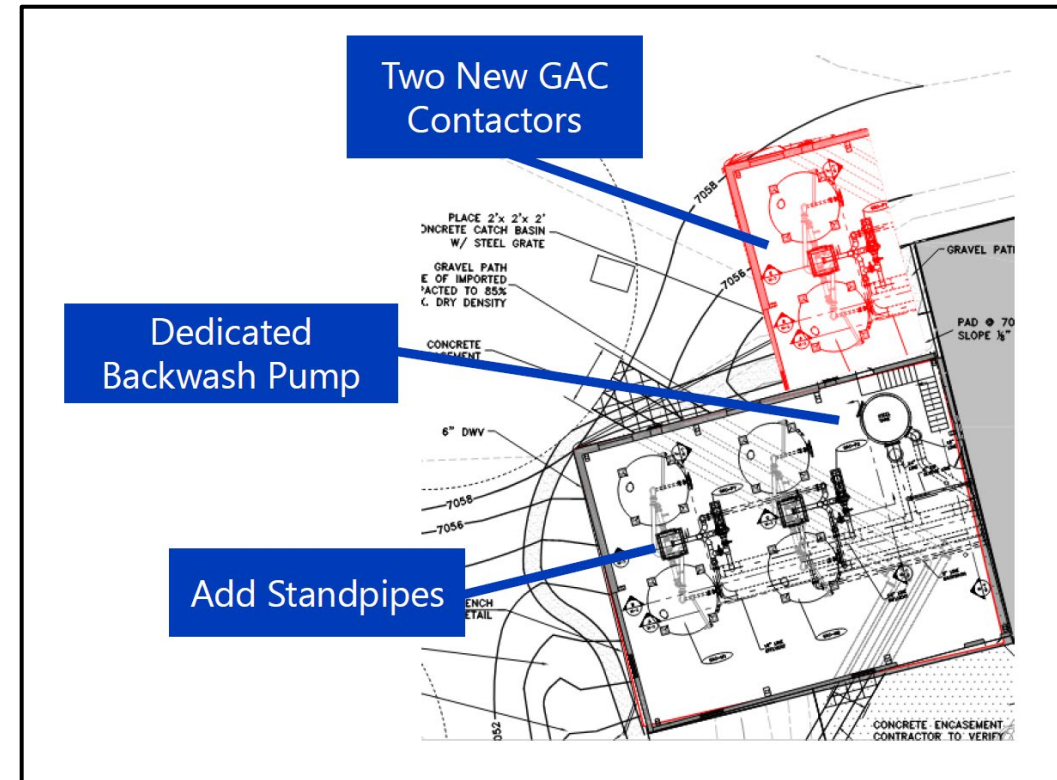
- (4) new modular skids
 - allows for 5.5 MGD
- Increases capacity, resiliency, and redundancy to the process
- Replaces aging (original) membrane hardware
- Cost: **\$15,125,000**



Granular Activated Carbon (GAC)



- GAC is primary removal of TOC in process
- Improved coagulation only requires (2) new vessels
- Other mechanical and pumping improvements
- Cost: **\$4,466,000**

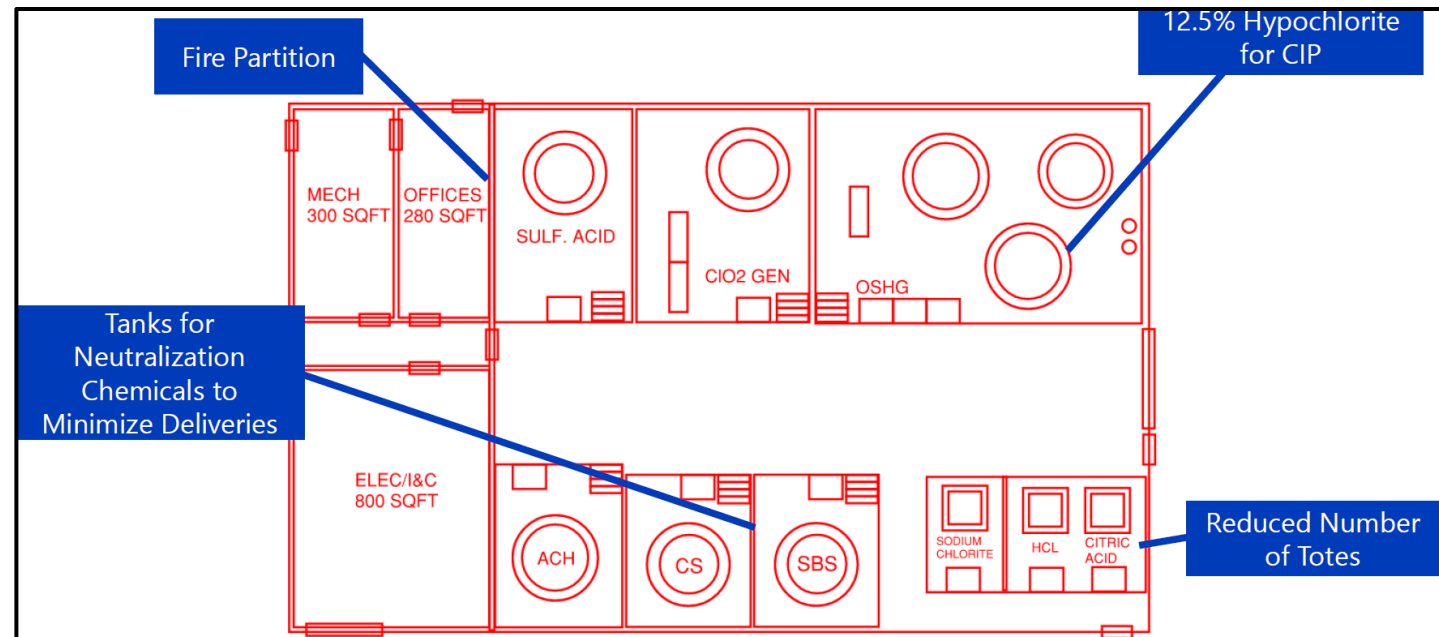


Chemical Building



- No current dedicated chemical storage
- Centralize storage, improve safety and operations
- New chemical building structure approximately 5,200 square feet

- Cost: **\$8,996,000**



-

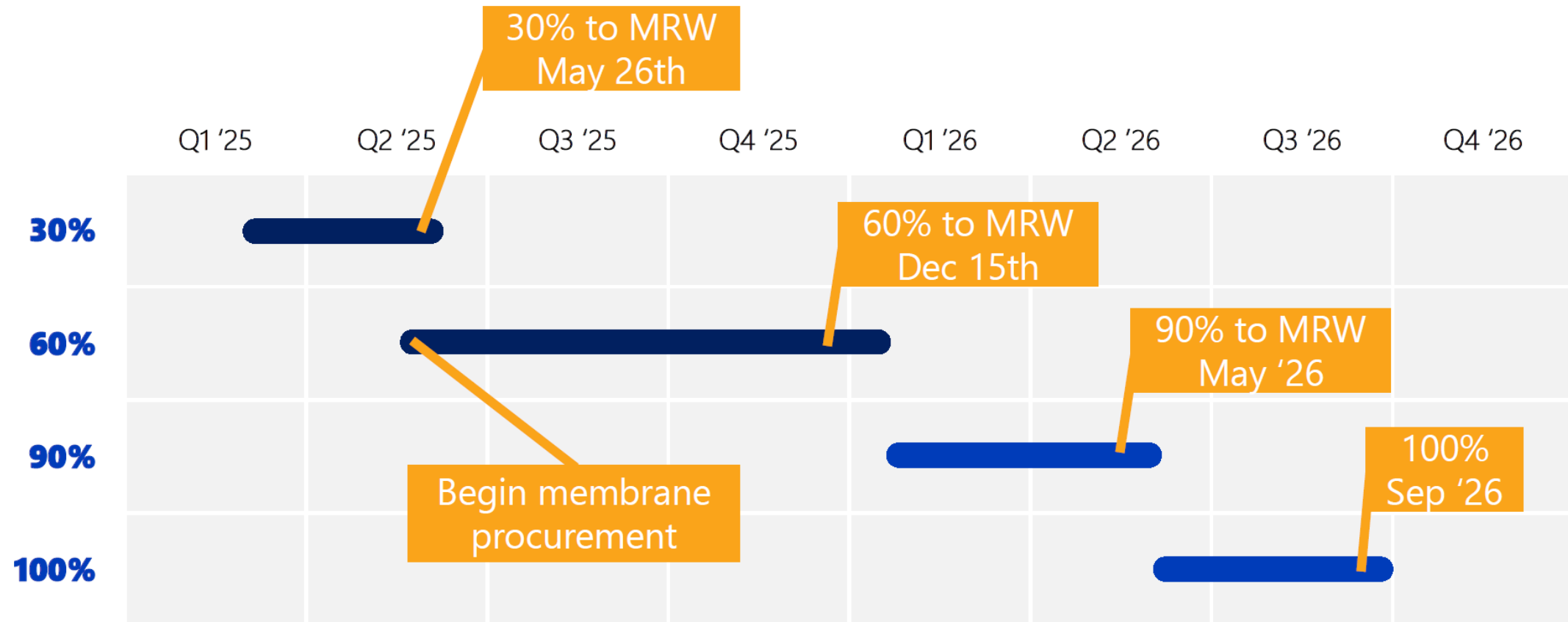
Other Civil



- New sewer connection
 - Estimated impact fee: \$500,000
- Reevaluate site ingress and egress
- Cost: **\$1,047,000**



Design Schedule



Conceptual Cost Summary

No.	Description	Total
01	Flash Mix and Flocculation	\$895,000
02	Direct Filtration and Membrane Wet Well	\$120,000
03	Membrane Filtration	\$15,125,000
04	GAC	\$4,466,000
05	Chemical Building	\$8,996,000
06	Solids Handling	\$4,719,000
07	Other Civil	\$1,047,000
	TOTAL CONSTRUCTION COST	\$35,368,000
	Pre-Design/Design Fee	\$3,501,993
	Assumed Construction Management Fee	\$2,900,000
	Assumed SBWRD Impact Fee	\$500,000
	TOTAL COST	\$42,269,993

Financial Information



Funding Sources Summary

No.	Description	Total
TOTAL COST		\$42,269,993
01	WIFIA LOAN	\$34,292,460
02	Division of Drinking Water Funding	\$2,000,000
03	Previously Incurred Costs	\$534,266
04	Impact Fees	\$2,300,000
05	Additional District Cash	\$3,143,267
TOTAL SOURCES		\$42,269,993



Why a WIFIA Loan

- **Flexible draw down**
 - Funds can be drawn down over time and interest is only accrued on that portion. No obligation to draw down full approved amount.
- **Long amortization period**
 - The amortization period for the loan can be up to 35 years which includes the first payment not being required until five years after substantial completion.
- **Post-closing flexibility**
 - A one-time rate reset after the loan is closed and before any funds are drawn is available.
 - Adjustable project scope and timeline to respond to changing construction schedules.
- **No prepayment penalties**
 - The WIFIA loan can be repaid at any time without penalty.
- **Quick reimbursements**
 - The WIFIA loan can be repaid at any time without penalty.



WIFIA Closing Timeline

- June 25th – Council meeting to adopt Parameters Resolution
- July 9th – Council meeting for Public Hearing
- July through October 2025 – District works with WIFIA team on loan closing
- Q4 2025 – WIFIA loan closed
- January 1, 2027 – First draw down on WIFIA Loan.



Questions?



RESOLUTION NO. MRW 2025-xx

**A RESOLUTION ANNEXING CERTAIN REAL PROPERTY TO THE MOUNTAIN
REGIONAL WATER SPECIAL SERVICE DISTRICT
(Parcel PP-87-14)**

WHEREAS, the Summit County Council of Summit County, Utah (the “Council”), established a local district designated as the Mountain Regional Water Special Service District (the “District”), to provide water services within its boundaries; and

WHEREAS, Utah Code Ann. §17D-1-401 provides that additional land from that specified in the resolution establishing a local district may be annexed to the District in conformance with the applicable procedures; and

WHEREAS, §17D-1-203 and §17D-1-401(2) provide that the Council, may be petitioned to annex an area into the District; and

WHEREAS, there have been numerous annexations into the District since its establishment in 2000; and

WHEREAS, **CARPENTER FAMILY TRUST** has petitioned the Council to annex its land into the District (the “Petition”). In the Petition, **CARPENTER FAMILY TRUST** represented that it is the sole owner of **Parcel PP-87-14**; and

WHEREAS, the Summit County Clerk has certified the Petition; and

WHEREAS, §17D-1-402 provides that the notice, hearing, and protest period do not apply if a petition for annexation of additional area is filed with the signatures of all of the owners of taxable real property;

WHEREAS, **CARPENTER FAMILY TRUST** has signed the Petition for annexation.

NOW, A THEREFOR, BE IT RESOLVED by the Summit County Council as

follows:

Section 1. **FINDINGS.** The Council finds and determines that public health, convenience, and necessity requires that certain land situated in Summit County, State of Utah, being generally described as parcel **PP-87-14** located in Summit County, Utah (the “Property”) be annexed into the District.

Section 2. **ANNEXATION.** The Property is hereby annexed into the boundaries of Mountain Regional Water Special Service District. The property annexed shall be governed by and become an integral part of the District. Pursuant to this annexation, the owners of the Property shall be entitled, upon entering into a Water Service Agreement with the District, to receive the benefit of water services and facilities provided by the District, and shall be subject to the rights, powers and authority of the District, including, without limitation, the right, power and authority of the District to promulgate rules and regulations for the operation of the District, to levy ad valorem taxes on the Property, and to impose such fees and charges as shall be necessary to pay for all or part of the commodities, facilities and services to be provided by the District for the payment of the District’s bonds and other obligations.

Section 3. **Direction.** All officers and employees of the District are hereby directed to take such action as shall be necessary and appropriate to effectuate the provisions of this Resolution and the intent expressed herein.

Section 4. **Effective Date.** This Resolution shall take effect immediately upon its approval and adoption by the Summit County Council.

APPROVED AND ADOPTED this _____ day of _____, 2025

SUMMIT COUNTY COUNCIL
SUMMIT COUNTY, UTAH

Tonja Hansen
Chair

ATTEST:

Evelyn Furse
County Clerk

APPROVED AS TO FORM:

David L. Thomas
Chief Civil Deputy



STAFF REPORT

TO: Summit County Council

FROM: Summit County Auditor Office

DATE: June 11, 2025

RE: 2025 Tax Lien Sale Results and Acceptance

Summary

As of March 15, 2025, there were 19 properties slated for tax sale with back taxes totaling \$149K. Council approved the following actions on three of those properties:

- S-1175 UNITED PARK CITY MINES COMPANY
 - Withdrawn from sale, discretionary abatement of some delinquent amounts due, and the property owner has paid the balance outstanding
- PP-63-B UTAH SPORTS AUTHORITY
 - Withdrawn from sale, allowing time for clean-up items and a deed to the county to be completed
- SA-254-2 WESTERN MORTGAGE SERVICES
 - withdraw from sale, allowing Park City time to clear title

The sale was held as an online auction via Public Surplus on May 22nd. Two properties were auctioned, see the results summary below. Minimum bid amounts required were the total amounts due on accounts. Payments in full have been received from the winning bidders by Public Surplus. Overpayment amounts will be treated as unclaimed property.

2025 Sale Properties and Results

Account	Parcel Number	Previous Owner Name	Amount Due 5/22/2025	Winning Bid Price	New Vesting
0291389	TLS-A-1-AM	692 MAIN STREET INVESTORS LLC	\$ 375.49	\$ 22,100.00	Western Healthcare Group LLC
0006266	FT-62	SIMMONS HARRY	\$ 409.54	\$ 409.54	Wilshire Real Estate, LLC

Action Requested

County council accept and ratify the winning bids and results of the 2025 tax sale, per Utah Code 59-2-1351.1 and County Ordinance 1-12C-7.

Once accepted, the county auditor will execute deeds conveying ownership to the purchasers.

Thank you for your time.

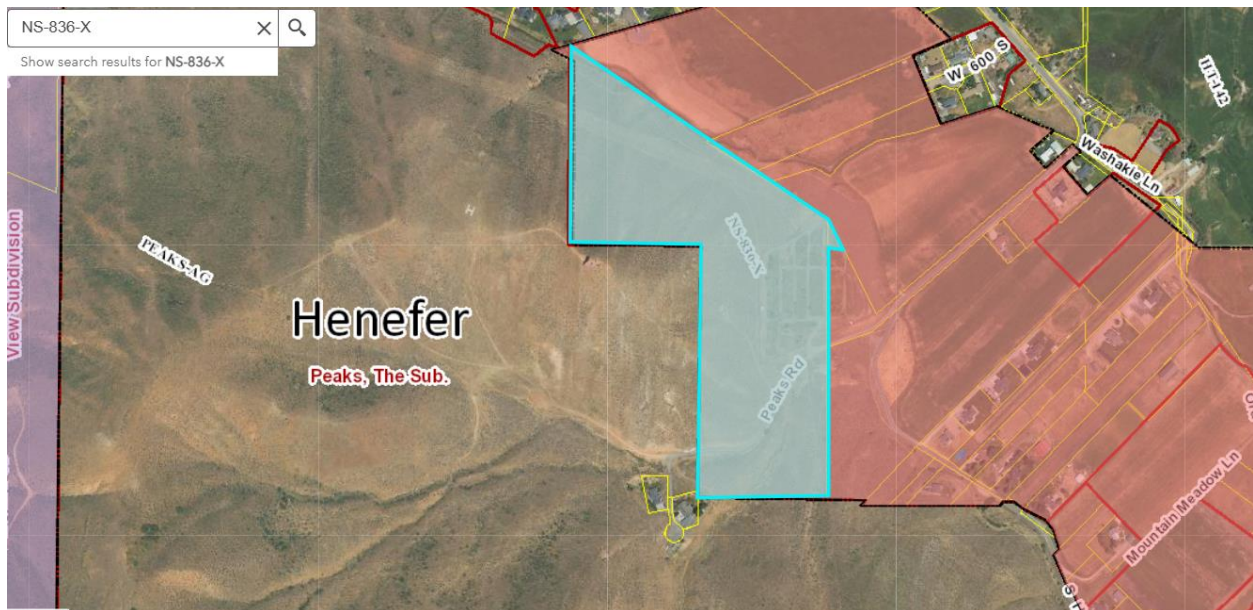
Chase Black
Chief Deputy Auditor



STAFF REPORT

To: Summit County Council
From: Laura Kuhrmeyer, County Planner
Date of Meeting: June 11, 2025
Type of Item: Annexation Petition – Henefer Cemetery Annexation (NS-836-X)
Process: Legislative

On April 2, 2025, Summit County received the request for mailing for the petition for Parcel NS-836-X to annex into Henefer Town, referred to as the Henefer Cemetery Annexation. The proposed annexation area consists of approximately 41 acres, located off Peaks Road. A map of the area is attached as Exhibit A and outlined below in blue.



The proposed annexation area is currently zoned Agriculture-5 (AG-5) and is located in the Eastern Summit County Planning District. The Parcel is adjacent to the current Henefer Town boundary and is also located within the Annexation Declaration Area of Henefer Town. The Town Council accepted the petition for further consideration and the petitioners requested a mailing notice to be sent by Summit County.

The petitioners (Henefer Town) seek to annex the Parcel into Henefer Town and the Town will determine the density and types of development that could be allowed on the property.

On May 13, 2025, the County received the certified petition. Under [Utah Code §10-2-407](#), the County has the right to protest the annexation within 30 days of receiving the certified petition.

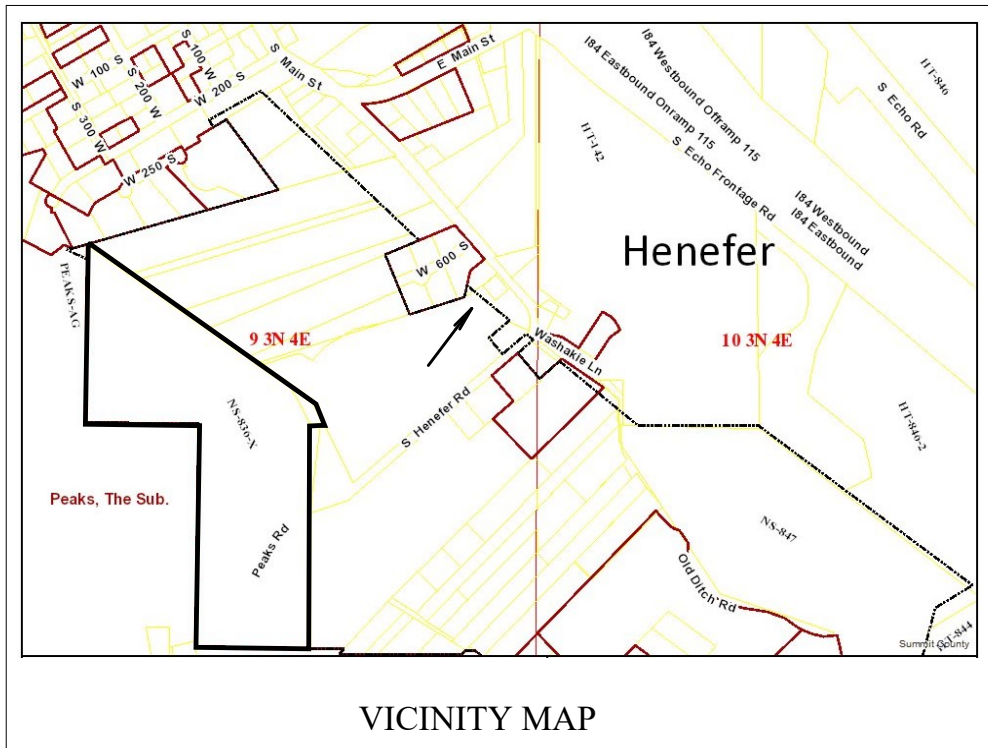
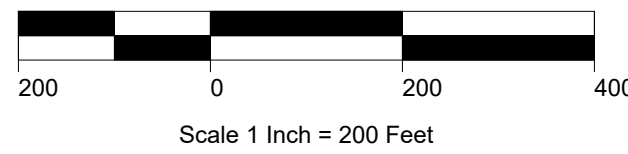
Staff reviewed the proposed annexation and finds it complies with [Utah State Code §10-2-402](#) and does not see any reason to formally protest the annexation.

Attachments

Exhibit A – Proposed Henefer Cemetery Annexation Area

FINAL LOCAL ENTITY PLAT - HENEFER CEMETERY ANNEXATION INTO HENEFER TOWN
2025

For Parcel NS-836-X, located in the Northeast 1/4 & Southeast 1/4 of Section 9, Township 3
North, Range 4 East, Salt Lake Base and Meridian
Henefer, Summit County, Utah



HIGH MOUNTAIN
SURVEYING, LLC
P.O. Box 445
1325 South Hoytsville Road
Coalville, Utah 84017
(435) 336-4210

SHEET 1 OF 1

COMMENTS

SURVEYED BY:	PCF	DRAWN BY:	PCF
PCS FILE:		PROJECT NO:	
DATE:			September 20, 2025

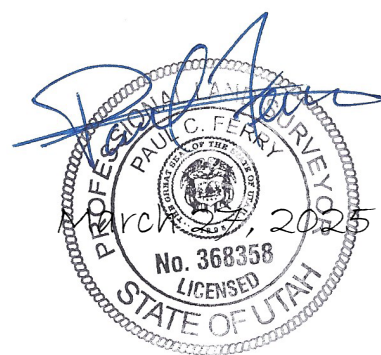
Annexation Description

A tract of land being part of the East 1/2 of Section 9, Township 3 North, Range 4 East, SLB&M and having a Basis of Bearing matching the Utah North State Plane Coordinate System (NAD83) described as follows:

Beginning at the Southeast Corner of the Northwest 1/4 of the Southeast 1/4 of said Section 9, said point being North 00°22'35" East 1328.45 feet along the Section Line and North 89°23'30" West 1350.90 feet from the Southeast Corner of Section 9, T3N, R4E, SLB&M and running thence North 89°23'30" West 675.46 feet along the 1/16 Line; thence North 0°09'13" East 1308.06 feet along the westerly line of the east 1/2 of the SE 1/4 of said Section 9 to a point on the 1/4 Section Line; thence North 89°26'58" West 677.15 feet to the center 1/4 corner of said Section 9; thence North 0°04'47" East 1044.65 feet to a point on the Rulon Richins Subdivision; thence South 55°49'34" East 1078.44 feet; thence South 55°50'30" East 181.26 feet; thence South 57°01'31" East 286.91 feet; thence South 54°33'05" East 95.35 feet along an existing line of fence; thence South 26°45'12" East 149.91 feet along said fence to a point of intersection with the 1/4 Section Line; thence North 89°26'58" West 83.57 feet along said 1/4 Section Line; thence South 0°13'40" West 1308.73 feet along the East line of the East 1/2 of the NW1/4 of the SE1/4 of said Section 9, to the POINT OF BEGINNING, said described tract containing 38.90 Acres, more or less.

Surveyor Certificate

I Paul Ferry, a Licensed Professional Land Surveyor as prescribed by the Laws of the State of Utah and holding License No. 368358, do hereby certify that I have made a survey, or a field survey was made under my direction of the described property by and that the plat hereon is a true and correct representation of said survey.



FINAL LOCAL ENTITY PLAT APPROVAL	
APPROVED AS TO FORM Summit County Surveyor	COUNTY SURVEYOR FILING State of Utah County Summit
Approved in compliance with Section 17-23-20 of the Utah Code this _____ day of _____, 2025. Summit County Surveyor BY: _____ Acting Summit County Surveyor	

Henefer Town Council

Reviewed and Approved by the Henefer Town Council
this _____ day of _____, 20____.

Mayor

Attest: City Recorder

COUNTY RECORDER

NO.

State of Utah, County of Summit, Recorded and filed at the request of

Date: ____/____/20____ Time: ____ Book: ____ Page: ____

Fee \$

County Recorder

Henefer Town Annexation Survey

Prepared For: Henefer Town, Mayor Kay Richins
Henefer Cemetery, NS-836-X
Part of the East Half of Section 9, T3N, R4E, SLB&M
Henefer, Summit County, Utah



THE SETTLEMENT

AT JEREMY RANCH



Set·tle·ment [noun]

*a **place**, typically one that has been uninhabited, where people establish a community*



MISSION SPECIFIC GOALS

Fire Station

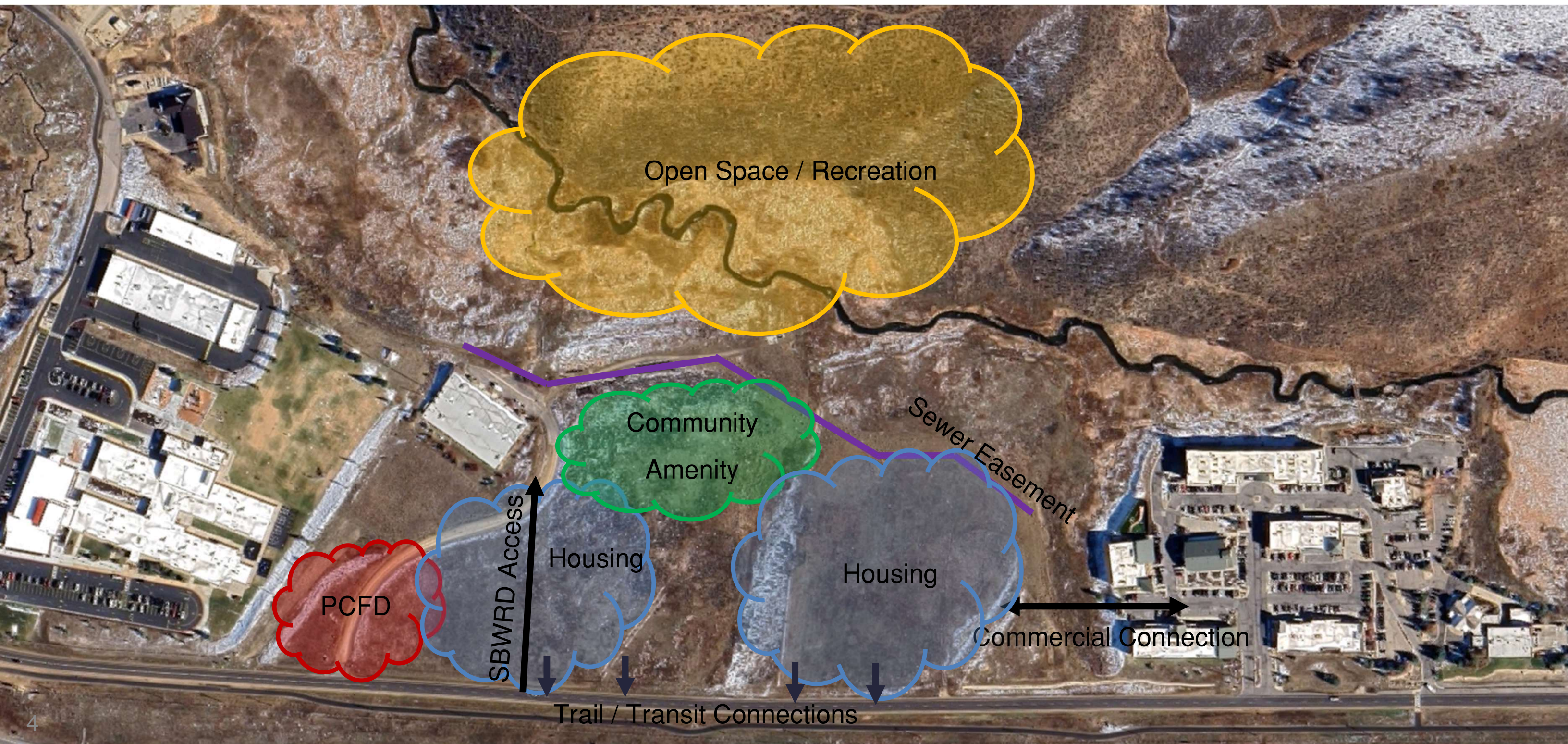


Open Space / Recreational



Residential / Housing







15.16 acres
(80 Parking Stalls)



1.48 acres
(10 Parking Stalls)



97 Housing Lots
13.24 acres
(390 Parking Stalls)
13 UNITS/ACRE

Summit Center
Proposed
Connection

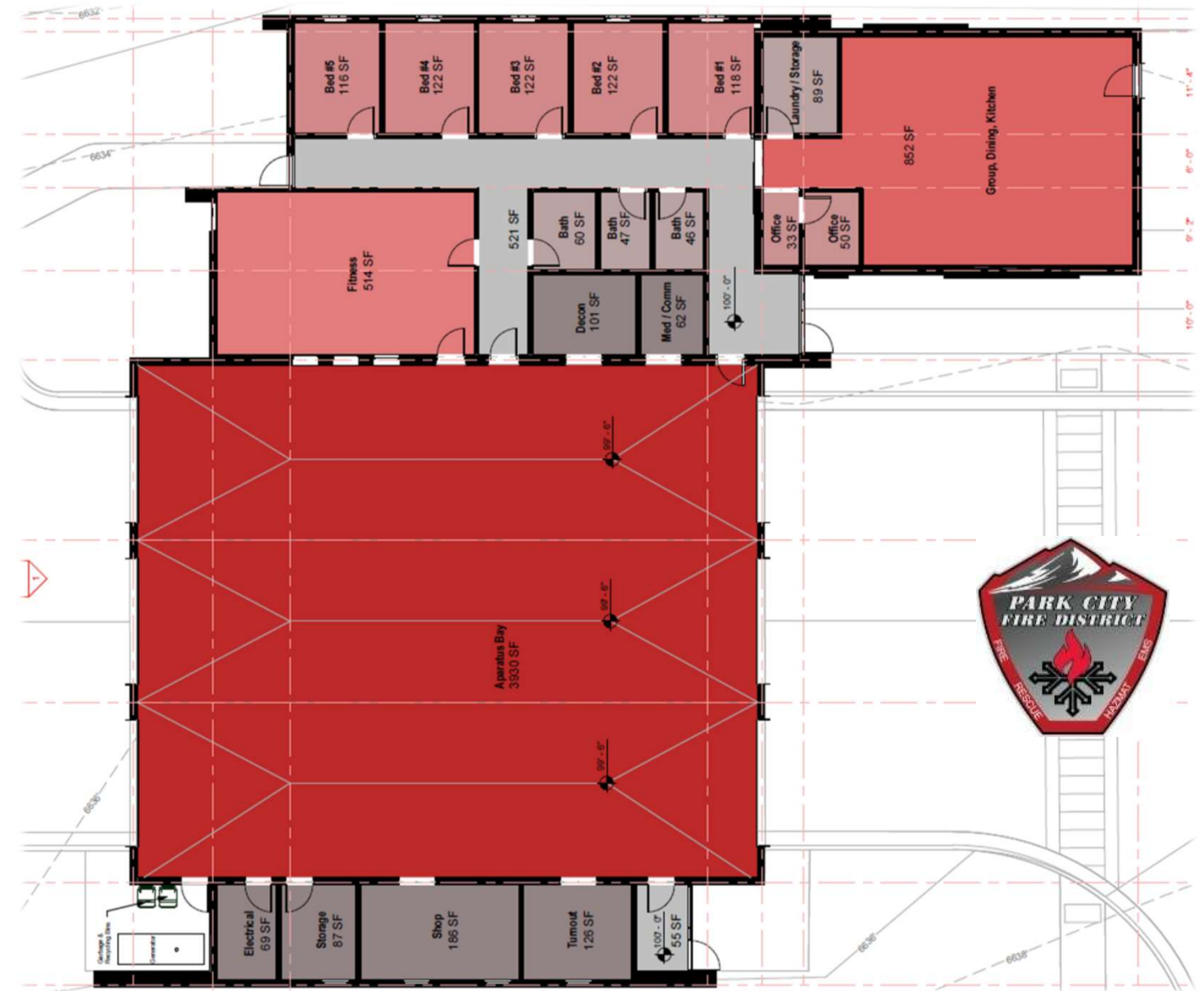
FIRE STATION # 39

1.48 acre parcel (subdivided / swap)

Adjacent to Jeremy Ranch Elementary

Configuration allows drive-through bays

Schematic design provided for an 8,175 SF facility



SEE PANORAMA #9: <https://view.mylumion.com/?p=vqzgg7wgxlaaw8xg>

OPEN SPACE / RECREATIONAL

15.16 acre parcel (subdivided / swap)

Signature, central community feature

1.5 acre park / sports fields

Schematic design provided for a 57,040 SF facility
*including an aquatic center, climbing wall, bouldering space,
multiple fitness gyms, camp and party rooms,
childcare / indoor play area*

Trail expansion and connections

Creekside recreational opportunities

Open space management



SEE PANORAMAS #3, 4, 5, 8, 10: <https://view.mylumion.com/?p=vqzgg7wgxlaaw8xg>

RESIDENTIAL / HOUSING

13.24 acre parcel (subdivided)

97 individual lots

Street parking (up to 390 stalls – 319 required)

Garages possible in some back- or side-yard locations

Schematic designs provided for multiple, flexible floor plans

2 bedroom w/ unfinished basement (1.5 stories)

2 bedroom w/ 2 bedroom ADU (1.5 stories)

3 bedroom 2/ 1 bedroom ADU (1.5 stories)

3 bedroom w/second family room (1.5 stories)

4 bedroom (2 stories)

4 x 1 bedroom apartments (2 stories)

Fully integrated community



WATER THRESHOLD



Available Water Shares

50 Class A (Active)

6 Class B (Standby)

56 TOTAL

Unit Calculation

0.45 shares / unit¹

124 UNITS

Water Analysis (Future)

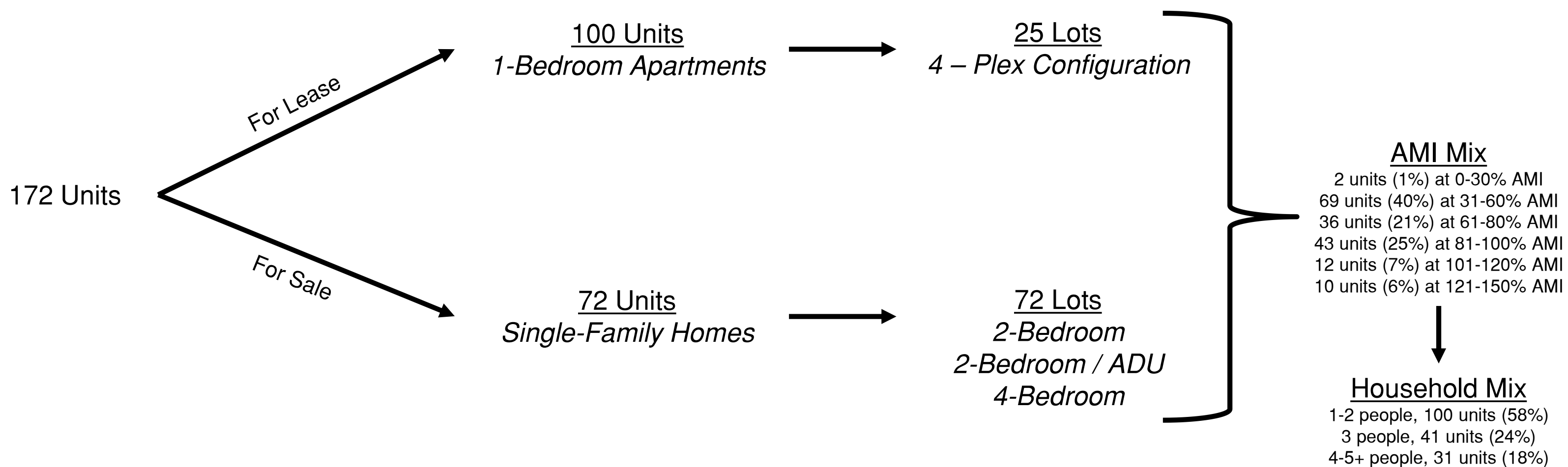
22% Reduction²

172 UNITS

¹ 0.45 shares/unit is based on the Utah Division of Water Rights estimated usage for indoor domestic water per year-round resident family. For the purposes of calculations, a factor of 0.8 is applied to all units below 2-bedroom configurations based on the affordable unit equivalent definition in Summit County code.

² 22% reduction is the average reduction based on previous experience on other developments in the Summit County area.

RESIDENTIAL / HOUSING

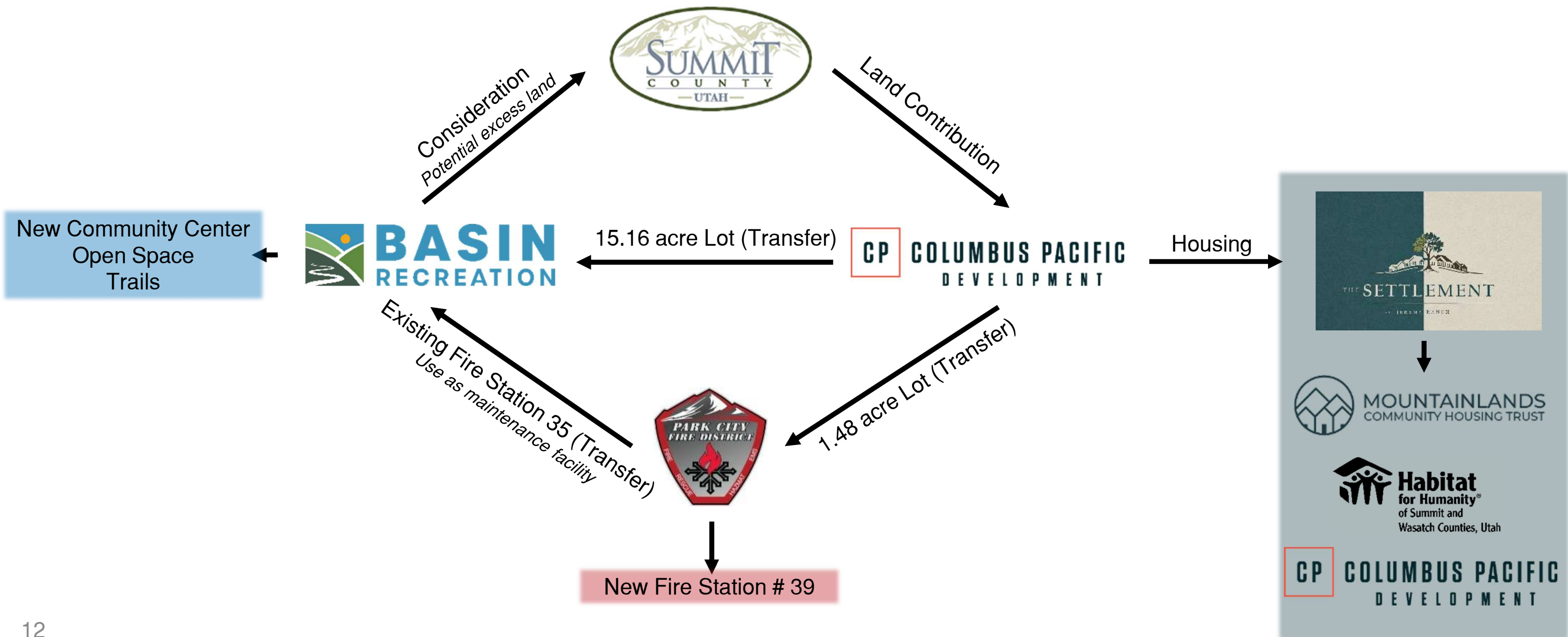




RESIDENTIAL / HOUSING

Video animation: <https://www.youtube.com/watch?v=-rWIVmS0BVU>

DEAL STRUCTURE

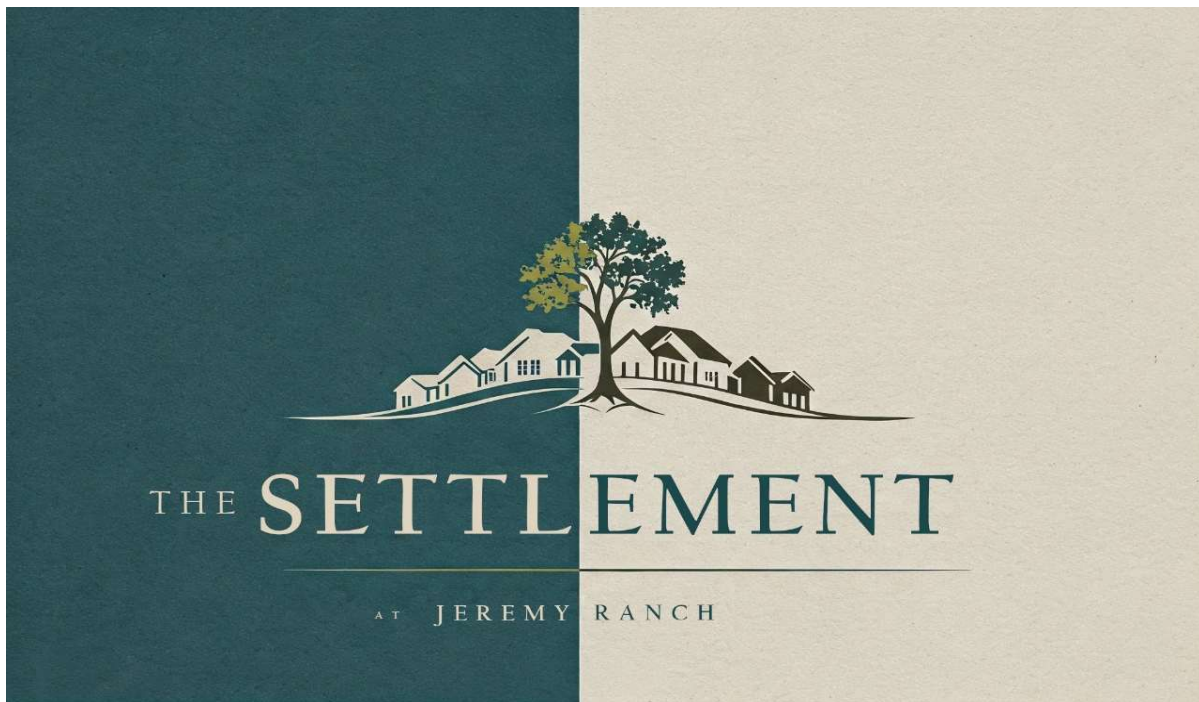


13 NEIGHBORHOOD ELEMENTS

1. Natural Feature Preservation – *Protect and enhance natural features.*
2. Scenic Views – *Protect viewsheds and provide new view corridors from inside and outside the community.*
3. Parks and Open Spaces – *Anchor community recreational uses with Basin Recreation, a proven partner.*
4. Pedestrian Friendly – *Separate cars from people.*
5. Bike Friendly – *Create and connect pathways for active transportation.*
6. Connected Streets – *Easy access in and around the community.*
7. Accessibility – *Equitable public access to central recreation center for people, bikes, cars and transit.*
8. Human Scale Design – *All housing is below 2-stories and apartments are designed in single-family scale.*
9. Mix of Activities – *Commercial and school adjacent, trails throughout, public park and private yards, recreation center.*
10. Urban-Suburban-Rural Interface – *Infill intermediate scale from interstate to dedicated open space.*
11. Housing for Diverse Incomes and Generations – *Ultimate flexibility, complete integration and long-term optionality.*
12. Housing Variety – *Efficient and similar floor plans, but nearly unlimited exterior options.*
13. Unique and Integrated Design Elements –
 - A. *Environmental sustainability and energy efficiency integration in both design and construction.*
 - B. *Art everywhere.*
 - C. *97 lots offer opportunities for neighborhood elements due to spacing between buildings.*
 - D. *Dense where needed (13 units/acre), but with more than 73% open space where desirable.*

THANK YOU!





May 12, 2025

	Proposed Units	Breakdown
Total Units	172	
<i>Total <80% AMI</i>	107	62.2%
<i>Total 80% - 120% AMI</i>	55	32.0%
<i>Total Market Rate*</i>	10	5.8%
Total Civic SF	8,175	
<i>Fire Station</i>	8,175 SF	
Total Recreation SF	57,040	
<i>Aquatic / Climbing Gym - L1</i>	39,307 SF	
<i>Aquatic / Climbing Gym - L2</i>	17,733 SF	
Total Park / Open Space SF	948,877	73.60%
<i>Fire Station</i>	37,472	58.0%
<i>Recreation Center (w/o Park)</i>	504,974	76.1%
<i>Park</i>	65,800	100.0%
<i>Residential (w/o Private Lots)</i>	179,378	31.1%
<i>Residential (Private Lots)</i>	161,253	58.3%

**Note: All proposed units are deed-restricted; 10 units proposed at 150% AMI.*



Staff Report

MEETING DATE: June 11, 2025

TO: Summit County Council

SUBJECT: Resolution No. 2025-15, a Resolution Awarding the Exclusive Right to Negotiate a Public Private Partnership with Summit County Regarding the Cline Dahle Property.

ISSUING

DEPARTMENT: Economic Development and Housing

STAFF: Jeffrey B. Jones, AICP
Economic Development & Housing Director
jjones@summitcountyutah.gov

FISCAL IMPACT: N/A

ITEM:

_____	DIRECTION
_____	INFORMATION
_____	ORDINANCE
_____X_____	MOTION
_____X_____	DRAFT AGREEMENT TO NEGOTIATE EXCLUSIVELY

BACKGROUND INFORMATION

1. On November 13, 2024, the Summit County Council directed staff to augment the draft Request for Proposals (“RFP”) for the Cline Dahle – Fire Station 35 properties and publish the RFP accordingly.
2. Staff revised the draft RFP and published/released the Cline Dahle – Fire Station 35 RFP on January 6, 2025. The RFP closing date was 3:00 P.M. MST, on March 24, 2025.

3. On March 24, 2025, the County received responses from six (6) companies: Evergreen Devco, Inc; Columbus Pacific Development; Layton Legacy Jeremy Village LLC; JF Development Group LLC; Brinshore Development, L.L.C and GTS Development Services; and, Crandall Capital.
4. On May 21, 2025, The Summit County Council entertained oral presentations from each of the proposers.
5. Proposals were scored by internal County Staff and the Summit County Council.
6. After due deliberations the Summit County Council has selected **Columbus Pacific Development** with the option of entering into an agreement to negotiate exclusively with the County to develop the Cline Dahle Property (see attached presentation from the May 21, 2025, County Council Meeting).
7. The County and Columbus Pacific Development shall enter into a formal agreement to facilitate said exclusive negotiation, which Agreement is substantially in the form set forth and attached as Exhibit A.
8. Failure of the Parties to enter into the Agreement within ninety (90) days from the Effective Date (June 11, 2025) shall result in the termination of this Award.
9. Once executed by all parties, the Agreement to Negotiate Exclusively period is for one hundred eighty (180) days. A good faith deposit in the amount of \$15,000 shall also be required by the Developer.
10. Summit County may in its sole and absolute discretion extend the Agreement to Negotiate Exclusively Period for an additional thirty (30) calendar days beyond the Termination Date. If said extension is at the sole instigation of Summit County, no extension fee shall be due.
11. If the Developer requests such an extension to the Agreement to Negotiate Exclusively and Summit County grants such request, Summit County may, in its sole discretion, require Developer to pay an extension fee of \$5,000.00. In the event an extension fee has been paid, and a Disposition and Development Agreement (DDA) has been

executed by both Parties, such extension fee shall be credited towards the purchase price for the Site.

RECOMMENDATION/MOTION

Staff recommends that the Summit County Council adopt Resolution No. 2025-15, a resolution awarding the Exclusive Right to Negotiate a public private partnership with Summit County regarding the Cline Dahle property to Columbus Pacific Development.

ATTACHMENTS

1. Resolution No. 2025-15, A resolution of the Summit County Council awarding the Exclusive Right to Negotiate a public private partnership with Summit County regarding the Cline Dahle property.
2. Exhibit A. Agreement to Negotiate Exclusively
3. Columbus Pacific Development Cline Dahle County Council Presentation

**A RESOLUTION OF THE SUMMIT COUNTY COUNCIL
AWARDING THE EXCLUSIVE RIGHT TO NEGOTIATE
A PUBLIC PRIVATE PARTNERSHIP WITH SUMMIT COUNTY
REGARDING THE CLINE DAHLE PROPERTY**

SUMMIT COUNTY, UTAH

Preamble

WHEREAS, Summit County (the “County”) owns an approximately 29.6 acre tract of land in the Snyderville Basin of Summit County, identified as Summit County Tax Identification Parcel No.s PP-46-A-X and PP-46-C-X (together, the “Cline Dahle Property”); and,

WHEREAS, the County envisions the creation of an affordable/moderate income housing project on the Cline Dahle Property through a strategic public private partnership with a qualified private development team; and,

WHEREAS, the County issued its Cline Dahle and Fire Station 35 Request for Proposals (the “RFP”) on January 6, 2025; and,

WHEREAS, six (6) proposals were received by the County; and,

WHEREAS, the Summit County Council (the “Council”) entertained oral presentations from each of the proposers on May 21, 2025; and,

WHEREAS, after due deliberations, the Council has decided to award one of the proposers with the option of entering into an agreement to negotiate exclusively with the County to develop the Cline Dahle Property.

NOW, THEREFORE, BE IT RESOLVED by the Summit County Council as follows:

I. Award.

The Council hereby formally awards to Columbus Pacific Development the opportunity to enter into an exclusive negotiation with the County to develop the Cline Dahle Property (the “Award”).

II. Agreement.

The County and Columbus Pacific Development (the “Parties”) shall enter into a formal agreement (the “Agreement”) to facilitate said exclusive negotiation, which Agreement is substantially in the form set forth at **Exhibit A** hereto. Failure of the Parties to enter into the Agreement within ninety (90) days from the Effective Date (*defined below*) shall result in the termination of this Award and the County will be free to select the next highest ranked proposal for an exclusive negotiation in accordance with the RFP.

III. Effective Date.

This Resolution shall take effect on the 11th day of June, 2025.

PASSED, APPROVED AND ADOPTED this 11th day of June, 2025.

SUMMIT COUNTY

By: Summit County Council

ATTEST:

Evelyn Furse
County Clerk

Tonja Hanson
Chair

APPROVED AS TO FORM:

David L. Thomas
Chief Civil Deputy

EXHIBIT A

AGREEMENT TO NEGOTIATE EXCLUSIVELY

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the “Agreement”) is entered into by and between SUMMIT COUNTY, a political subdivision of the State of Utah, and COLUMBUS PACIFIC DEVELOPMENT (“Developer”), collectively referred to as the “Parties” and each individually as “Party,” on the terms and provisions set forth below.

RECITALS

WHEREAS, Summit County owns certain real property identified as Summit County Tax Identification Parcel No.s PP-46-A-X and PP-46-C-X, which together constitute the “Cline Dahle Property” contemplated for development (the “Site”), attached hereto as “Exhibit A”; and,

WHEREAS, Summit County seeks to initiate a transit-oriented development project (the “Project”) in compliance with the Snyderville Basin General Plan and Snyderville Basin Development Code through the development of the Site, which could also serve as a catalyst/example for development or redevelopment of other properties in the vicinity; and,

WHEREAS, following the publication of the Cline Dahle and Fire Station 35 RFP, dated January 6, 2025, Summit County received six (6) proposals for development of the Site and at a public meeting on June 11, 2025, the Summit County Council selected Developer's proposal, attached hereto as “Exhibit B” (the “Proposal”); and,

WHEREAS, Summit County and Developer intend to pursue the negotiations of a Disposition and Development Agreement (“DDA”) and thus comply with the required notice provisions concerning the disposition of property by Summit County as set forth in Summit County Code, Title 1, Chapter 11; and,

WHEREAS, Summit County seeks to enter into an agreement with Developer for the purpose of analyzing and assessing a development opportunity for the Site as defined in this Agreement.

NOW, THEREFORE, Summit County and Developer hereby agree as follows:

AGREEMENT

Section 1.0 DEFINITIONS

“County Staff” shall be the staff of Summit County and may include other members as designated by the County Manager or County Council.

“County Council” shall be the members of the Summit County Council, as duly and legally elected.

“Developer” shall be COLUMBUS PACIFIC DEVELOPMENT, or its assigns.

“Disposition and Development Agreement” or **“DDA”** shall mean the agreement the Parties hope to negotiate that will set forth the definitive terms of Summit County’s disposition and/or lease of the Site to Developer.

“Effective Date” shall be the date this Agreement is signed by both Parties (last date signed).

“Negotiation Period” shall begin on the Effective Date and end one hundred eighty (180) calendar days after the Effective Date, unless extended by Summit County, in its sole and absolute discretion.

“Schedule of Performance” shall mean the attached “Exhibit C.”

“Scope of Development” shall mean Developer’s concepts for development of the Site included in Developer’s Proposal and attached as “Exhibit B,” and including any agreed upon changes negotiated by Developer and Summit County during the course of this Agreement.

“Site” shall mean the Cline Dahle Property owned by Summit County and developed by the Developer, more particularly described in “Exhibit A,” attached hereto and incorporated herein by reference.

Section 2.0 NEGOTIATIONS

2.1 Good-Faith Exclusive Negotiations

2.1.1 The Parties agree the foregoing Recitals are not mere recitations but are covenants of the Parties, binding upon them as may be appropriate and a portion of the consideration for the agreements contained herein. Summit County and Developer agree for the Negotiation Period to negotiate diligently and in good faith to prepare a DDA to be considered for execution between Summit County and Developer, in the manner set forth herein, with respect to the development of the Site. During the Negotiation Period Summit County shall not directly or indirectly negotiate with any person or entity other than Developer with respect to the disposition or development of the Site.

2.2 Negotiation Period

2.2.1 The duration of this Agreement shall commence on the Effective Date and shall terminate one hundred eighty (180) calendar days thereafter (the "Termination Date"). Summit County may in its sole and absolute discretion extend this Negotiation Period for an additional thirty (30) calendar days beyond the Termination Date. If said extension is at the sole instigation of Summit County, no extension fee shall be due. In the event that Developer requests such an extension and Summit County grants such request, Summit County may, in its sole discretion, require Developer to pay an extension fee of \$5,000.00. In the event an extension fee has been paid and a DDA has been executed by both Parties, such extension fee shall be credited towards the purchase price for the Site.

2.2.2 If upon expiration of the Negotiation Period, Developer has not executed a Summit County approved DDA, then this Agreement shall terminate, unless extended in writing by Summit County. Once a DDA is signed by both Developer and Summit County, then the terms of the DDA shall prevail and this Agreement shall automatically terminate.

2.2.3 If the negotiations do not result in an executed DDA, Developer shall submit to Summit County a summary of its findings and determinations regarding the proposed development, excluding any confidential, privileged information or any third party produced work product. Developer shall not seek reimbursement for costs and expenses from Summit County and Summit County shall not seek reimbursement for costs and expenses from Developer, except that Summit County shall retain any extension fee paid by Developer, and Summit County shall be entitled to retain the Deposit (*defined below*) subject to Section 2.3.

2.3 Deposit

2.3.1 Developer shall submit to Summit County a deposit ("Deposit") in an amount of Fifteen Thousand Dollars (\$15,000) in the form of cash or cashier's check to ensure that Developer will proceed diligently and in good faith to negotiate and perform all of Developer's obligations under this Agreement. In the event that a DDA is executed by the Parties, this Deposit shall be applied to the Purchase Price and/or Lease. However, in the event the Parties terminate this Agreement before Summit County incurs any costs in preparing the Reuse Appraisal (*defined below*), the Deposit shall be refunded in its entirety to Developer. After Summit County incurs any third- party costs in preparing the Reuse Appraisal, such costs shall be deducted from the amount of the Deposit refunded to Developer if such a refund occurs as otherwise provided herein.

2.3.2 Submission of the Deposit must occur within fifteen (15) calendar days of the Effective Date. If Developer fails to submit said Deposit within this fifteen (15) day period, Summit County may terminate this Agreement, with neither Party having any further rights against nor liability to the other under this Agreement, unless as agreed to in writing by Summit County.

2.3.3 Summit County shall be under no obligation to pay or earn interest on Developer's Deposit, but if interest shall accrue or be payable thereon, such interest (when received by Summit County) shall become part of the Deposit.

Section 3.0 DEVELOPMENT CONCEPT

3.1 Scope of Development

3.1.1 Summit County and Developer acknowledge the Proposal, as submitted to Summit County on March 20, 2025, and attached as Exhibit B.

3.2 Design Development Plan

3.2.1 Subject to Section 8.2.1, Developer shall refine and supplement their Proposal to produce a second submittal to Summit County Staff under this Agreement (the "Design Development Plan"). Prior to the submittal of the Design Development Plan to Summit County Staff, Developer, a principal representative or representatives from Developer's architectural design firm ("Principal Designer"), and Summit County Staff shall engage in a design refinement process to address design-related issues identified by Summit County. Following this design refinement and within ninety (90) calendar days of the Effective Date, Developer shall submit the Design Development Plan to Summit County Staff which shall include a clear chart showing changes from the Proposal including:

- square footage by type of uses
- number of parking spaces
- perspective renderings
- floor plans
- site plan
- elevations/sections listing exterior finishes
- representative unit layout plans for each following type: studio, one bedroom, two bedroom and three-bedroom units

3.2.2 The Design Development Plan shall also include a brief Project summary and a critical path analysis identifying key milestones in the planning and construction stages for the Project and an updated estimated Project schedule. Developer shall submit the Design Development Plan to Summit County Staff and Summit County Staff shall review and consider the Design

Development Plan as set forth in Section 3.2.1 of this Agreement and the Schedule of Performance ("Exhibit C").

3.2.3 Within twenty-one (21) calendar days of Summit County Staff's receipt of the Design Development Plan, Summit County shall either approve or disapprove the Design Development Plan in writing to Developer. In the event the Design Development Plan is initially disapproved, Summit County Staff shall set forth the reasons for disapproval and options that address Summit County's reasons for disapproval. Developer shall then have ten (10) calendar days to resubmit information to address the reasons for disapproval. Within seven (7) days of Summit County Staff's receipt of the resubmittal, Summit County Staff shall meet with Developer to discuss the resubmittal (the "Resubmittal Meeting") and shall identify issues that have not been resolved to Summit County Staff's satisfaction, if any, and shall provide an additional period of twenty-one (21) days for Developer to resubmit information to address Summit County Staff's issues. Summit County and Developer agree that the purpose of this process is to reach a mutually satisfactory resolution of differences on Project design with the understanding that Summit County retains the right to approve the Design Development Plan. In the event the Design Development Plan, as applicable, is again disapproved based on issues identified by Summit County Staff in its discussions with Developer, Summit County may terminate this Agreement and the Deposit, less any costs incurred per Section 2.3.1, shall be refunded to Developer.

3.3 Progress Reports

3.3.1 The Developer agrees to make oral and written progress reports advising Summit County on all matters and all studies being made by Developer on a monthly basis or at the request of Summit County; provided however that Summit County will be limited to two (2) requests per month.

3.4 Assessment of Project Feasibility; Notification

3.4.1 In the event at any time during the Negotiation Period the Developer determines that it is not feasible to proceed with the Project, this Agreement shall be terminated upon ten (10) calendar days' written notice to Summit County. In the event of such termination, Summit County shall refund the Deposit subject to Section 2.3.1 of this Agreement.

3.4.2 In the event of such termination neither Party shall have any further rights against or liability to the other under this Agreement. Developer acknowledges and consents that in the event this Agreement is terminated, Summit County has the right and authority to enter into an exclusive right to

negotiation agreement concerning the Site with any other interested developer or party.

3.5 Environmental Condition

3.5.1 Developer acknowledges that in the development of the Project, it has previously received and reviewed certain environmental reports which have included an investigation of the Site. The environmental reports known to Summit County include:

3.5.1.1 Phase I Environmental Site Assessment conducted by Gordon Geotechnical Engineering, Inc, Dated July 5, 2016;

3.5.1.2 Preliminary Geotechnical Investigation Addendum 1, dated September 2, 2016; and

3.5.1.3 any other reports included in Summit County's due diligence materials found at the following URL:

<https://www.summitcounty.org/901/Due-Diligence-Reports>

Section 4.0 PURCHASE PRICE/LEASE AND/OR OTHER CONSIDERATIONS

4.1 Developer shall propose a purchase price (the "Initial Purchase Price") and/or lease for the Site as part of its Proposal. During the Negotiation Period, Summit County and Developer shall negotiate the schedule and conditions for transfer of the Site to Developer in fee title or long-term ground lease with respect to financing and a schedule for the development and disposition of the Site, which schedule and conditions will be included in the DDA.

4.2 Summit County may transfer real property for no less than the fair reuse value. Summit County will cause an approved certified appraiser to, subject to Section 4.5, prepare and provide Developer with a copy of the reuse appraisal ("Reuse Appraisal") based upon the information developed through rezoning and the Design Development Plan as described in this Agreement. The Reuse Appraisal shall establish the fair reuse value of the Site (the "Residual Land Value").

4.3 In the event that the Initial Purchase Price is at least equal to the Residual Land Value, then the Initial Purchase Price shall become the "Final Purchase Price." Conversely, in the event the Residual Land Value is greater than the Initial Purchase Price, the Final Purchase Price shall be the Residual Land Value.

4.4 Additional details of the setting of the purchase price and/or lease and the conditions precedent to rebate shall be included in the DDA. The Final Purchase Price and/or ground lease rate shall be as established by the DDA and not by the terms of this Agreement.

4.5 Within sixty (60) calendar days of the Effective Date, Developer shall submit to Summit County Staff the data required by the appraiser ("Reuse Appraiser") who has been selected by joint approval of the Developer and Summit County, which data ("Reuse Appraisal Data") is needed by the Reuse Appraiser to prepare the Reuse Appraisal for the Site, which data shall include data on the Project. Developer shall submit the Reuse Appraisal Data at the time the Design Development Plan is submitted to Summit County Staff. The Developer may be required to supplement the Reuse Appraisal Data during the course of the Reuse Appraisal and shall submit this supplementary data in a timely manner as required by the Reuse Appraiser and Summit County.

4.6 The Reuse Appraisal Data includes but may not be limited to:

- zoning
- density of development
- costs expected to be incurred and revenues expected to be realized in the course of developing and disposing of the Project
- residential unit types, sizes and expected sales prices or rents
- Construction type and materials
- Exterior and interior finish materials,
- square footages of uses other than residential
- leasing or sales prices for other uses and assets such as office space, retail space and parking spaces
- assumptions regarding soft costs such as marketing and insurance, risks of Summit County, risks of Developer
- Developer participation in the funding of public facilities and amenities, and estimated or actual Developer return, including assumptions regarding entrepreneurial incentive, overhead and administration as these factors apply to the Project

4.7 Proposed Ground Sub-Lease Terms

4.7.1 If Summit County chooses to negotiate a long-term sublease for the Site, the Developer should provide a detailed proposal for ground sub-lease payments. The critical elements of the ground lease proposal will include, but not be limited to:

- Total monthly / annual amount of ground lease payment
- Term of ground lease (Summit County will consider a lease term of between 65 to 99-years)
- Timing of the start of ground lease payments and any contingencies associated with the proposed timing
- Periodic adjustments to ground lease payment amount and cause for adjustment
- Proposals for a bulk / upfront payment

4.7.2 The Parties anticipate completion of the Reuse Appraisal within one hundred twenty (120) calendar days of the Effective Date. Developer acknowledges that Summit County will be unable to commence the Reuse Appraisal process without Developer's submittal of the Reuse Appraisal Data, and Developer acknowledges that Summit County will be unable to complete negotiation of the terms of the DDA without the results of the Reuse Appraisal.

5.0 DEVELOPER AND DEVELOPER'S OBLIGATIONS

5.1 Nature of Developer

5.1.1 Developer is COLUMBUS PACIFIC DEVELOPMENT or its assigns. Wherever the term "Developer" is used herein, such term shall include any permitted nominee or assignee as herein provided.

5.2 Developer's Principal Office and Development Team

5.2.1 Developer's Principal Office is located at: 1389 Center Dr., Suite 230, Park City, Utah 84098. Summit County and Developer acknowledge and agree that the Local Project Manager, as described in Section 9.6.1, shall also be a member of the Development Team (*defined below*). Any other consultants and professionals on the Development Team (such as special architectural consultants, leasing agents, engineer, and contractor) will be selected at a later date.

5.3 Full Disclosure

5.3.1 Developer is required to make full disclosure to Summit County of its officers, key managerial employees, and design professionals (collectively the "Development Team") involved in this Project. Any significant change during the period of this Agreement of the Development Team or in the controlling interest of Developer of the Project covered by this Agreement is subject to the approval of Summit County, such approval not to be unreasonably withheld or delayed. This Agreement shall be assigned or otherwise transferred as provided herein.

5.4 Compliance with Applicable Laws

5.4.1 Developer recognizes it will be required to comply with all applicable laws, including all applicable federal and state labor standards, anti-discrimination regulations, affirmative action standards, and non-discrimination and non-segregation standards, laws, and regulations in development, rental, sale, or lease of the Site.

Section 6.0 SUMMIT COUNTY'S RESPONSIBILITIES

6.1 Snyderville Basin General Plan and Development Code

6.1.1 This Agreement and any DDA agreed to by the Parties are subject to the

provisions of the Snyderville Basin General Plan and the Snyderville Basin Development Code.

6.2 REAL ESTATE COMMISSIONS

6.2.1 Summit County shall not be liable for any real estate commission or brokerage fees which may arise herefrom. Summit County represents that it has engaged no broker or finder in connection with this transaction, and Developer agrees to hold Summit County harmless from any claim by any broker, agent, or finder retained by Developer.

Section 7.0 EXECUTION OF THIS AGREEMENT NOT A DISPOSITION OF PROPERTY

7.1 By its execution of this Agreement, Summit County is not committing itself to or agreeing to undertake: (a) disposition of land to Developer; or (b) any other acts or activities requiring the subsequent independent exercise of discretion by Summit County; or (c) any other acts or activities requiring the subsequent independent exercise of discretion by any federal or state agency including, but not limited to, environmental clearance and historic preservation approval. Execution of this Agreement by Summit County and Developer does not constitute a disposition of property by Summit County.

Section 8.0 ISSUES OF NEGOTIATION

8.1 Developer recognizes that the following items are matters Summit County desires be addressed during the Negotiation Period, but both Parties understand that there is no present agreement as to the manner or degree to which they or anyone can or will be included in the DDA or Design Development Plan.

8.2 Design Refinement

8.2.1 Prior to submission of the Design Development Plan, Summit County, Developer, and the Principal Designer shall engage in design discussions to address design issues related to the Design Development Plan identified by Summit County, which Summit County desires to resolve. Summit County shall prepare a list of the issues to be addressed in the Design Development Plan, and the process shall be conducted as provided in the Schedule of Performance. Summit County and Developer shall reach mutual agreement on how to proceed regarding the design issues.

8.3 Demolition and Clearance

8.3.1 Cost estimates for demolition and clearance, and any environmental remediation, shall be included in the Reuse Appraisal as a development cost to be paid by Developer. The Parties agree to address as part of the negotiation of the DDA: (a) the timing and any phasing involving the demolition and clearance costs; (b) rights of the Parties to the structural components and materials comprising the existing buildings and any equipment or appurtenances on the Site; and (c) requirements, if any, for recycling of structural components and building materials as part of demolition and clearance.

8.4 Summit County Participation

8.4.1 Developer specifically acknowledges, recognizes, and consents that Summit County participation in the Project may be limited to the inclusion of the Site for the Project at a yet to be determined value based on the Reuse Appraisal and other Summit County determinations.

8.5 Impact Fees

8.5.1 Summit County acknowledges that Developer likely will be assessed impact fees by Summit County or its Special Districts. Such impact fees assessed represent a cost to the Project and may be included within the Reuse Appraisal analysis as described herein.

Section 9.0 GENERAL PROVISIONS

9.1 Notices

9.1.1 Formal notices, demands, and communications between Summit County and Developer shall be sufficiently given if sent by registered or certified mail, postage prepaid and return receipt requested, to the principal offices of Summit County and Developer as set forth below. Routine communication may be by first class mail, e-mail or telephone.

Summit County

Jeffrey B. Jones, AICP, Economic Development & Housing Director
Summit County
PO Box 128
60 North Main Street
Coalville, UT 84017
384-336-3221
jjones@summitcountyutah.gov

With a copy to:
Summit County Attorney
60 N. Main
P.O. Box 128
Coalville, Utah 84017
435-336-3206
dthomas@summitcountyutah.gov

Developer

Tony Tyler
President
Columbus Pacific Development
1389 Center Dr., Suite 230
Park City, Utah 84098
435-640-5568
tony@cpdre.com

With a copy to:
David Fisher
Kephart Fisher, LLC
207 N. 4th Street
Columbus, Ohio 43215
614-469-1882
davidfisher@KephartFisher.com

9.2 Remedies and Damages

9.2.1 Notwithstanding anything to the contrary contained in this Agreement, the Parties' obligations hereunder are nonrecourse. In the case of Summit County, it's only recourse against Developer's obligations shall be retention of the Deposit and any extension fee. In the event of any legal

proceeding described herein between the Parties to this Agreement to enforce any provision of this Agreement or to protect or establish any right or remedy of either Party hereunder, the prevailing Party shall recover its reasonable attorney fees, at trial and upon appeal, in addition to all other costs and damages allowed, as determined by the Court.

9.3 No Recordation

9.3.1 In no event shall any Party record this Agreement, or any memorandum hereof or otherwise encumber the Site by reason of this Agreement or the negotiations contemplated hereby.

9.4 Successors and Assigns

9.4.1 No Party may assign or delegate its obligations under this Agreement without the consent of each other Party hereto other than to a person or entity controlled by the assignor, which consent may not be unreasonably withheld or delayed.

9.4.2 Except as otherwise set forth in this Agreement, the terms, covenants, conditions, and agreements contained herein shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the Parties hereto.

9.5 Counterparts

9.5.1 This Agreement may be executed in any number of counterparts and by each of the Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Any signature page of the Agreement may be detached from any counterpart and reattached to any other counterpart hereof. The electronic transmission of a signed original of the Agreement or any counterpart hereof and the electronic retransmission of any signed copy hereof shall be the same as delivery of an original.

9.6 Local Project Management

9.6.1 Tony Tyler, an employee of Developer, shall serve as Local Project Manager ("Project Manager") who will be available to Summit County.

Section 10.0 TERMINATION

10.1 Termination by Mutual Agreement

10.1.1 This Agreement may be terminated at any time by the mutual written consent of the Parties. In the event of such termination, Deposit shall be

refundable as set forth in Section 2.3 and neither Party shall have any further rights against or liability to the other under this Agreement.

10.2 Termination Due to Inability to Agree on the DDA Terms

10.2.1 Upon termination of this Agreement at the expiration of the Negotiation Period, or such extension thereof, neither Party shall have any further rights against nor liability to the other under this Agreement. If this Agreement is terminated for the Parties' failure to negotiate a DDA acceptable to both Parties, Developer shall not seek reimbursement for costs and expenses from Summit County, and Summit County shall not seek reimbursement for costs and expenses from Developer, except to retain from Developer's Deposit and extension fee, if any, any third-party costs actually incurred by Summit County in preparing the Reuse Appraisal, as provided in Section 4.0.

Exhibits

- Exhibit A Legal Description of the Site
- Exhibit B Developer's Proposal
- Exhibit C Schedule of Performance

- End of Agreement | Signatures appear on the following page(s) -

SIGNATURE PAGE- NOTARY REQUIRED

SUMMIT COUNTY

Shayne C. Scott
County Manager

Approved as to form:

David L. Thomas
Chief Civil Deputy

STATE OF UTAH)
:ss.

COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by Shayne C. Scott, in his capacity as County Manager of Summit County, Utah.

NOTARY PUBLIC

Residing at:

My Commission Expires:

DEVELOPER

COLUMBUS PACIFIC DEVELOPMENT

Name: Tony Tyler
Title: President

STATE OF UTAH)

:SS.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 202_, by Tony Tyler, in his capacity as President, Columbus Pacific Development.

NOTARY PUBLIC

Residing at:

My Commission Expires:

Exhibit A: Legal Description of the Site

Exhibit B: Developer's Proposal

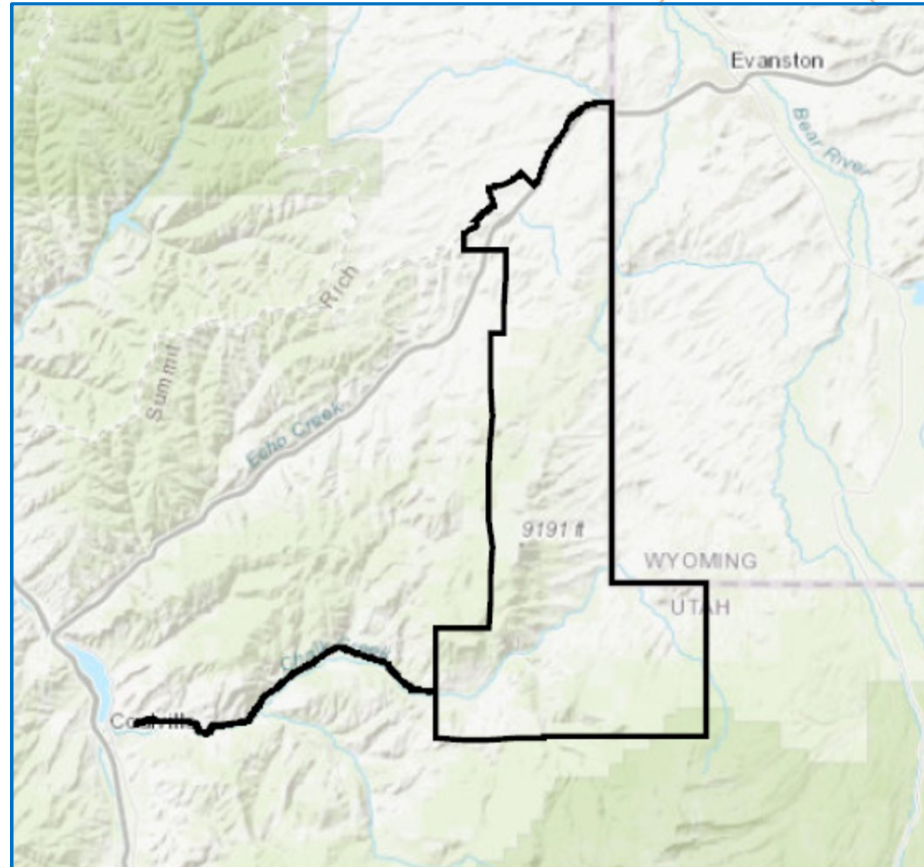
Exhibit C: Schedule of Performance



SUMMIT COUNTY SERVICE AREA #8

MAP OF SA#8

The Border of SA#8 is represented by the is represented by the dark line on the map beginning east at Coalville City Main Street and running to the State border with Wyoming.





NOVEMBER 14, 2024 COUNCIL MEETING:

Reduce the SA#8 budget and follow up before tax rates are set (June 22nd).

Estimated impacts:

- Current costs about \$15k per centerline mile for maintenance.
 - About \$500k per year.
- Need to revisit interlocal agreement with Uinta County (WY).
- Potentially close areas to fulltime snow removal.

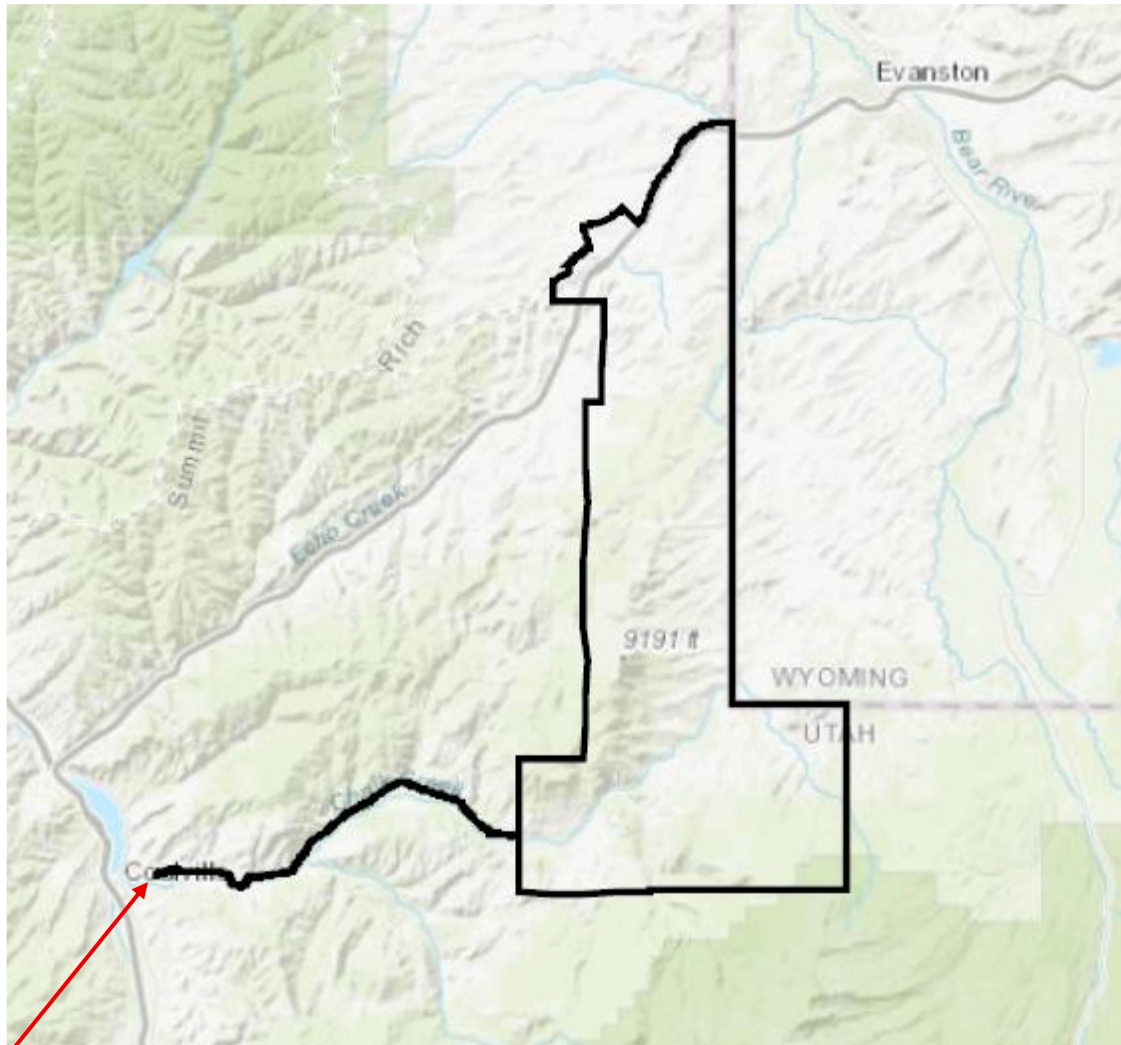
SA#8: DISCUSSION ITEMS



- What are the appropriate service levels for the area?
- Should the tax rate be adopted consistent with the certified tax rate (business as usual)?
- Should the rate be reduced, service levels continue until fund balances are spent?
 - Timing of spending down fund balances (example 4-5 years)?
- Should service levels continue or be reduced and other funding sources be explored?

BACKGROUND: Summit County Service Area #8:

- Created in late 1982 with the boundaries along Chalk Creek Road with the purpose of providing road maintenance including snow removal for county roads.
- Chalk Creek Road serviced oil/gas field which impacted county roads, consequently requiring higher levels of service.
- Approximately 31 lane miles.



Coalville City

The Border of SA#8 is represented by the is represented by the dark line on the map beginning east at Coalville City Main Street and running to the State border with Wyoming.

- In the past five years, 2021-2025 taxable values have shifted from nearly 94% being State assessed (centrally assessed) to nearly 86%.
 - Resulting in a shift of the property tax burden from oil and gas companies that are centrally assessed to residential properties.
 - Only taxing entity to have tax rate consistently increase without Truth In Taxation due to overall decreasing values (from \$115.6 million in 2021 to \$89.8 million preliminary for 2025).
 - Since centrally assessed is decreasing and residential is increasing proportionally to taxable values and the tax rate is increasing the impact on residential properties, primary and secondary, is compounding.
- Typically, school districts have higher property tax rates. By comparison, the top five taxing entities of Summit County (rates exclude voter approved debt):

Entity	Rate
SA#8	0.009272
So Summit School District	0.003758
Park City School District	0.003561
No Summit School District	0.003102
Coalville City	0.001256

- Property tax rate for SA#8 is about 2.5 times higher than the next highest rate.
- At the November 14, 2024 County Council meeting the 2025 budget for SA#8 was discussed at funding at one-third previous budget levels with the intent to review how it went before setting tax rates for 2025 (June 22, 2025).
 - Reduced operating and maintenance budget from \$859,000 to \$634,000 (actual reduction of more than 25%).
 - Estimated rate without reduction = 0.008602 (\$860 per \$100,000 taxable value).
 - Estimated rate with reduction = 0.007060 (\$706 per \$100,000 taxable value).
 - Based on preliminary data, estimate reduces the rate by approximately 18%.
 - In order to reduce by one-third, budget for SA#8 would be \$515,220 (preliminary data).

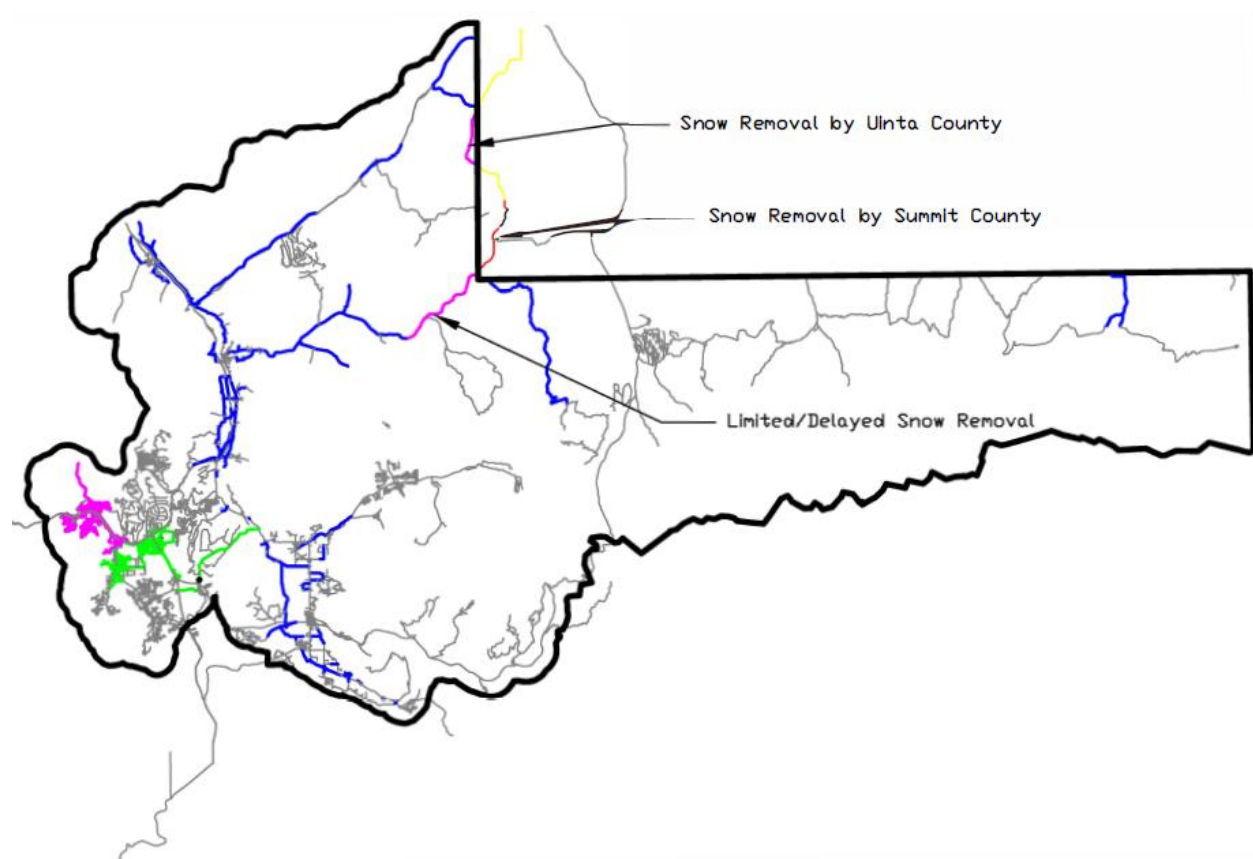
IMPACTS: 6-month follow-up

In order to maintain an acceptable level of service for our roads it **costs at approximately \$15,000 dollars per year for each centerline mile of road for routine maintenance** (overlays & Seal Coats) SA 8 revenues have provided the funds (approximately

\$500,000/year) to provide this routine maintenance within the service area and for the needed snow removal operation to keep this road open during the winter months. Without this revenue the added burden will need to come from other sources, or the level of service will decline for these roads and others within the County.

Prior to the creation of SA#8 the roads outside of where there were fulltime residences did not receive full time snow removal and were closed at times. Without the revenue from the service district, we could cut back on the level of snow removal services along the section that have no fulltime residents.

We have participated in an agreement with Uinta County that they would perform snow removal on 4.7 miles of Yellow Creek Rd which is in Summit County and we would provide snow removal on 6 miles of Yellow Creek Road in Uinta County. This agreement expired in August of 2022 but we have continued to operate as though the agreement is still active.



Because of the conditions mainly the drifting snow along this gravel road that we maintain within Uinta County it has required one full time employee during the winter months and a

grader to keep this road open. We would **need to discontinue or adjust this agreement** as we believe it would save us money and time to travel around to our section of the road to perform the needed snow removal rather than to keep the section within Uinta County open. We could **also explore limiting the amount of resources into keeping this road open** which would mean it would be closed for extended periods of time especially during harsh winters.

OPTIONS: Direction from Council

- Adopt tax rate consistent with prior years, i.e. business as usual.
- Determine appropriate service levels, spending down fund balances (\$3.0 million) over next 4-5 years.
- Determine appropriate service levels using other potential sources or transfers from other funds.



Engineering Division
60 N Main St
Coalville, UT 84017
summitcounty.gov

Date: 6/11/2025

To: County Council

Shayne Scott, County Manager

From: Brandon Brady, County Engineer

Re: Class A Franchise Agreement Between Summit County, Utah and Hoytsville Pipe Water Company

Background:

The Engineering Division manages the utilities in the County right of way through franchise agreements. The use of County rights of way and franchise agreements are defined in Title 7, Chapter 1 of the County Code. There are two types of classes of franchises: A and B.

Class A:

- Those utilities and telecommunications services with a franchise agreement (telecommunication services must have a Class A Franchise)
- Priority
- Non-interference covenant as to Class B Franchises and adjoining property owners
- Non-revocable term
- Extended deadlines
- Right to third party reimbursement
- Waiver of performance bonds
- Relocation for benefit of the County
- Duty to repair damage to / revegetate the right of way
- Emergency or disaster utilization
- Subscriber Service Standards
- Franchise Fee
- Provide "as built" CAD drawings
- Excavation/Encroachment permit required

Class B:

- Those utilities without a franchise agreement

- Subject to a revocable license
- Provide “as built” CAD drawings
- Duty to repair damage to / revegetate the right of way
- Relocation of utility facilities for the benefit of the County or Class A Franchisee at Class B Franchisee’s expense
- Excavation/Encroachment permit required
- Indemnification
- No Franchise Fee
- No Subscriber Service Standards
- Performance bonds required

Proposal:

The Engineering Division, Attorneys’ Office, and the Hoytsville Pipe Water Company have worked on an agreement that would make them a Class A Franchise for 10 years. (See the attached agreement)

Recommendations:

Staff recommend that the County Council approve the Class A Franchise Agreement Between Summit County, Utah and Hoytsville Pipe Water Company.

Attachments:

Class A Franchise Agreement Between Summit County, Utah and Hoytsville Pipe Water Company

**CLASS A FRANCHISE AGREEMENT
BETWEEN SUMMIT COUNTY, UTAH
AND
HOYTSTVILLE PIPE WATER COMPANY**

This **FRANCHISE AGREEMENT** ("**Franchise**") is made and entered into effective as of the ____ day of _____, 20__ ("**Effective Date**"), by and between SUMMIT COUNTY, a body corporate and politic of the State of Utah, whose address is 60 N. Main Street, P.O. Box 128, Coalville, Utah 84017 ("**County**"), and HOYTSTVILLE PIPE WATER COMPANY, a Utah non-profit public water supplier of the State of Utah, whose mailing address is P.O. Box 753, Coalville, UT 84017 ("**Grantee**"). The County and the Grantee are referred to individually as a "**Party**" and collectively as the "**Parties**".

WHEREAS, the County hereby acknowledges that the Grantee has the financial, legal, and technical ability to provide services, facilities, and equipment necessary to supply and transmit irrigation, snow making, and culinary water to the inhabitants of the County and persons and corporations beyond the limits thereof and in connection therewith to maintain and establish a network in, under, along, over and across present and future streets, alleys and rights-of-way of the County, consisting of underground water mains and pipes, together with all necessary and desirable appurtenances (the "**Water Utility Services**").

WHEREAS, Grantee has historically utilized the County's existing streets, alleys and rights-of-way without a formal written franchise agreement.

WHEREAS, The County has authority pursuant to U.C.A. §17-50-306 to "grant franchises along and over the public roads and highways for all lawful purposes, upon such terms, conditions and restrictions as in the judgment of the county legislative body are necessary and proper, to be exercised in such manner as to present the least possible obstruction and inconvenience to the traveling public." Summit County Code ("**Code**"), Title 7, Chapter 1 governs franchise agreements. The Parties agree that Grantee's Water Utility Services qualify as a Class A franchise under subpart 5 of Chapter 1.

WHEREAS, having afforded the public adequate notice and opportunity for comment, the Parties agree to enter into this non-exclusive Franchise for the provision of Water Utility Services on the terms set forth herein.

SECTION 1

Definition of Terms

- 1.1 Terms.** For the purpose of this Franchise, the following terms, phrases, words, and abbreviations shall have the meanings ascribed to them below. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number:

- A. “County” means Summit County, Utah, or the lawful successor, transferee, or assignee thereof.
- B. “County Right-of-Way” means the surface, the air space above the surface, and the area below the surface of any public street, highway, lane, path, alley, boulevard, drive, or other similar public way within the County, which, consistent with the purposes for which it was dedicated, may be used for the purpose of installing and maintaining private utilities, public utilities, and telecommunication services.
- C. “Franchise” means a non-exclusive authorization, or renewal thereof, issued by the County which authorizes the construction, maintenance or operation of a public utility, private utility, or telecommunication service system along the County Right-of-Way. A Franchise shall not be construed to include any general license required for the privilege of transacting and carrying on a business within the County as may be required by other ordinances and laws of the County or for excavating or performing other work in or along the County Right-of-Way, unless otherwise provided in a Grantee’s Franchise Agreement.
- D. “Franchise Agreement” means a contract entered into pursuant to Code §7-1-4 between the County and a Grantee that sets forth the terms and conditions under which a Franchise will be granted and exercised.
- E. “Grantee” means Hoytsville Pipe Water Company, a special service district of the State of Utah, or the lawful successor, transferee, or assignee thereof.
- F. “Person” means an individual, partnership, association, joint stock company, organization, corporation, joint venture, limited liability company, or any lawful successor thereto or transferee thereof, but such term does not include the County.
- G. “Service Area” means the current properties with a meter who receive water from the Grantee’s water system, and shall include any additions thereto by annexation or other legal means.
- H. “Subscriber” means a Person or user who lawfully receives Water Utility Service from the Grantee.

SECTION 2

Grant of Franchise

2.1 Grant. The County hereby grants to the Grantee, during the Term, a non-exclusive Franchise which authorizes the Grantee the right, privilege and authority to construct, maintain, operate, upgrade, and relocate, at Grantee’s sole cost and expense, its water distribution and transmission lines and related appurtenances, including underground conduits and structures (collectively referred to herein as “**Water Facilities**”) in, along, among, upon, across, above,

over, under, or in any manner connected with County Rights-of-Way within the Service Area, for the provision of Water Utility Services to residents of Summit County, Utah.

2.2 Non-interference Covenant. The County agrees to not knowingly grant other franchises that may unreasonably interfere with Grantee's then existing Water Utility Facilities, which are situated within the County Rights-of-Way. Further, the County covenants to manage the County Rights-of-Way in accordance with Summit County Code, Title 7, Chapter 1 (or its successor ordinance) and the terms of this Franchise, and to enforce all regulations pertaining thereto.

2.3 Competitive Equity. The Grantee acknowledges and agrees that the County reserves the right to grant one (1) or more additional franchise agreements to provide Water Utility Services within the County.

2.4 Term. The Franchise granted hereunder shall be for a term of ten (10) years commencing on the Effective Date, unless otherwise lawfully terminated in accordance with the terms of this Franchise.

SECTION 3

Standards of Service

3.1 Conditions of Occupancy. The Water Facilities installed by the Grantee pursuant to the terms hereof shall be located so as to cause a minimum of interference with the proper use of County Rights-of-Way and with the rights and reasonable convenience of property owners who own property that adjoins any of such County Rights-of-Way. All Water Facilities shall be constructed, installed, maintained, cleared of vegetation, renovated or replaced in accordance with applicable rules, ordinances and regulations of the County.

3.2 Other Ordinances.

3.2.1 The Grantee agrees to comply with the terms of any lawfully adopted generally applicable local ordinance and regulations, to the extent the provisions of the ordinance or regulations do not have the effect of limiting the benefits or expanding the obligations of the Grantee that are granted by this Franchise. Neither Party may unilaterally alter the material rights and obligations set forth in this Franchise. In the event of a conflict between any ordinance and this Franchise, the Franchise shall control, provided however, that the Grantee agrees that it is subject to the lawful exercise of the police power of the County.

3.2.2 Except in the case of an emergency, Grantee shall, prior to commencing new construction or major reconstruction work in the County Right-of-Way, apply for any permit from the County as may be required by the County's ordinances, which permit shall not be unreasonably withheld, conditioned, or delayed. Grantee will abide by all applicable ordinances and all reasonable rules, regulations and requirements of the County, and the County may inspect the manner of such work and require remedies as may be reasonably necessary to assure compliance. Notwithstanding the foregoing, Grantee shall not be obligated to obtain a permit to perform emergency repairs.

3.3 Restoration of County Rights-of-Way. If, during the course of the Grantee's construction, operation, maintenance, or replacement of the Water Facilities, Grantee causes damage to or alters the County Right-of-Way or causes damage to public property, Grantee shall replace or repair and restore such County Right-of-Way at Grantee's expense to the condition of the County Right-of-Way existing immediately prior to such damage or alteration and in a manner reasonably approved by the County Engineer.

3.4 Relocation for the County. Upon its receipt of reasonable advance written notice, to be not less than thirty (30) calendar days in the event of a temporary relocation and no less than sixty (60) calendar days for a permanent relocation, the Grantee shall, at its own expense except as provided by law or entitlement, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the County Right-of-Way, any property of the Grantee when requested by the County by reason of traffic conditions, public safety, street abandonment, freeway and street construction, change or establishment of street grade, installation of sewers, drains, gas or water pipes, power lines or other municipal utility infrastructure, or any other type of public structures or improvements which are not used to compete with the Grantee's services, or any other reason requested by the County. The grantee shall employ commercially available best practices to meet the relocation times. In the event the Grantee has commenced efforts to complete the relocation and is making continuous progress toward completion, the County may extend the allowable time for completion.

3.5 Relocation for a Third Party. The Grantee shall, on the request of any Person holding a lawful permit issued by the County, protect, support, raise, lower, temporarily disconnect, relocate in or remove from the County Right-of-Way as necessary any property of the Grantee, provided: (A) the expense of such is paid by said Person benefiting from the relocation, including, if required by the Grantee, making such payment in advance; and (B) the Grantee is given reasonable advance written notice to prepare for such changes. For purposes of this subsection, "reasonable advance written notice" shall be no less than thirty (30) calendar days in the event of a temporary relocation, and no less than sixty (60) calendar days for a permanent relocation. The grantee shall employ commercially available best practices to meet the relocation times. In the event the Grantee has commenced efforts to complete the relocation and is making continuous progress toward completion, the relocation time shall be extended as necessary to allow for completion. The relocation shall not interrupt Grantee's water deliveries to its shareholders.

3.6 Trimming of Trees and Shrubbery. After obtaining the prior written consent of the County, the Grantee shall have the authority to trim trees or other natural growth overhanging or interfering with any of its Water Facilities within the County Rights-of-Way in the Service Area so as to prevent vegetation from coming into contact or interfering with the operation of the Water Facilities. Such pruning shall comply with the *American National Standard for Tree Care Operation (ANSI A300)* and be conducted under the direction of an arborist certified with the International Society of Arboriculture. A growth inhibitor treatment may be used for trees and vegetation species that are fast-growing and problematic. The Grantee shall reasonably compensate the County for any damage caused by such trimming, or shall, in its sole discretion and at its own cost and expense, with the prior written consent of the County, reasonably replace all trees or shrubs damaged as a result of any construction, operation, maintenance, or

replacement of the Water Facilities undertaken by the Grantee. Such replacement shall satisfy any and all obligations the Grantee may have to the County pursuant to the terms of this subsection. Nothing herein shall give the Grantee the right to trim trees not within the County Right-of-Way without the permission of the landowner or without the permission of the County upon showing of public need. The County agrees to assure that the County Rights-of-Way are not unlawfully obstructed by property owners.

3.7 Safety Requirements. Construction, operation, maintenance, and replacement of the Water Facilities shall be performed in an orderly and workmanlike manner. All such work shall be performed in accordance with generally applicable federal, state, and local regulations. The Water Facilities shall not endanger or unreasonably interfere with the safety of Persons or property in the Service Area.

3.8 Underground Construction. All water distribution and transmission lines shall be placed underground. Prior to construction or replacement, in each case, all applicable permits shall be applied for and granted and all fees shall be paid. All other codes and ordinances of the County that pertain to such construction shall be complied with.

3.8.1 For the purposes of this Franchise, facilities to be placed “underground” shall be at least twenty four (24) inches below the surface grade.

3.9 Extensions of Water Facilities. The Grantee shall have the right, but not the obligation, to extend Water Facilities into any portion of the Service Area where another operator is providing Water Utility Services, into any annexed area which is not contiguous to the present Service Area of the Grantee, or into any area which is financially or technically infeasible due to extraordinary circumstances.

3.10 Trenching; Notice. Before installing new Water Facilities or replacing existing Water Facilities, Grantee shall first notify the County of such work by written notice and shall allow the County, at its own expense, (to include a pro rata share of the trenching costs), to share the trench of Grantee to make its own improvement therein, provided that such action by the County will not unreasonably interfere with Grantee’s Water Facilities or delay project completion.

3.11 Technical Standards. The Grantee is responsible for insuring that the Water Facilities are designed, installed, operated, maintained, and replaced in a manner that fully complies with federal, state and local rules as revised or amended from time to time. As provided in these rules, the County shall have, upon request, the right to obtain a copy of tests and records required in accordance with appropriate rules.

3.12 Subscriber Service Standards.

3.12.1 The County reserves its right to establish lawful standards beyond those established by this Franchise including:

3.12.1.1 Customer service requirements.

3.12.1.2 Construction schedules and other construction related

requirements.

3.12.1.3 Consumer protection laws.

3.13 **Regulatory Compliance.** Grantee agrees to comply with the following regulatory standards:

3.13.1 Title 1, Chapter 5, Section 2 of the Summit County Code of Health (Water Concurrency).

3.13.2 Utah Code Ann. Title 11, Chapter 36a (Impact Fees Act).

3.13.3 Utah Code Ann. Title 73, Chapter 10, Section 32 (Water Conservation Plan).

SECTION 4

Regulation by the County

4.1 **Renewal of Franchise.**

4.1.1 At least one hundred twenty (120) days prior to the expiration of this Franchise, Grantee and the County either shall meet to discuss extending the term of this Franchise for a mutually acceptable period of time or use best efforts to renegotiate a replacement Franchise. Grantee shall have the right to continue using the County Rights-of-Way as set forth herein, under the same terms and conditions, so long as the Parties are negotiating in good faith towards an extension or replacement Franchise; provided that the County retains all rights it may have to terminate the Grantee's right to provide services within Summit County or to occupy the County Rights-of-Way on a prospective basis, using any and all available legal means. If the County and Grantee are unable to agree on a replacement Franchise, nothing herein shall limit the Parties' respective legal rights.

4.1.2 The Grantee and the County agree that at any time during the term of the then current Franchise, while affording the public appropriate notice and opportunity to comment, the County and the Grantee may agree to undertake and finalize informal negotiations regarding renewal of the then current Franchise and the County may grant a renewal thereof.

4.2 **Transfer of Franchise.** The Grantee's right, title, or interest in the Franchise shall not be sold, transferred or assigned to another entity, except transfers and assignments by operation of law, or to affiliates, parents or subsidiaries of Grantee which assume all of Grantee's obligations hereunder, without the prior written consent of the County, such consent not to be unreasonably withheld. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, or by assignment of any rights, title, or interest of the Grantee in the Franchise or Water Facilities in order to secure indebtedness. Within thirty (30) days of receiving a request for transfer, the County shall notify the Grantee in writing of any additional information it reasonably requires to determine the legal, financial and technical qualifications of the transferee. If the County has not taken action on the Grantee's request for transfer within one

hundred twenty (120) days after receiving such request, consent by the County shall be deemed given.

SECTION 5

Insurance and Indemnification

5.1 Insurance Requirements. The Grantee shall maintain in full force and effect, at its own cost and expense, during the term of the Franchise, Comprehensive Commercial General Liability Insurance in the amount of one Million Dollars (\$1,000,000) combined single limit per occurrence and Three Million Dollars (\$3,000,000) aggregate for bodily injury and property damage. The Grantee shall provide to the County an Endorsement to the Insurance Policy designating the County as an additional primary insured. Such Endorsement shall provide that such insurance coverage is primary and not contributory to any insurance policy maintained by the County. The Grantee shall increase the limits of such insurance to at least the amount of the Limitation of Judgments described in Section 63G-7-604 of the Governmental Immunity Act of Utah, as calculated by the state risk manager every two years and stated in Utah Admin. Code R37-4-3

5.2 Indemnification. The Grantee agrees to indemnify, save and hold harmless, and defend the County, its officers, boards and employees, from and against any and all claims, demands, liens, and all liability for damages of whatsoever kind, including but not limited to any liability or claims resulting from property damage or bodily injury (including accidental death), which arise out of the Grantee's use or occupancy of the County Right-of-Way or any of Grantee's acts or omissions pursuant to or related to this Franchise, and to pay any and all costs, including reasonable attorneys' fees incurred by the County in defense of such claims, demands or liens brought thereunder. The County shall: (a) give prompt written notice to Grantee of any claim, demand or lien with respect to which the County seeks indemnification hereunder; and (b) permit Grantee to assume the defense of such claim, demand, or lien. Notwithstanding the foregoing, the Grantee shall not indemnify the County for any damages, liability or claims resulting from the willful misconduct or negligence of the County. All settlements of claims, demands, liens and liability triggered by this indemnification provision shall require the consent of the County, which consent shall not be unreasonably withheld.

SECTION 6

Enforcement and Termination of Franchise

6.1 Grounds for Termination. The County may terminate or revoke this Franchise and all rights and privileges herein provided as follows:

6.1.1 The Grantee, by act or omission, materially violates a material duty herein set forth in any particular within the Grantee's control, and with respect to which redress is not otherwise herein provided. In such event, the County, acting by or through its County Manager, may determine, after hearing, that such failure is of a material nature, and thereupon, after written notice giving the Grantee notice of such determination, the Grantee, within sixty (60) calendar days of such notice, shall commence efforts to

remedy the conditions identified in the notice and shall have ninety (90) calendar days from the date it receives notice to remedy the conditions. After the expiration of such 90-day period and failure to correct such conditions, the County may declare the Franchise forfeited and this Franchise terminated, and thereupon, the Grantee shall have no further rights or authority hereunder; provided, however, that any such declaration of forfeiture and termination shall be subject to judicial review as provided by law, and provided further, that in the event such failure is of such nature that it cannot be reasonably corrected within the 90-day time period provided above, the County shall provide additional time for the reasonable correction of such alleged failure if the reason for the noncompliance was not the intentional or negligent act or omission of the Grantee.

6.2 Remedies at Law. In the event the Grantee or the County fails to fulfill any of their respective obligations under this Franchise, the County or the Grantee, whichever the case may be, shall have a breach of contract claim and remedy against the other, in addition to any other remedy provided herein or by law; provided, however, that no remedy that would have the effect of amending the specific provisions of this Franchise shall become effective without such action that would be necessary to formally amend the Franchise.

6.3 Third Party Beneficiaries. The benefits and protection provided by this Franchise shall inure solely to the benefit of the County and the Grantee. This Franchise shall not be deemed to create any right in any Person who is not a Party and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the permitted successors and assigns of the Parties hereto).

6.4 Uncontrollable Events. The Grantee shall not be held in default under, or in noncompliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by strikes, acts of God, power outages, or other events reasonably beyond its ability to control including any delays caused by the County.

6.5 Bonds and Surety

6.5.1 Except as expressly provided herein, the Grantee shall not be required to obtain or maintain bonds or other surety as a condition of being awarded the Franchise or continuing its existence. The Grantee and the County recognize that the costs associated with bonds and other surety may be ultimately borne by the Subscribers in the form of increased rates for Water Utility Services. Initially, no bond or other surety will be required. In the event that one is required in the future, the County agrees to give the Grantee at least sixty (60) days prior written notice thereof stating the exact reason for the requirement.

6.5.2 Notwithstanding the above provisions, the Grantee shall be responsible for standard performance bonds and insurance required for encroachment permits for work done within the County Rights-of-Way.

6.6 Termination by Grantee. Notwithstanding any other provision of this Franchise to the contrary, Grantee may terminate this Franchise with or without cause six months after giving the County notice of Grantee's intent to terminate. Upon termination, Grantee shall cease all operations of the Water Facilities located within the County Rights-of-Way.

SECTION 7

Annexation

Upon the annexation of any territory to the County, the rights granted herein shall extend to the annexed territory to the extent the County has such authority. All Water Facilities owned, maintained, or operated by Grantee located within any County Rights-of-Way of the annexed territory shall thereafter be subject to all of the terms hereof.

SECTION 8

Miscellaneous Provisions

8.1 Actions of Parties. In any action by the County or the Grantee that is mandated or permitted under the terms hereof, such Party shall act in a reasonable, expeditious, and timely manner. Furthermore, in any instance where approval or consent is required under the terms hereof, such approval or consent shall not be unreasonably withheld.

8.2 Entire Agreement. This Franchise (a) supersedes all previous Franchise agreements between the Parties, and (b) constitutes the entire agreement between the Grantee and the County on the subject of Water Utility Service. Amendments to this Franchise for any purpose, including but not limited to any changes in state or federal law, shall be mutually agreed to in writing by the Parties.

8.3 Notice. Unless expressly otherwise agreed between the Parties, every notice or response required by this Franchise to be served upon the County or the Grantee shall be in writing, and shall be deemed to have been duly given to the required party when placed in a properly sealed

and correctly addressed envelope: (a) upon receipt when hand delivered with receipt/acknowledgment, or (b) upon receipt when sent certified or registered mail.

The notices or responses to the County shall be addressed as follows:

Summit County Manager
60 North Main Street
PO Box 128
Coalville UT 84017

With Copy to:

Summit County Attorney
60 North Main Street
P.O. Box 128
Coalville, UT 84017

The notices or responses to the Grantee shall be addressed as follows:

Hoytsville Pipe Water Company
Attn: Tyler James Larsen, President
P.O. Box 753
Coalville, UT 84017

The County and the Grantee may designate such other address or addresses from time to time by giving notice to the other in the manner provided for in this Section.

8.4 Descriptive Headings. The captions to sections and subsections contained herein are intended solely to facilitate the reading thereof. Such captions shall not affect the meaning or interpretation of the text herein.

8.5 Severability. If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term or provision hereof, all of which will remain in full force and effect for the term of the Franchise.

8.6 Applicable Law. The terms and conditions contained herein shall be interpreted according to the laws of the State of Utah, except where expressly preempted by federal law.

8.7 No Waiver. Neither the County nor Grantee shall be excused from complying with any of the terms and conditions of this Franchise by any failure of the other, or any of its officers, employees, or agents, upon any one or more occasions to insist upon or to seek compliance with any such terms and conditions.

8.8 Counterparts. This Franchise may be executed in several counterparts and all so

executed shall constitute one agreement binding on all the Parties, notwithstanding that each of the Parties are not signatory to the original or the same counterpart. Further, executed copies of this Franchise delivered by facsimile shall be deemed an original signed copy of this Franchise.

Signature Pages to Follow

IN WITNESS WHEREOF, the Parties hereto sign and cause this Franchise to be executed.

SUMMIT COUNTY

Tonja Hanson, Chair
Summit County Council

ATTEST:

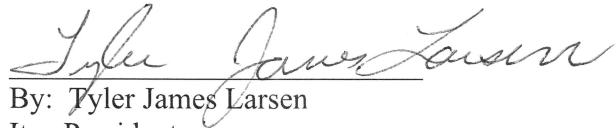
APPROVED AS TO FORM:

Evelyn Furse
Summit County Clerk

David L. Thomas
Chief Civil Deputy

IN WITNESS WHEREOF, the Parties hereto sign and cause this Franchise to be executed.

HOYTSTVILLE PIPE WATER COMPANY


By: Tyler James Larsen
Its: President



Assessor
60 North Main
Coalville, UT 84017
summitcountyassessor.org

TO: Summit County Council

FROM: Stephanie Poll, Summit County Assessor

DATE: 5 June 2025

RE: Consideration of Discretionary Tax Abatement – Parcel: YOUNG-2

Appeal Procedure

The law puts the responsibility on property owners to file a property tax appeal each year by the statutory deadline for that year. Counties mail the Notices of Valuation by the end of July to the address of record with information on how to file an appeal with the County Board of Equalization. Every year the deadline to file an appeal to the county board of Equalization is 15 September, or the next business day if the 15th falls on a weekend. See Utah Code 59-2-1004. **Summit County extends this deadline for the Primary Residential Exemption application to 30 November of each year per Summit County Ordinance 787-A.**

Statement of Facts

- 1) The home ownership changed in December of 2023. The warranty deed states that the address of record should be 193 East 100 North Kamas, UT 84036 (attached). The Recorder's office did not make the updated address change and it was left at the previous owner's PO BOX in Park City.

Staff Recommendation

As the property owner was not correctly noticed, they could not have known that the property was taxed as NON- PRIMARY, nor could they have had the information needed to make application to the Board of Equalization. This is a county error, and the staff recommendation would be to abate the taxes for 2024 on parcel YOUNG-2.

Refund Calculation

Difference in Primary and Non-Primary Taxes for Tax Year 2024 would be: \$1,464.94

State Standard of Practice

Utah Standards of Practice, Standard 3, adopted by the Utah Property Tax Division has these guidelines related to such discretionary abatements: *When considering a discretionary adjustment under Section 59-2-1374, it is the responsibility of the county legislative body to weight the best interests of the individual, the state, and the county. It can be interpreted as human interests vs. community interests, as taxes not paid by one person are spread amongst other taxpayers. The considerations given to one applicant must be applied to all applicants. Granting abatements, adjustments and deferrals too leniently can result in lower collections over time and higher tax rate for everyone else in a taxing entity.*

01213284 B: 2803 P: 0854

Page 1 of 1

Rhonda Francis Summit County Recorder

12/07/2023 03:07:36 PM Fee \$40.00

By US TITLE INSURANCE AGENCY

Electronically Recorded

WHEN RECORDED MAIL TO
AND MAIL TAX NOTICE TO:

Annalise M. Coughlan

Joseph R. Coughlan

193 East 100 North

Kamas, UT 84036

WARRANTY DEED

ACCOMMODATION RECORDING

APN: YOUNG-2

Annalise M. Coughlan who previously acquired title as Annalise S. Margherita,

Grantor(s), of Kamas City, Summit County, State of Utah, hereby convey(s) and warrant(s) to

Annalise M. Coughlan and Joseph R. Coughlan, as Joint Tenants,

Grantee(s), of Kamas City, Summit County, State of Utah, for the sum of ten dollars and other good and valuable consideration, the following described tract(s) of land located in Summit County, Utah, to wit:

Lot 2, YOUNG SUBDIVISION, according to the official plat thereof recorded in the office of the Summit County, Utah Recorder's office

Situated in Summit County, State of Utah

Subject to easements, restrictions, reservations and rights of way appearing of record.

Witness the hand(s) of said Grantor(s) this 21 day of November, 2023.

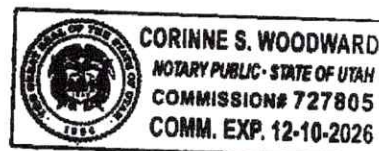
Annalise M. Coughlan
Annalise M. Coughlan, who previously acquired title as Annalise S. Margherita

STATE OF UTAH

COUNTY OF Summit

The foregoing instrument was acknowledged before me the 21st day of November, 2023 by Annalise M. Coughlan, who previously acquired title as Annalise S. Margherita.

Notary Public





MINUTES

SUMMIT COUNTY

County Council

SUMMIT COUNTY COURTHOUSE

60 NORTH MAIN STREET, COALVILLE, UT, 84017

MONDAY, MAY 19, 2025

DRAFT

Tonja Hanson
Canice Harte
Christopher Robinson
Rodger Armstrong
Megan McKenna

Shayne Scott
Janna Young
Dave Thomas
Annette Singleton

1. **Closed Session** (11:02 AM)

Canice Harte made a motion to enter closed session to discuss litigation. (11:02 AM). Christopher Robinson seconded, and all voted in favor, (5-0).

1) ***Litigation*** (11:02 AM)

Council Members Hanson, Harte, Robinson, Armstrong, and McKenna, along with Manager Shayne Scott, Deputy Manager Janna Young, Chief Civil Deputy Attorney Dave Thomas and Executive Secretary Annette Singleton met in closed session to discuss litigation. (11:02 AM)

2. **Adjournment** (11:35 AM)

Canice Harte made a motion to adjourn. Christopher Robinson seconded, and all voted in favor, (5-0).

Tonja B. Hanson, Chair

Eve Furse, Clerk



MINUTES

SUMMIT COUNTY

County Council

SUMMIT COUNTY COURTHOUSE

60 NORTH MAIN STREET, COALVILLE, UT, 84017

WEDNESDAY, MAY 21, 2025

Meeting also conducted via Zoom.

DRAFT

1. **Work Session (12:03 PM)**

Tonja B Hanson
Canice Harte
Megan McKenna
Absent: Roger Armstrong
Christopher Robinson

Shayne Scott
Janna Young
Dave Thomas
Ben Nielson
Nick Jarvis
Peter Emery
Peter Barnes
Laura Kuhrmeyer
Mike Owens
Matt Boyer
Eve Furse
Brian Craven

1) ***Pledge of Allegiance*** (12:03 PM)

2. **Convene as the Governing Board of the North Summit Fire Service District (12:03 PM)**

Megan McKenna made a motion to convene as the North Summit Fire District. (12:03 PM). Canice Harte seconded, and all voted in favor, (3-0). Absent: Roger Armstrong, Christopher Robinson.

1) ***Discussion and approval of amendments to Policy Sections 314, 316, 318, 400, 401, 500, 501, 502, 503, 504, & 505; Ben Nielson and Nick Jarvis*** (12:03 PM)

Attachment: Cover Page

Attachment: NFSD Operating Policy Amendments.pdf

North Summit Fire Chief Ben Nielson and Deputy Fire Chief Nick Jarvis presented Amendments to District policy. (12:04 PM)

Council Members commented and asked questions. Fire Chief Ben Nielson and Deputy Fire Chief Nick Jarvis responded. (12:04 PM)

Canice Harte made a motion to approve amendments to Policy Sections 314, 316, 318, 400, 401, 500, 501, 502, 503, 504, & 505 as presented in the packet. (12:09 PM). Megan McKenna seconded, and all voted in favor, (3-0). Absent: Roger Armstrong, Christopher Robinson.

Canice Harte made a motion to dismiss as the Governing Board of the North Summit Fire Service District and reconvene as County Council. (12:09 PM). Megan McKenna seconded, and all voted in favor, (3-0). Absent: Roger Armstrong, Christopher Robinson.

Council Members Roger Armstrong and Christopher Robinson joined the meeting. (12:10 PM)

Roger Armstrong

Shayne Scott

Christopher Robinson
Tonja B Hanson
Canice Harte
Megan McKenna

Janna Young
Dave Thomas
Ben Nielson
Nick Jarvis
Peter Emery
Peter Barnes
Laura Kuhrmeyer
Mike Owens
Matt Boyer
Eve Furse
Brian Craven

3. **Consideration of Approval (12:10 PM)**

- 1) ***Discussion and action regarding restrictions on fireworks and open burning activities within the unincorporated areas of Summit County that fall within the boundaries of the Park City Fire District; Pete Emery (12:10 PM)***

Attachment: Cover Page

Attachment: Letter from Park City Fire District.pdf

Attachment: Proposed Council Letter to State Forester.pdf

Park City Fire Chief Peter Emery and Park City Fire Marshal Mike Owens presented a recommendation on fireworks and burning. (12:11 PM)

Council Members commented and asked questions. Park City Fire Chief Peter Emery and Park City Fire Marshal Mike Owens responded. (12:15 PM)

Canice Harte made a motion to recommend for approval restrictions on fireworks and open burning activities within the unincorporated areas of Summit County that fall within the boundaries of the Park City Fire District.(12:17 PM). Megan McKenna seconded, and all voted in favor, (5-0).

- 2) ***Discussion of Resolution 2025-13, a Resolution Authorizing the Issuance and Sale of Not More than \$30,000,000 Aggregate Principal Amount of Sale Tax Revenue Refunding Bonds, Series 2025; and Related Matters; Brad Patterson and Marcus Keller (12:18 PM)***

Attachment: Cover Page

Attachment: Parameters Resolution (super) - Summit Co Sales Tax Rev Ref 2025.docx

Attachment: Bond Purchase Contract - Summit Co Sales Tax Rev Ref 2025.docx

Attachment: Preliminary Official Statement Summit Co Sales Tax Rev Ref 2025.docx

Attachment: Fourth Supplemental Indenture - Summit Co Sales Tax Rev Ref 2025.docx

Bradley D. Patterson, Gilmore Bell shareholder, Marcus Keller, Managing Director Crews & Associates, and Finance Officer Matt Leavitt proposed a bond refinancing. (12:18 PM)

Council Members commented and asked questions. Shareholder Patterson, Director Keller, and Officer Leavitt responded. (12:22 PM)

The Council tabled Resolution 2025-13 until June 4, 2025. (1:03 PM)

- 3) ***Discussion and action regarding a discretionary tax abatement for Stephen and Gina Rossi, Parcel RC-1-1; Stephanie Poll (1:05 PM)***

Attachment: Cover Page

Attachment: RC-1-1 Discretionary Abatement.docx

Matt Boyer, Assessor Data Analyst, presented the proposed tax abatement. (1:05 PM)

Canice Harte made a motion to approve a discretionary tax abatement for \$2,325.78 as presented in the packet. (1:06 PM). Megan McKenna seconded, and all voted in favor, (5-0).

- 4) ***Discussion regarding the Blazzard Annexation Petition (approximately 136.88 acres total) into the City of Kamas, Utah; County Planner: Laura Kuhrmeyer (1:06 PM)***

Attachment: Blazzard Annexation into Kamas Staff Report

Attachment: Cover Page

Planner Laura Kuhrmeyer presented the proposed annexation to the Council. (1:06 PM)

Council commented and asked questions. No one objected. (1:08 PM)

- 5) ***Discussion and approval of Proclamation 2025-05, a Proclamation Declaring June, 2025 Pride Month in Summit County; Virginia Solomon*** (1:12 PM)

Attachment: Cover Page

Attachment: Proclamation 2025-05 Pride Month.docx

Summit Pride Foundation Board Member Virginia Solomon presented the proposed proclamation. (1:13 PM)

Council Members commented. (1:15 PM)

Roger Armstrong made a motion to approve Proclamation 2025-05, a Proclamation declaring June, 2025 Pride Month. (1:20 PM). Canice Harte seconded, and all voted in favor, (5-0).

Attachment: Proclamation 2025-05 Pride Month Executed

Canice Harte made a motion to enter closed session to discuss litigation. (1:21 PM). Megan McKenna seconded, and all voted in favor, (5-0).

4. **Closed Session** (1:22 PM)

- 1) ***Litigation*** (1:22 PM)

Council Members Hanson, Harte, Robinson, Armstrong, and McKenna, along with Manager Shayne Scott, Deputy Manager Janna Young, Chief Civil Deputy Attorney Dave Thomas and Executive Secretary Annette Singleton met in closed session to discuss litigation. (1:22 PM)

Canice Harte made a motion to leave closed session and enter open session. (1:58 PM). Christopher Robinson seconded, and all voted in favor, (5-0).

5. **Consideration of Approval continued.** (2:03 PM)

- 6) ***Consideration and approval of Ordinance No. 994, enacting Title 2, Chapter 45, to the Summit County Code, establishing the Summit County Districting Commission*** (2:03 PM)

Attachment: Cover Page

Attachment: Districting Commission Ordinance (Final 5.19.2025).doc

Chief Civil Deputy Attorney Dave Thomas introduced the proposed ordinance. (2:04 PM)

Council members commented and asked questions. Deputy Thomas responded. (2:08 PM)

Canice Harte made a motion to adopt Ordinance No. 994, enacting Title 2, Chapter 45, to the Summit County Code, establishing the Summit County Districting Commission. (2:11 PM). Christopher Robinson seconded, and the motion carried, (4-1).

Christopher Robinson voted AYE

Tonja B Hanson voted AYE

Canice Harte voted AYE

Megan McKenna voted AYE

Roger Armstrong voted NAY

Attachment: Ord 994 Executed

- 7) ***Discussion and appointment of members to the Districting Commission*** (2:11 PM)

Attachment: Cover Page

Canice Harte made a motion to appoint Malena Stevens as the member at large for the unincorporated part of the County. (2:11 PM). Christopher Robinson seconded, and the motion carried, (4-1).

Christopher Robinson voted AYE

Tonja B Hanson voted AYE

Canice Harte voted AYE

Megan McKenna voted AYE

Roger Armstrong voted NAY

- 8) ***Council Minutes dated April 9, 2025, April 23, 2025, and April 30, 2025*** (2:12 PM)

Attachment: Cover Page

Attachment: SCC Draft Minutes 04-9-25

Attachment: SCC Draft Minutes 04-23-25

Attachment: SCC Draft Minutes 04-30-25

Canice Harte made a motion to approve Council Minutes dated April 9, 2025 and April 23, 2025 as presented in the packet. (2:12 PM). Megan McKenna seconded, and all voted in favor, (4-0). Abstain: Roger Armstrong.

Canice Harte made a motion to adopt Council Minutes dated April 30, 2025 as presented in the packet. (2:13 PM). Megan McKenna seconded, and all voted in favor, (4-0). Abstain: Christopher Robinson.

9) ***Council and Manager comments*** (2:13 PM)

No comments were given. (2:14 PM)

6. **Work Session** (2:14 PM)

1) ***Respondent presentations to Cline Dahle RFP*** (2:14 PM)

Attachment: Cover Page

Attachment: Staff Report-Cline Dahle and Fire Station 35 RFP.docx

Attachment: Presentation #1 Brinshore Development, L.L.C. and GTS Development Services-Cline Dahle.pdf

Attachment: Presentation #2 Evergreen Devco, Inc-Cline Dahle.pdf

Attachment: Presentation #3 Columbus Pacific Development-Cline Dahle.pdf

Attachment: Presentation #4 Layton Legacy Jeremy Village LLC-Cline Dahle.pdf

Attachment: Presentation #5 JF Development Group LLC-Cline Dahle.pdf

Attachment: Presentation #6 Crandall Capital-Cline Dahle.pdf

Brinshore Development, L.L.C., GTS Development Services, Berkshire Hathaway, and PC Tots presented their proposed development for the parcel. The presentation team included Katie Wilking, Senior Managing Director of Berkshire Hathaway Utah Properties; Nick Carney, VP Development Manager Brinshore; Jeff Knighton, Founder & Principle Architect, Knighton Architecture; Steve Swisher, Principal, AIA LEED AP, GTS Development Services; Lisa Dove Swisher, Principle, GTS Development for Brinshore. (2:15 PM)

Council Members asked the Brinshore team questions. The presenters responded. (2:35 PM)

Jeremy Carver, Evergreen DevCo Inc. Vice President, presented the team and the proposal. Matt Nielson, Evergreen DevCo Inc. Vice President of Acquisitions; Chris Jensen, Evergreen DevCo Inc. Sr. Vice President-Utah Multifamily; Steve Jones, Principle, Dwell Design Studio Architect, supported the proposal. (2:42 PM)

Council Members asked the Evergreen DevCO team questions. The presenters responded. (3:07 PM)

Attachment: Dwell Design Studio RFP Handout

Columbus Pacific Development Partner Tony Tyler introduced the proposal. Craig Elliot, Elliot Workgroup Managing Partner, Carla Lehigh, Elliot Work Group Project Manager, Jason Glidden, Mountainlands Community Housing Executive Director, Dana Jones, Snyderville Basin Recreation District Director, Parry Harrison, Habitat for Humanity Summit and Wasatch Counties Operations Director, Gary Sikora, Manager of Mountain Pacific Construction LLC, all supported the presentation. (3:13 PM)

Council Members asked the Columbus Pacific Development team questions. The presenters responded. (3:37 PM)

Donny Peeples III, founder of Legacy Development, introduced the proposed Layton Legacy Jeremy Village. Legacy Development partnered with Layton Construction and Eskew Dumez Ripple Architects. Alex Drecksel, Layton Construction's Director of Development, presented the project overview. Marta Fenollosa, Eskew Dumez Ripple Senior Project Architect, presented design details. (3:42 PM)

Council Members asked the Layton Legacy Jeremy Village LLC team questions. The presenters responded. (4:01 PM)

Ryan Davis, J. Fisher Partner, introduced the team and the JF Development Group LLC, proposal. Rory Murphy and Jake Wood, J. Fisher Partners, along with Annie MacDonald, Henry Walker Homes Director, supported the presentation. (4:09 PM)

Council members commented and asked the JF Development Group questions. The presenters responded. (4:35 PM)

Attachment: J. Fisher Companies ClineDahle_RFP

Justin Keys, Hoggan Lee Hutchinson Partner, introduced the Crandall Capital team and project. Ryan Crandall and Matthew Crandall from Crandall Capital, Trent Smith, Modern Out West Architect, and Scott Steed, Steed Construction President and CEO, supported the presentation. (4:40 PM)

Council Members asked the Crandall Capital-Cline Dahle team questions. The presenters responded. (5:04 PM)

7. **Public Input** (5:10 PM)

Council Chair Hanson opened the meeting for public input. (5:10 PM)
No one appeared.
Council Chair Hanson closed the meeting for public input.

Canice Harte made a motion to enter closed session for Property Acquisition. (5:12 PM). Megan McKenna seconded, and all voted in favor, (5-0).

8. **Closed Session** (5:12 PM)

1) ***Property Acquisition*** (5:12 PM)

Council Members Hanson, Harte, Robinson, Armstrong, and McKenna, along with Manager Shayne Scott, Deputy Manager Janna Young, Chief Civil Deputy Attorney Dave Thomas, Community Development Director Peter Barnes, Economic Development Director and Public Lands Manager Jessica Kirby met in closed session to discuss property acquisition. (5:12 PM)

9. **Adjournment** (6:28 PM)

Canice Harte made a motion to adjourn. Megan McKenna seconded, and all voted in favor, (5-0).

Tonja B. Hanson, Chair

Eve Furse, Clerk