



# Cedar City

10 North Main Street • Cedar City, UT 84720  
435-586-2950 • FAX 435-586-4362  
www.cedarcityut.gov

**Mayor**  
Steve Nelson

**Council Members**  
Robert Cox  
Waldo D. Galan  
R. Scott Phillips  
Phil E. Schmidt  
Carter Wilkey

**City Manager**  
Paul Bittmenn

**CITY COUNCIL WORK MEETING**  
**MAY 6 2026**  
**5:30 P.M.**

The City Council meeting will be held in the Council Chambers at the City Office, 10 North Main Street. The City Council Chambers may be an anchor location for participation by electronic means. The agenda will consist of the following items:


- I. Call to Order
- II. Agenda Order Approval
- III. Administration Agenda
  - Mayor and Council Business
    - Summer water restrictions. Scott Phillips
  - Staff Comments
    - Storm Drain improvement grant for the area of 200 North & Cove Drive. Kent Fugal
    - Memorial Day decoration guidelines for the Cemetery. Ken Nielson
- IV. Business Agenda
  - Public
    1. Consider a franchise agreement with Forged Fiber 37, LLC. Garrett Marshall/Randall McUne
    2. Public Hearing to consider approving a Residential Development Overlay (RDO) and Development Agreement for the Cross Hollow RDO located in the vicinity of Cody Drive and Cross Hollow Road. Go Civil/Randall McUne
    3. Public Hearing to consider a development agreement for a property located at approximately 1157 South Main Street (Smith's Marketplace). AWA/Randall McUne
    4. Consider CWS Cooperative Agreement with Utah Division of Forestry, Fire & State Lands. Dannon Hulet/Mike Phillips
- V. Staff
  5. Consider disposal of city property. Mike Phillips
  6. Consider the selection of an auditor. Lindey Matheson
  7. Consider the BLM Tanker Base Lease Extension. Tyler Galetka
  8. Consider the Schmidt Exchange of Services Agreement Extension. Tyler Galetka
  9. Consider releasing Linda Benson, Randy Allen and Neal Smith from the RAP Tax Arts committee and appointing Kelsi Leavitt, Elaine Vickers and Kyle Bishop to the RAP Tax Arts committee. Mayor Nelson
  10. Consider a resolution to amend the Consolidated Fee Schedule. Randall McUne
  11. Consider settlement agreement with Armbrust. Paul Bittmenn
  12. Consider entering a contract with Torus for energy management services. Paul Bittmenn

Dated this 4<sup>th</sup> day of May 2026.

  
Renon Savage  
City Recorder

CERTIFICATE OF DELIVERY:

The undersigned duly appointed and acting recorder for the municipality of Cedar City, Utah, hereby certifies that a copy of the foregoing Notice of Agenda was delivered to the Daily News, and each member of the governing body this 4<sup>th</sup> day of May 2026.

  
Renon Savage  
City Recorder

Cedar City Corporation does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services.

If you are planning to attend this public meeting and, due to a disability, need assistance in accessing, understanding or participating in the meeting, please notify the city not later than the day before the meeting and we will try to provide whatever assistance may be required.

CEDAR CITY COUNCIL  
AGENDA ITEMS - ]  
DECISION PAPER

**TO:** Mayor and City Council

**FROM:** Randall McUne

**DATE:** May 4, 2026

**SUBJECT:** Forged Fiber 37 LLC Franchise Agreement

**DISCUSSION:**

Forged Fiber 37 LLC designs, builds, owns, manages & operates fiber-optic telecommunication networks to help meet the growing demand for improved mobile & wireless broadband coverage and capacity.

Forged Fiber desires to provide these services in the Cedar City, Utah area, and, in connection therewith, to establish a telecommunications network in, under, along, over and across present and future rights-of-way of the City which consists of telecommunication lines, cables, and all other necessary appurtenances.

A Franchise Agreement has been written and preliminarily agreed upon by both parties. This is a non-exclusive franchise agreement. Some of the highlights of the agreement are as follows:

- Forged Fiber will pay the City's municipal telecommunication license tax at the rate of 3.5% (rate set by State law).
- Forged Fiber intends on building a network to provide telecommunication services to customers within the City.
- The agreement is for 10 years with a renewal option of another 10 years.
- Forged Fiber has to work with the City to obtain a permit before cutting into the City's right-of-way. They must also repair and restore any right-of-way to City standards. Repairs must be guaranteed for 18 months.
- Any Forged Fiber equipment must be located in a manner to minimize interference with streets, alleys, and rights-of-way.

Please consider whether or not to enter this franchise agreement with Forged Fiber 37 LLC

**FIBER-OPTIC TELECOMMUNICATIONS FRANCHISE AGREEMENT  
BETWEEN THE CITY OF CEDAR CITY, UTAH  
AND FORGED FIBER 37 LLC**

**THIS TELECOMMUNICATIONS FRANCHISE AGREEMENT** (this “Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2026 (the “Effective Date”) by and between the City of Cedar City, a municipal corporation and political subdivision of the State of Utah, with principal offices at 10 North Main Street, Cedar City, Utah, 84721 (the “City”) and Forged Fiber 37 LLC, a telecommunications corporation with its principle offices at \_\_\_\_\_ (the “Provider”). The CITY and the PROVIDER may sometimes be referred to herein collectively as the “Parties”.

**RECITALS**

**WHEREAS**, the Provider desires to provide telecommunications services within the City and, in connection therewith, to establish a telecommunications network in, under, along, over and across present and future rights-of-way of the City which consists of telecommunication lines, cables, and all other necessary appurtenances (the “System”); and

**WHEREAS**, after extensive consideration, the City, in exercising its management of public rights-of-way, has determined that it is in the best interest of the public to provide the Provider a non-exclusive franchise agreement to operate a telecommunications network within the City; and

**WHEREAS**, the City and the Provider have negotiated an arrangement whereby the Provider may provide its services within the City pursuant to the terms and conditions outlined in the Agreement and all applicable City ordinances, and subject to the further reasonable regulation under the City’s police and other regulatory power.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements of the Parties contained herein, and for other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the City and the Provider hereby agree as follows:

**ARTICLE I  
FRANCHISE AGREEMENT**

**1.1 Agreement.** Upon approval by the City Council and execution by both Parties, this Agreement shall be deemed to constitute a binding contract by and between the City and the Provider.

**1.2 Grant of Franchise.** The City, through this Agreement, hereby grants to the Provider the non-exclusive right, privilege, and franchise to install, repair, maintain, remove and replace its telecommunications system on, in, under, over and across the present and future public rights-of-way in the City in order to provide services.

**1.3 Licenses.** The Provider hereby acknowledges that it has, or will, obtained any and all necessary approvals, licenses or permits required by federal, state and local law to provide telecommunication services consistent with the provisions of this Agreement.

**1.4 Financial Capability.** The Provider hereby warrants that it has the financial capability to construct, maintain, and operate a telecommunications network and to otherwise comply with the provisions of this Agreement.

**1.5 Relationship of Parties.** Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the Parties, and neither Party is authorized to nor shall either Party act toward third persons or the public in a manner that would indicate any such relationship.

**1.6 Pole Attachments.** This franchise does not grant to the Provider the right to use City poles, conduit, or other facilities. The use of such facilities shall be governed by separate agreement.

**ARTICLE II  
FRANCHISE FEE**

**2.1 Franchise Fee.**

a. This agreement is subject to the Utah Municipal Telecommunications License Tax Act Title 10, Chapter 1, Sections 401 through 410, Utah Code Annotated, 1953 as amended, enrolled at the time this agreement is signed or as may be amended. Provider shall pay the City's municipal telecommunications license tax at the rate of **3.5%** of the gross receipts from

telecommunications service attributed to the municipality. Said tax shall be paid through the Utah State Tax Commission.

b. All payments shall be made to the Utah State Tax Commission, whose current address is as follows:

Utah State Tax Commission  
210 North 1950 West  
Salt Lake City, Utah 84134

c. Payments are due to the Utah State Tax Commission within forty-five (45) days after receipt by the Provider. Interest shall accrue on late payments at the rate of 1 ½% per month until paid. Compliance by the Provider with the terms and provisions of the Municipal Telecommunications Tax Act, and any rules and regulations promulgated thereunder, shall satisfy all requirements of this Agreement with respect to the calculation and payment of the Franchise Fee.

d. The City and the Provider hereby agree to negotiate in good faith any amendments to this Agreement as shall be necessary to accommodate changes in the Franchise Fee including payment provisions; provided, however, such new or changed provisions shall substantially confirm with the provisions contained in any permits held by other similarly situated companies.

e. City shall have access to any and all of Provider's business records upon reasonable notice for the purpose of auditing compliance with the above tax provisions.

f. The Provider hereby represents to the City that one of the purposes for entering into this Agreement is to obtain authority to build a network within the City to provide telecommunication services to customers within the City.

**2.2 Equal Treatment.** The City hereby agrees that if any service forming part of the base for calculating the Franchise Fee under this Agreement is, or becomes, subject to competition from a third party, the City will either impose and collect from any such third party a fee or tax on gross revenues from such competing service in the same percentage identified herein, plus the percentage specified as a utility revenue tax or license fee in the then-current ordinances of the City, or to waive collection of the fee(s) provided for herein that are subject to such competition.

**ARTICLE III  
TERM AND RENEWAL**

**3.1 Term and Renewal.** The franchise granted to the Provider herein shall be for a period of ten (10) years commencing on the Effective Date first set forth above in this Agreement unless this Agreement is terminated sooner as provided herein. At the end of the initial ten (10) year term of this Agreement, the franchise granted herein may be renewed by the City and the Provider upon the same terms and conditions as contained in this Agreement for an additional ten (10) year term, by the Provider providing to the City's representative designated herein written notice of the Provider' s intent to renew not less than ninety (90) calendar days before the expiration of the initial franchise term.

**3.2 Rights of Provider upon Expiration or Revocation.** Upon expiration of this Agreement, whether by lapse of time, by agreement between the Parties, or by revocation or forfeiture, the Provider shall have the right to remove from the City' s rights-of-way any and all of its system; however, in such an event, it shall be the duty of the Provider, immediately upon such removal, to restore the rights-of-way for which such system is removed to as good a condition as the same was before the removal was affected.

**3.3 Rights of City upon Expiration or Revocation.** Upon expiration of the term of this Agreement, forfeiture, or lawful revocation of this Agreement, and if no renewal or extension thereof is agreed upon, the Provider may, at the discretion of the City Council, be required, in part or entirely, to remove all its wires, poles, fixtures, and other facilities or equipment installed or used in the enjoyment of the franchise. Alternatively, the removal or sale of such facilities and equipment may be directed, limited, or conditioned by the City by agreement between the Parties or through means of other lawful municipal power or right. The City may continue to invoke any or all provisions of this franchise Agreement against the Provider or any successor entity enjoying de facto franchise privileges after expiration or revocation. The City and the Provider shall work together to take all other actions deemed by the City as necessary and proper to accommodate the transition to any successor as may be in the best interest of the City or its inhabitants and the Provider.

**ARTICLE IV  
USE AND RELOCATION OF FACILITIES IN THE PUBLIC RIGHTS-OF-WAY**

**4.1 Franchise Rights to Use the Public Rights-of-Way.** The Provider shall have the right to use the public rights-of-way within the City to construct and maintain its network subject to the conditions set forth in this Agreement; provided, however, that the Provider shall not, pursuant to this Agreement, place any new poles, mains, cables, structures, pipes, conduits, or

wires on, in, under, along, over, across or within any right-of-way, City park, pleasure ground, or other recreational area currently existing or developed in the future without a permit from the City. Nothing contained herein shall preclude the City from granting a revocable permit for such purpose. In addition, the Provider shall have the right to utilize any easements across private property granted to the City for utility purposes; provided, however, that the Provider obtain the City's prior written permission in each case and the documents granting any such easements to the City to authorize such use. The Provider specifically understands and acknowledges that certain City easements and rights-of-way may be prescriptive in nature, and that nothing in this Agreement extends permission to use the easement or right-of-way beyond the extent that the City may have acquired, and such easements and rights-of-way may be subject to third party prior or after-acquired interests. The Provider is cautioned to examine each individual easement and right-of-way and the legal arrangement between the City and adjacent property owners. The City assumes no duty or obligation to defend any interest in any easement or right of-way, and the Provider remains solely responsible to make any arrangements required as a result of other persons claiming an interest in the City easement or right-of-way.

**4.2 Provider Duty to Relocate; Subordination to City Use.** Whenever the City, for any lawful public purpose, shall require the relocation or reinstallation of any property of the Provider or the Provider's successors in any of the streets, alleys, rights-of-way, or public property of the City, it shall be the obligation of the Provider, upon notice of such requirement and written demand made of the Provider, and within a reasonable time thereof, but not less than thirty (30) calendar days, to remove and relocate or reinstall such facilities as may be reasonably necessary to meet the requirements of the City. Such relocation, removal, or reinstallation by the Provider shall be at no cost to the City; provided, however, that the Provider and its successors and assigns may maintain and operate such facilities, with the necessary appurtenances, in the new location or locations without additional payment, if the new location is a public place. Notwithstanding the foregoing, the duty of the Provider to install or relocate its lines underground shall be subject to the provisions of Article IV, Paragraph 4.4 below. Any money and all rights to reimbursement from the State of Utah or the federal government to which the Provider may be entitled for work done by the Provider pursuant to this Paragraph shall be the property of the Provider. The City shall assign or otherwise transfer to the Provider all rights the City may have to recover costs for such work performed by the Provider and shall reasonably cooperate with the Provider's efforts to obtain reimbursement. In the event the City has required the Provider to relocate its facilities to accommodate a private third party, the City shall use good faith to require such third party to pay the costs of any such relocation. Notwithstanding anything to the contrary herein, the Provider's use of the right-of-way shall in all matters be subordinate to the City's use of the right-of-way for any public purpose. The City and the Provider shall coordinate the placement of their respective facilities and improvements in a manner which minimizes adverse impact on each other. Where placement is not otherwise regulated, the

facilities shall be placed with adequate clearance from such public improvements so as not to impact or be impacted by such public improvements.

**4.3 Duty to Obtain Approval to Move Provider Property; Emergencies.** Except as otherwise provided herein, the City, without the prior written approval of the Provider, shall not intentionally alter, remove, relocate, or otherwise interfere with any Provider facilities. Approval by Provider will not be unreasonable withheld. However, if it becomes necessary (in the judgment of the Mayor, City Council, City Engineer, Fire Chief, Police Chief, or their designees) to cut, move, remove, or damage any of the cables, appliances, or other fixtures of the Provider because of a fire, emergency, disaster, or other imminent threat thereof, these acts may be done without prior written approval of the Provider, and the repairs thereby rendered necessary shall be made by the Provider, without charge to the City. Should the City take actions pursuant to this section, the Provider shall indemnify, defend, and hold the City harmless from and against any and all claims, demands, liens, or liability for (a) loss or damage to the Provider's property; and/or (b) interruptions of telecommunications services provided by the use of or through the Provider's property (including telecommunications services provided by the Provider to the Provider's customers), whether such claims, demands, liens, or liability arise from or are brought by the Provider, its insurers, the Provider's customers, or third parties. If, however, the City requests emergency funding reimbursement from federal, state or other governmental sources, the City shall include in its request the costs incurred by the Provider to repair facilities damaged by the City in responding to the emergency. Any funds received by the City on behalf of the Provider shall be paid to the Provider within thirty (30) business days.

**4.4 Location to Minimize Interference.** All lines, poles, towers, pipes, conduits, equipment, property, structures, and assets of the Provider shall be located so as to minimize interference with the use of streets, alleys, rights-of-way, and open property by others and shall reasonably avoid interference with the rights of owners of property that abuts any of said streets, alleys, rights-of-way, or public property.

**4.5 Repair of Damage.** If, during the course of work on its facilities, the Provider causes damage to or alters any street, alley, right-of-way, sidewalk, utility, public improvement, or other public property, the Provider, at its own cost and expense and in a manner approved by the City, shall promptly and completely restore such street, alley, right-of-way, sidewalk, utility, public improvement, or other public property to its previous condition in accordance with applicable City ordinances, policies and regulations relating to repair work of similar character to the reasonable satisfaction of the City. Except in cases of emergency, the Provider, prior to commencing work in the public way, street or public property, shall make application for a permit to perform such work from the City Engineer or other department or division designated by the City. Provider shall also be required to obtain a road break permit from the Public Works

Department. Such permit shall not be unreasonably withheld. The Provider shall abide by all reasonable regulations and requirements of the City for such work.

**4.6 Guarantee of Repairs.** For a period of eighteen (18) months following the completion of the repair work performed pursuant to Paragraph 4.5 above, the provider shall maintain, repair, and keep in good condition those portions of said streets, alleys, rights-of-way, or public property restored, repaired or replaced to the satisfaction of the City. Provider will comply with all applicable City Ordinances related to the posting of bonds and guarantee of repairs.

**4.7 Safety Standards.** It shall be the Provider's responsibility to ensure that the Provider's work, while in progress, be properly protected at all times with suitable barricades, flags, lights, flares, or other devices as are reasonably required by applicable safety regulations or standards imposed by law including, but not limited to, signage in conformance with the Federal and State of Utah manuals on Uniform Traffic Control Devices.

**4.8 City Supervision.** The Provider shall construct, operate, and maintain its network within the City in strict compliance with all laws, ordinances, rules, and regulations of the City and any other agency having jurisdiction over the operations of the Provider. The Provider's network and all parts thereof within the City shall be subject to the right of periodic inspection by the City; provided, however, that such inspection shall be conducted at reasonable times and upon reasonable notice to the Provider.

**4.9 Provider's Duty to Remove Network.**

a. The Provider shall promptly remove, at its own cost and expense, from any public property within the City, all or any part of the network when one or more of the following conditions occur:

- i. This franchise grant is terminated or revoked pursuant to notice as provided herein; or
- ii. This franchise grant expires pursuant to the terms of this Agreement.

b. The removal of any or all of the network by the Provider that requires trenching or other opening of the City's streets shall be done only after the Provider complies with applicable City Ordinances related to opening City Streets.

c. The Provider shall receive notice in writing from the City setting forth one (1) or more of the occurrences specified in Subsection 4.9 (a) above and shall have ninety (90) calendar days from the date upon which said notice is received to remove or abandon such facilities.

**4.10 Notice of Closure of Streets.** Except in cases of emergency, the Provider shall notify the City not less than three (3) business days in advance of any construction, reconstruction, repair, or relocation of facilities which would require any street closure which reduces traffic flow to less than two (2) lanes of moving traffic. Except in the event of an emergency, as reasonably determined by the Provider, no such closure shall take place without prior authorization from the City. In addition, all work performed in the traveled way or which in any way impacts vehicular or pedestrian traffic shall be properly signed, barricaded, and otherwise protected as required by Paragraph 4.7 above, and the City shall receive no less than 48 hours' notice of said closure.

**4.11 Agreement to Abide by Construction and Technical Requirements.** In addition to the provisions of this Article 4, the Provider expressly agrees to comply with all other provisions of City governing the construction and technical requirements of the Provider' s network and system.

## **ARTICLE V POLICE POWERS**

**5.1 Police Powers.** The City hereby expressly reserves, and the Provider hereby expressly recognizes, the City's right and duty to adopt, from time to time, in addition to provisions herein contained, such ordinances and rules and regulations as the City may deem necessary in the exercise of its police power for the protection of the health, safety and welfare of its citizens and their properties.

## **ARTICLE VI SEVERABILITY**

**6.1 Severability.** If any section, sentence, paragraph, term or provision of this Agreement is for any reason determined to be or rendered illegal, invalid or superseded by other lawful authority, including any state or federal, legislative, regulatory or administrative authority having jurisdiction thereof, or is determined to be unconstitutional, illegal or invalid by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision, all of which shall remain in full force and effect for the term of this Agreement or any renewal or renewals thereof. Provided that if the invalidated portion is considered a material consideration for entering into this Agreement, the Parties shall negotiate, in good faith, an amendment to this Agreement. As used herein, "material consideration" for the City is its ability to collect the Franchise Fee during the term of this

Agreement and its ability to manage its rights-of-way in a manner similar to that provided in this Agreement and the City's excavation ordinance (see City Ordinance Chapter 31). For the Provider, "material consideration" is its ability to use the rights-of-way for telecommunication purposes in a manner similar to that provided in this Agreement and the City's excavation ordinance (see City Ordinance Chapter 31).

## ARTICLE VII

### EARLY TERMINATION; REVOCATION OF FRANCHISE; OTHER REMEDIES

**7.1 Grounds for Termination.** The City may terminate or revoke this Agreement and all rights and privileges herein provided for any of the following reasons:

a. The Provider fails to make timely payments of the Franchise Fee as required under Article II of this Agreement and does not correct such failure within sixty (60) calendar days after written notice by the City of such failure;

b. The Provider, by act or omission, materially violates a material duty herein set forth in any particular within the Provider's control, and with respect to which redress is not otherwise herein provided. In such event, the City, acting by or through its City Council, may determine, after a hearing, that such failure is of a material nature, and thereupon, after written notice giving the Provider notice of such determination, the Provider, 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 ninety (90) day period and failure to correct such conditions, the City may declare the franchise forfeited and this Agreement terminated, and thereupon, the Provider 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 ninety (90) day time period provided above, the City shall provide additional time for the reasonable correction of such alleged failure if the reason for the non-compliance was not the intentional or negligent act or omission of the Provider;

c. The Provider becomes insolvent, unable or unwilling to pay its debts; is adjudged bankrupt; or all or part of its facilities should be should under an instrument to secure a debt and is not redeemed by the Provider within sixty (60) calendar days; or

d. In furtherance of the Provider's policy or through acts or omissions done within the scope and course of employment, a director or officer of the Provider knowingly engages in

conductor makes a material misrepresentation with or to the City that is fraudulent or in violation of a felony criminal statute of the State of Utah.

## ARTICLE VIII NOTICES

**8.1 City Designee and Address.** The Mayor of the City or his/her designee(s) shall serve as the City's representative regarding administration of this Agreement. Unless otherwise specified herein, all notices from the Provider to the City pursuant to or concerning this Agreement shall be delivered to the City's representative at 10 North Main Street, Cedar City, Utah 84720, or other such officer and address as the City may designate by written notice to the Provider.

**8.2 Provider Designee and Address.** Unless otherwise specified herein, all notices from the City to the Provider pursuant to or concerning this Agreement shall be delivered to \_\_\_\_\_; with a copy to General Counsel at the same address.

**8.3 Failure of Designee.** The failure or omission of the City's or the Provider's representative to act shall not constitute any waiver or estoppel by the City or the Provider.

## ARTICLE IX INSURANCE AND INDEMNIFICATION

**9.1 No Liability.** Except as otherwise specifically provided herein, the City shall in no way be liable or responsible for any loss or damage to property, including financial or business loss (whether direct, indirect, or consequential), or any injury to or death of any person(s) that may occur in the construction, operation, or maintenance by the Provider of any of its lines and appurtenances hereunder, except to the extent of the City's own negligence or willful misconduct. Notwithstanding any other provision of this Agreement, in no event shall either Party be liable for any consequential, special, incidental, punitive, indirect or similar damages.

**9.2 Provider Indemnification of City.** The Provider shall indemnify and, at the City's option, defend and hold the City, its elected and appointed officers, agents, and employees thereof, harmless from and against any and all claims, suits, actions, liability and judgments for damages or otherwise harmless from and against claims, demands, liens, and all liability or damage of whatsoever kind on account of or arising from the exercise by the Provider of the related rights, or from the operations of the Provider within the City, and shall pay the costs of defense plus reasonable attorneys' fees. Said indemnification shall include, but not be limited to,

the Provider' s negligent acts or omissions pursuant to its use of the rights and privileges of this Agreement including construction, operation and maintenance of telecommunications lines and appurtenances, whether or not any such use, act or omission complained of is authorized, allowed, or prohibited by this Agreement.

**9.3 Notice of Indemnification.** The Provider shall give prompt written notice to the City of any claim, demand or lien that may result in a lawsuit against the City. The City shall ( i) give prompt written notice to the Provider of any claim, demand or lien with respect to which the City seeks indemnification hereunder; and (ii) unless, in the City' s sole judgment, a conflict of interest may exist between the City and the Provider with respect to such claim, demand or lien, permit the Provider to assume the defense of such claim, demand or lien with counsel satisfactory to the City. If such defense is not assumed by the Provider, the Provider shall not be subject to any liability for any settlement made without its consent. Notwithstanding any provision hereof to the contrary, the Provider shall not be obligated to indemnify, defend or hold the City harmless to the extent any claim, demand or lien arises out of or in connection with a breach by the City of any obligation under this Agreement or any negligent or otherwise tortious act or failure to act of the City or any of its elected or appointed officers, agents, or employees.

**9.4 Insurance.** The Provider shall file a Certificate of Insurance with the City prior to commencing any action pursuant to this Agreement, and shall at all times thereafter maintain in full force and effect, at its sole expense, an acceptably policy or policies which have one (1) of the three (3) highest or best rating from the Alfred M. Best Company of liability insurance, including comprehensive liability insurance. The policy(ies) shall name the City as an additional insured and in their capacity as such, also the City' s elected and appointed officers, agents, and employees. Policies of insurance shall be in the minimum single limit amount of three million dollars (\$3,000,000) per occurrence. The insurer(s) shall be authorized to write the required insurance in the State of Utah. The policy(ies) of insurance shall be maintained by the Provider in full force and effect during the full term of this franchise Agreement. Each policy of insurance shall contain a statement on its face that the insurer(s) will not cancel the policy or fail to renew the policy, whether for nonpayment of premium or otherwise, and whether at the request of the Provider or for other reasons, except after thirty (30) calendar days' advance written notice mailed by the insurer(s) to the City, and that such notice shall be transmitted postage prepaid.

**9.5 City's Right to Intervene.** In any suit in which the City is named as a party and which seeks indemnification from the Provider, and in which the City, in its own reasonable discretion, believes that a conflict of interest with the Provider exists, the City shall have the right to provide its own defense in connection with the same. In such event, in addition to being reimbursed for any judgment that may be rendered against the City which is subject to indemnification hereunder, together with all court costs incurred therein, the Provider shall reimburse the City for all reasonable attorneys' fees including those employed by the City in such case (s), as well as all

reasonable expenses incurred by the City by reason of undertaking the defense of such suit(s), whether such suit(s) are successfully defended, settled, compromised, or fully adjudicated against the City.

**9.6 No Creation of Private Cause of Action.** The provisions set forth herein are not intended to create liability for the benefit of third parties, but is solely for the benefit of the Provider and the City. In the event any claim is made against the City that falls under these indemnity provisions and a court of competent jurisdiction should adjudge, by final decree, that the City is liable therefore, the Provider shall indemnify and hold the City harmless of and from any such judgment or liability, including any court costs, expenses, and attorneys' fees incurred by the City in defense thereof. Nothing herein shall be deemed to prevent the Parties indemnified and held harmless herein from participating in the defense of any litigation by their own counsel at their own expense. Such participation shall not, under any circumstances, relieve the Provider from its duty of defense against liability or paying any judgment entered against such party.

**9.7 Performance Bonds and/or Cash Bonds and other Surety.** To ensure completion of the Provider's performance of its obligations hereunder, the Provider shall furnish to the City a performance bond and/or cash bond from an insurer or guarantor that is acceptable to the City prior to commencing any action pursuant to this Agreement. At the City's sole discretion, and based on the project, a performance bond and/or cash bond may be required.

## **ARTICLE X REMEDIES**

**10.1 Duty to Perform.** The Provider and the City hereby agree to take all reasonable and necessary actions to assure that the terms of this Agreement are performed.

**10.2 Remedies at Law.** In the event the Provider or the City fail to fulfill any of their respective obligations under this Agreement, the City or the Provider, whichever the case may be, shall have a breach of contract claim and remedy against the other in addition to any other remedy provided by law, provided that no remedy that would have the effect of amending the specific provisions of this Agreement shall become effective without such action that would be necessary to formally amend the Agreement.

**10.3 Third Party Beneficiaries.** The benefits and protections provided by this Agreement shall inure solely to the benefit of the City and the Provider. This Agreement shall not be deemed to create any right in any person who is not a Party hereto 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 a Party hereto.)

**10.4 Reserved Rights.** Nothing contained herein shall be deemed to preclude the Provider from pursuing any legal or equitable rights or remedies it may have to challenge the action of the City.

**10.5 Force Majeure.** The Provider shall not be held in default or non-compliance with the provisions of this Agreement, nor suffer any enforcement or penalty relating thereto, where such non-compliance or alleged defaults are caused by strikes, acts of God, power outages, or other events reasonably beyond the Provider's ability to control; however, the Provider shall not be relieved of any of its obligations to comply promptly with any provision of this Agreement by reason of any failure of the City to enforce such prompt compliance.

**10.6 No Waiver.** Nothing herein shall be construed as to imply that the City waives any right, payment, or performance based on future legislation where said legislation impairs this Agreement in violation of the United States or Utah Constitutions.

## **ARTICLE XI TRANSFER OF FRANCHISE**

**11.1 Written Approval Required to Transfer.** The Provider shall not transfer or assign any rights under this Agreement or the franchise granted herein to another entity unless the City first gives its approval in writing, which approval shall not be unreasonably withheld or delayed; provided, however, that the Provider may fully assign the franchise contained herein to its corporate parent, a corporate affiliate or a subsidiary, and also that inclusion of the franchise as property subject to the liens of the Provider's mortgages or other security interests shall not constitute a transfer or assignment. A lease of the Provider's system to a third party shall not constitute a transfer or assignment of the franchise for purposes of this Agreement. Any attempted assignment or transfer without such prior written consent shall constitute a default of the franchise and this Agreement. In the event of such a default, the City shall proceed according to the procedures set forth in this Agreement and any applicable state, federal or local law.

**11.2 Procedure for Obtaining Approval for Transfer.** At least ninety (90) calendar days before a proposed assignment or transfer of the Provider's franchise is scheduled to become effective, the Provider shall petition in writing for the City Council's written consent for such a proposed assignment or transfer. The City shall not unreasonably withhold its consent to such an assignment or transfer. However, in making such a determination, the City Council may consider the following:

**11.6 Abandonment of Facilities by the Provider.** The Provider, with the consent of the City, may abandon any underground facilities in place, subject to the requirements of the City. In such an event, the abandoned network shall become the property of the City, and the Provider shall have no further responsibilities or obligations concerning those facilities.

## **ARTICLE XII GENERAL PROVISIONS**

**12.1 Binding Agreement.** The Parties hereby represent that (i) when executed by their respective parties, this Agreement shall constitute all the legal and binding obligations of the Parties pertaining to the subject matter contained herein; and (ii) that each Party has complied with all relevant statutes, ordinances, resolutions, by-laws, and other legal requirements applicable to their operation in entering into this Agreement. This Agreement shall be binding upon the heirs and successors, administrators and assigns of each of the Parties.

**12.2 Governing Law.** This Agreement shall be construed, interpreted and governed in accordance with the laws of the State of Utah. All disputes resulting in legal action shall be governed by the laws of the State of Utah. Jurisdiction shall be vested in the District Courts in and for the State of Utah. Venue is vested in the 5<sup>th</sup> Judicial District Court in and for Iron County, State of Utah or in any other successor district court of competent jurisdiction.

**12.3 Interpretation of Agreement.** The invalidity of any portion of this Agreement shall not prevent the remainder of this agreement from being carried into effect. Whenever the context of any provision shall require it, the singular number shall be held to include the plural number, and vice versa, and the use of any gender shall include any other and all genders. The paragraph and section headings in this Agreement are for convenience only and do not constitute a part of the provisions hereof.

**12.4 Entire Agreement and Amendments.** This Agreement and all attachments hereto constitute and represent the entire agreement and understanding between the Parties hereto and replaces any previous agreement, understanding or negotiation between the Parties with respect to the subject matter hereof, and may be modified or amended, supplemented, or changed only by the written agreement of the Parties, including the formal approval of the City Council. No oral modifications or amendments shall be effective.

- a. Experience of the proposed assignee or transferee (including conducting an investigation of the proposed assignee or transferee's service record in other communities);
- b. Qualifications of the proposed assignee or transferee;
- c. Legal integrity of the proposed assignee or transferee;
- d. Financial ability and stability of the proposed assignee or transferee;
- e. The corporate connection, if any, between the Provider and the proposed assignee or transferee; and
- f. Any other aspect of the proposed assignee's or transferee's background which could affect the health, safety and welfare of the citizenry of the City as it relates to the operation of a telecommunication network.

**11.3 Certification of Assignee.** Before an assignment or transfer is approved by the City Council, the proposed assignee or transferee shall execute an affidavit acknowledging that it has read, understands, and intends to abide by this franchise Agreement.

**11.4 Effect of Approval.** In the event of any approved assignment or transfer, the assignee or transferee shall assume all obligations and liabilities of the Provider, except that an assignment or transfer shall not relieve the Provider of its liabilities under this franchise Agreement until the assignment actually takes place or unless specifically relieved by federal, state, or local law, or unless specifically relieved by the City Council at the time an assignment or transfer is approved.

**11.5 Transfer upon Revocation by the City.** The Provider and the City hereby agree that in the event of a lawful revocation of this franchise, at the Provider's request, which shall be made in the Provider's sole discretion, the Provider shall be given a reasonable opportunity to effectuate a transfer of its network to a qualified third party. The City further hereby agrees that during such a period of time, it shall authorize the Provider to operate pursuant to the terms of its prior franchise Agreement; however, in no event shall such authorization exceed a period greater than six (6) months from the effective date of such revocation. If, at the end of that six (6) month period, the Provider is unsuccessful in procuring a qualified transferee or assignee of its network which is reasonably acceptable to the City, the Provider and the City may avail themselves of any rights they may have pursuant to federal or state law; it being further agreed that the Provider's continued operation of its network during the six (6) month period shall not be deemed to be a waiver or extinguishment of any rights of either the City or the Provider. Notwithstanding anything to the contrary set forth herein, neither the City nor the Provider shall be required to violate federal or state law.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year set forth above.

CITY OF CEDAR CITY, UTAH

\_\_\_\_\_  
STEVE NELSON, MAYOR  
Cedar City Corporation

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
RENON SAVAGE, CITY RECORDER

STATE OF UTAH    )  
                              : Ss.  
COUNTY OF IRON )

This is to certify that on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared Steve Nelson, known to me to be the Mayor of Cedar City Corporation, and Renon Savage known to me to be the City Recorder of Cedar City Corporation, and acknowledged to me that he the said Steve Nelson and she the said Renon Savage executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

\_\_\_\_\_  
NOTARY PUBLIC

Forged Fiber 37 LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF \_\_\_\_\_)

: Ss.

COUNTY OF \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
\_\_\_\_\_ personally appeared before me and duly acknowledged to me  
that he/she signed the above and foregoing document.

\_\_\_\_\_  
NOTARY PUBLIC

**CEDAR CITY  
COUNCIL AGENDA ITEM 2  
STAFF INFORMATION SHEET**

**TO:** Mayor and Council

**FROM:** Donald Boudreau

**DATE:** May 6, 2026

**SUBJECT:** Consideration of the Cross Hollow Residential Development Overlay (RDO) and Associated Development Agreement for Property Located at Approximately Cody Drive and Cross Hollow Road

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**SUMMARY:**

The subject proposal is for a Residential Development Overlay (RDO) as entertained by section 26-III-10 et seq. of the Cedar City Zoning Ordinance. As stated in the ordinance the purposes and intent of an RDO is as follows:

*The underlying purpose and intent of this ordinance is to establish a method whereby land owners and/or developers who develop property in designated Residential Land Use Classifications of the Cedar City General Plan can develop to a higher density of residential units than are normally allowed in such designated land use classifications. Developments within Residential Development Overlays (RDO) can also include areas with commercial and office type businesses and should be enhanced with community amenities. Residential Development Overlays are developments that are allowed through the approval and recording of a development master plan that designates a variety of the residential and commercial zones that are currently included in the City's Planning and Zoning Ordinance. After the approval and recording of the development master plan the development can proceed according to the requirements of the City's Planning and Zoning ordinance, subdivision ordinance and engineering standards.*

One may think about an RDO as a master plan or focused reworking of the General Plan within a smaller piece of geography. This zoning tool allows for flexibility and increases in density while encouraging public amenities such as parks and open space. Residential Development Overlays are not a development right in the ordinance, rather it is a discretionary decision. The City Council should consider the proposal in its entirety including not just the proposed mix of land uses, but the carrying capacity of city infrastructure, including services, and traffic.



**DISCUSSION:**

RDO Proposal

RDO’s are allowed within residential land use designations of the Cedar City General Plan with a minimum size of 10 acres. The current General Plan designates the entire area within the proposed RDO for low density development. The RDO ordinance provided the following potential allowances of increased density per the table below.

Land Use	Current Density (D.U. Acre)	RDO Density (D.U. Acre)
Rural Estate	2	4
<b>Low Density</b>	<b>3*</b>	<b>6</b>
Medium Density	6	12
Mixed Use	24	24

*\*The current General Plan allows for 4 units per acre.*

Once the maximum number of units is established per the table above, the RDO ordinance allows for the number of units to be utilized within different zones or pods with a corresponding future zoning designation. As shown in the table below, the General Plan baseline for the subject area is a maximum of 310 units at 4 units per acre. With the RDO ordinance applied, the maximum number of units is 464 units at 6 units per acre.

POD NUMBER	POD AREA (ACRES)	GENERAL PLAN DESIGNATION	GENERAL PLAN D.U. ALLOWED	ALLOWED UNITS PER GENERAL PLAN	Current Zone	RDO BONUS DENSITY PER ORDINANCE	ALLOWED UNITS PER RDO ORDINANCE
POD # 1	14.69	LOW	4 /ACRE	59	R-1	6	88
POD # 2	57.06	LOW	4 /ACRE	228	R-1	6	342
POD # 3	5.63	LOW	4 /ACRE	23	R-1	6	34
	<b>TOTAL</b>	<b>77.38</b>		<b>TOTAL =</b>		<b>TOTAL =</b>	<b>464 UNITS</b>
				<b>310 UNITS</b>			

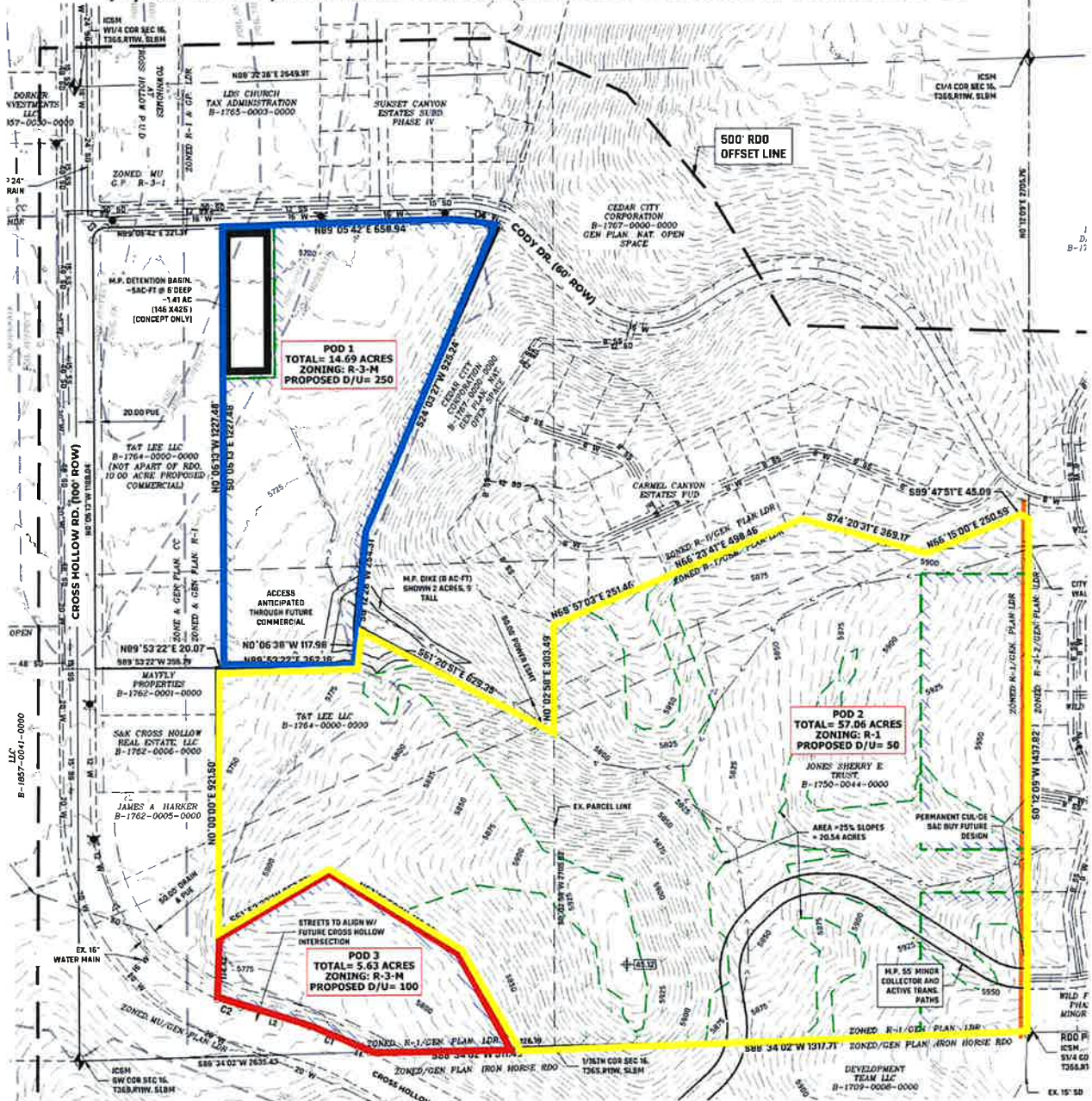
The following table indicates the proposed zoning designations and the number of units proposed within each zone or pod with a total of 400 units proposed in the RDO.

POD NUMBER	PRIVATE POD AREA (ACRES)	OPEN SPACE >25% (ACRES)	RESIDENTIAL AREAS	PROPOSED ZONE	MAX. DENSITY PER ZONE	ALLOWED UNITS/ACRE	PROPOSED UNITS PER POD	PROPOSED DENSITY	% OF RDO ACREAGE
POD # 1	14.69	0.00	14.69	R-3-M	24	353	250	17.0	19.0%
POD # 2	57.06	20.54	36.52	R-1	4	146	50	1.4	73.7%
POD # 3	5.63	0.00	5.63	R-3-M	24	135	100	17.8	7.3%
	<b>TOTAL</b>	<b>77.38</b>	<b>56.84</b>		<b>TOTAL =</b>	<b>634</b>	<b>TOTAL =</b>	<b>400 UNITS</b>	

As shown on the map below (see Exhibit 1), the proposal essentially shifts the overall density into two high density pods (Pods 1 and 3 as shown in blue and red) with a proposed zoning designation of R3-M (High Density residential) and a total of 350 units proposed. The remainder of the proposal, or 57.06 acres (Pod 2 as shown in yellow) is proposed to remain as low density residential with a total of 50 units proposed. The areas highlighted in green are sloped areas in excess of 25 percent.



**SW 1/4, SECTION 16, TOWNSHIP 36 SOUTH, RANGE 11 WEST, SLBM, CEDAR CITY, UT**

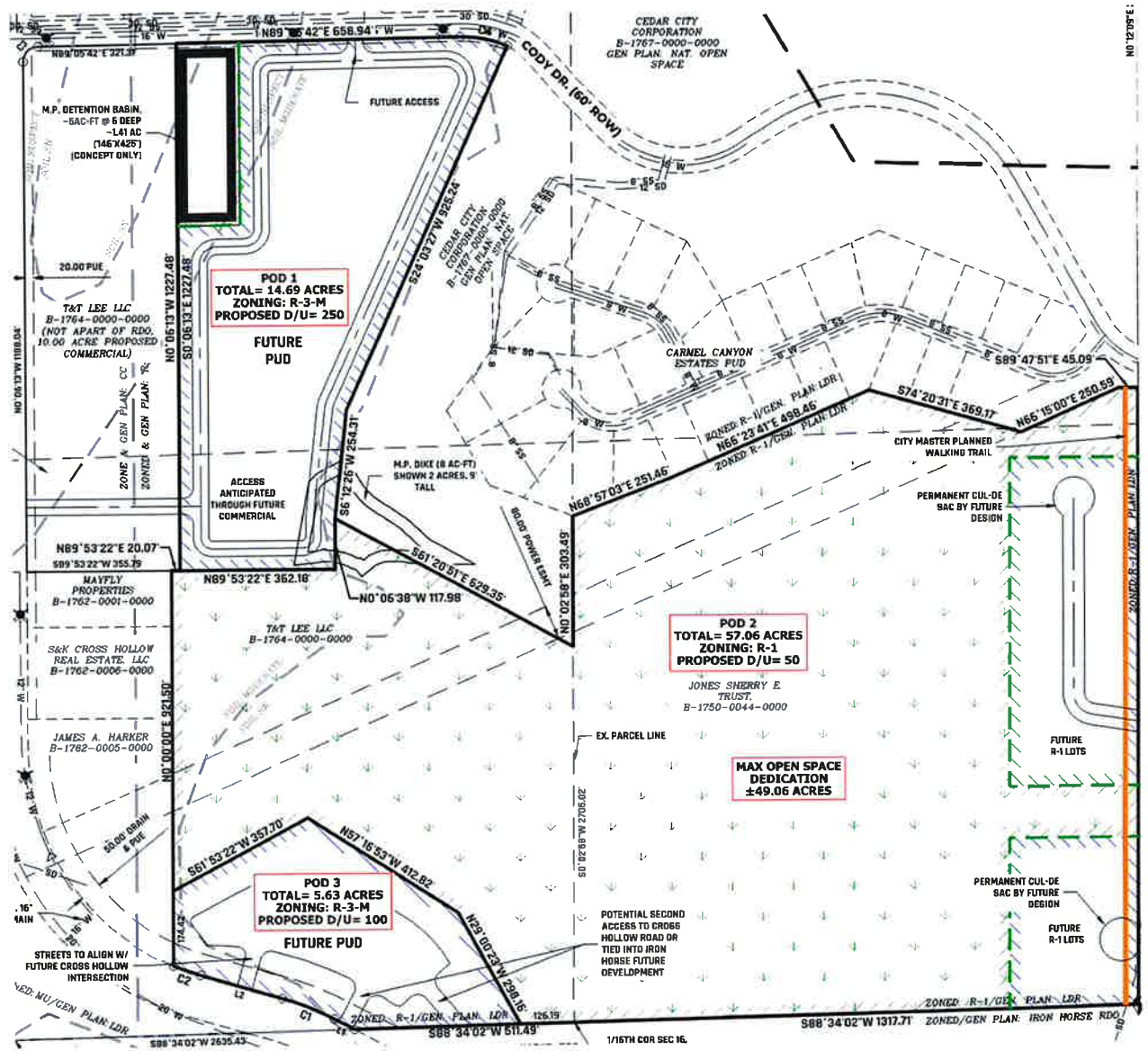


**Development and Amenities**

The RDO as shown on the image below and as proposed in an associated development agreement proposes to dedicate much of Pod 2 to Cedar City as open space (see green shaded area). Although staff recognizes that there is value in the preservation of green space especially as the city quickly urbanizes, the majority of the area contains steep slopes, and rough terrain which is generally considered undevelopable. The area does contain trails and footpaths currently used by the public but would not be expected to contain paved paths or other public improvements in the future due to the steep topography.



The image below (see Exhibit 1) also illustrates a conceptual layout for future development. Pods 1 and 3 are anticipated to contain Planned Unit Developments (PUD) consisting of townhomes and Pod 2 with single family homes proposed off the existing dead-end streets of Church Street and Sunnyvale Drive. It is these three areas that exhibit the most favorable characteristics for development.

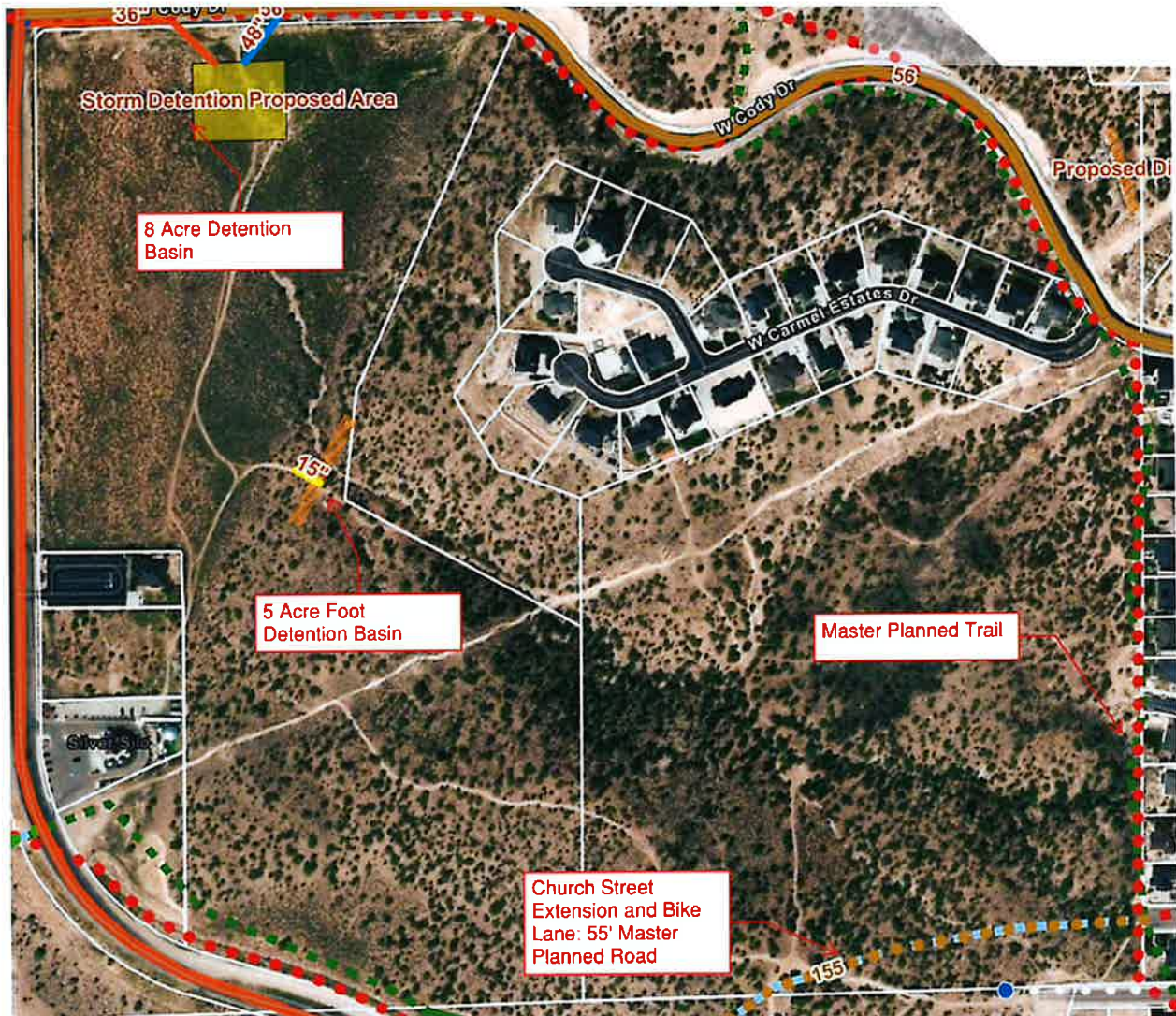


**Infrasturcture and Master Planned Improvements:**

The subject area contains numerous Master Planned improvements with trails, storm drain and road requirements highlighted on the map below (See Exhibit 1). The applicant is proposing a future amendment to remove the Master Planned Road extension from Church Street to Cross Hollow Drive due to the steep terrain, amongst other potential changes. Any changes will require future modeling, analysis and City Council approval to determine the impact to the overall master planned systems in the area.



The overall development will require the construction of two significant detention basins; one at the base of the hill located along Cody Drive, and one further at a higher elevation. It is the purpose of these improvements to reduce the load associated with the Cross Hollow network, and ultimately to the Quichapa Channel. It should be noted that the approval of an RDO does not vest an area with existing master planned improvements.



## STAFF CONCERNS:

### Open Space Dedication:

The RDO as proposed poses a significant increase in the overall General Plan base line densities of 90 units or 29 percent, and concentrates these densities at two locations along Cody Drive to the north and Cross Hollow Road to the south. It should be noted that due to the topographical challenges associated with the subject geography, even achieving the base line numbers associated with the General Plan would certainly be difficult.



As previously discussed, an RDO should be enhanced with public amenities. Per Section 26-II-10 the only areas that may be counted towards the overall maximum residential density are those master planned areas with residential zones, the half street widths of the public street dedicated right of ways and private streets fronting those zones and any public or private amenities benefitting and adjoining the residential zones, i.e. parks, trails, schools, churches and other such amenities as approved by the master plan. This plan proposes that the dedication of natural open space areas meets the criteria of a public amenity and thus allows for the concentration of the densities proposed in Pods 1 and 3.

While staff acknowledges that the preservation of open space may provide a future public benefit, there are considerations related to fire and flooding liability. The proposal could result in the need for periodic brush clearing by staff, and the placement of approximately 250 dwelling units within POD 2 would concentrate development in an area located downstream of potential floodwaters.

#### Trails and Development:

As previously noted, the proposed area of natural space contains numerous existing unimproved trails currently utilized by the public. With anticipated improvements associated with the higher elevation detention pond as shown on the Master Plan, scaring and potential changes to the existing trails are anticipated to this mostly natural landscape. Staff recommends that the following be added to the proposed Development Agreement:

- As part of the engineering review associated with the proposed uphill detention pond, the applicant will propose access and staging areas designed to minimize disturbance and scaring of the existing conditions subject to approval by the City Engineer. Existing trails will be maintained or rerouted to maintain existing connectivity.

#### Traffic:

Pods 2 and 3 are proposed to accommodate approximately 350 dwelling units, including 250 units located south of Cody Drive and an additional 100 units along Cross Hollow Road, south of the Silver Silo Development. The concentration of vehicle trips associated with this level of development, combined with limited access points, may present potential traffic considerations that cannot be fully evaluated at this time. As part of the development agreement, staff recommends the following:

- Prior to approval of any preliminary subdivision applications that applicant shall provide a traffic study encompassing the totality of all development proposed within the Residential Development Overlay; with the scope of the study determined by the City Engineer. The cost of the study and the implementation of any required mitigation shall be borne by the applicant.
- At least one access shall be provided from Pod 2 westerly to Cross Hollow Drive.
- Access to Pod 1 shall align with the future signalized intersection along Cross Hollow Drive as determined by the City Engineer.



### Development Agreement:

Associated with the proposed Residential Development Overlay is a Development Agreement (Exhibit 2) providing the applicant's proposal as related to the dedication of open space and public improvements and includes a position paper regarding the master planned detention ponds. Staff's response, which outlines specific concerns, is attached as Exhibit 3.

### **PLANNING COMMISSION MEETING:**

At the regularly scheduled meeting of April 21, 2026 the Cedar City Planning Commission voted 4 to 2 providing the RDO a positive recommendation (minutes attached).

### **RECOMMENDATION:**

In conclusion, the applicant has requested three main items: (1) bonus density of +/- 100 units to be clustered in two main areas; (2) the pending elimination of a city master planned road and other infrastructure which, and; (3) that the City take hillside land that is generally unbuildable, will require extensive fire mitigation and offers possible liability due to flood waters. The applicant is offering nothing in exchange for these requests.

As noted above, and in the Cedar City Storm Drain Master Plan, Cedar City has needs for storm drain improvements in the area. Staff recommends that the City Council deny the requested RDO application and associated development agreement as currently proposed.

### Exhibits:

1. [RDO Proposal and Exhibits](#)
2. [Development Agreement](#)
3. [Staff Correspondence](#)
4. [Planning Commission Minutes](#)



## Randall McUne

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**From:** Ryan Gregerson <ryan@erosdevelopment.com>  
**Sent:** Friday, May 1, 2026 2:23 PM  
**To:** Randall McUne  
**Subject:** [EXTERNAL]: Follow-Up Regarding Land Dedication and Development Agreement Amendment

Dear Mr. McCune,

Thank you for your email this morning. I appreciate your position, and I also appreciate your efforts in advocating for the City and working through these negotiations. Based on your comments at the City meeting, I anticipated this request, and, as a fellow citizen of Cedar City, I respect the City's desire to protect its interests.

That said, what is being requested represents a significant amount of real estate. The acreage involved equates to well over half a million dollars in land value. While I understand the City's perspective, this is a substantial contribution from Eros Development.

We are already dedicating a significant amount of land as Greenbelt, which will benefit the surrounding property owners and the broader community. The landowners on the hill, including those along Nature View Drive, Carmel Canyon, and Mesa Hills, have all expressed support for preserving that open space. I personally support it as well. In total, we are proposing to dedicate approximately 40 acres for that purpose.

In addition, the requested land dedication will provide meaningful value to the neighbors to the north by helping address flooding concerns, including the type of flooding experienced in 2020. To my knowledge, that issue has not yet been fully addressed, and this dedication would help provide a solution. It will also benefit the properties on the hill where detention improvements were not previously installed.

From my perspective, Eros Development is already making substantial contributions and concessions that benefit the City, the neighboring property owners, and the overall area. In fact, to my knowledge, there is not another RDO that has dedicated or contributed as much land and community benefit to the City and surrounding neighborhoods as Eros Development is being asked to provide here. I want to continue working cooperatively with the City, but I also want to be clear that these requests represent a significant financial impact on the project.

With that said, we will dedicate the land to the City, and we will amend the development agreement to reflect this commitment. Below is the proposed verbiage we will add to the development agreement:

**Master Plan Stormwater Basins; Required Detention Ponds; Land Contribution; Location; Cost Allocation; Maintenance.**

Developer acknowledges that the City is requiring the construction of two master plan stormwater detention facilities in connection with the development of the Property, consisting of one detention pond with approximately five (5) acre-feet of detention capacity and one detention pond with approximately thirteen (13) acre-feet of detention capacity.

The parties acknowledge that the required detention ponds are regional or master plan stormwater facilities and are not intended to serve only the RDO Pods or improvements developed by Developer. Rather, the detention ponds are intended to serve stormwater drainage from the larger contributing drainage area, including other developments in the Leigh Hill area from the Redmen water tank west to the Property, with more than ninety percent (90%) of the contributing drainage area or hard-surface impact anticipated to be attributable to properties or developments other than Developer's RDO Pods.

Developer shall provide, at no cost to the City, the land within the Property necessary for the location, construction, operation, and maintenance of the required detention ponds. Such land shall be provided free of charge and shall not be treated as a reimbursable cost to the City unless expressly provided otherwise in this Agreement.

Developer shall be responsible for causing the required detention ponds to be engineered, designed, located, and constructed in accordance with the approved stormwater master plan, applicable City standards, and all applicable laws, ordinances, regulations, and codes.

Developer shall have the right to determine the location of each required detention pond on the Property in the location that Developer determines to be the most economical, feasible, and efficient for development of the Property, provided that such location satisfies applicable stormwater requirements, engineering standards, and City code requirements. The City shall not unreasonably withhold, condition, or delay approval of the location selected by Developer if the proposed location complies with the approved stormwater master plan and applicable City standards.

The final proportionate cost-share percentage between the City and Developer for each required detention pond shall be determined based upon the amount of hard-surface area or drainage impact attributable to Developer's development as compared to the total hard-surface area or drainage impact served by the applicable detention pond. Developer's proportionate share shall be limited to the percentage of total hard-surface area or drainage impact served by the detention pond that is attributable to Developer's development. The City's share shall include the remaining percentage, including the portion attributable to off-site properties, other developments, and regional drainage areas served by the detention pond.

The resulting percentages shall govern the allocation of applicable engineering, design, construction, and development costs for each required detention pond. Nothing in this Agreement shall require Developer to bear costs for the design, engineering, construction, or development of detention capacity attributable to other properties, other developments, or off-site drainage areas, except to the extent expressly stated in this Agreement.

Following completion and acceptance of each required detention pond by the City, the City shall be responsible for the ongoing maintenance, repair, operation, and associated costs of such detention pond, and Developer shall have no continuing maintenance or cost obligation with respect to such detention pond except as expressly provided otherwise in this Agreement.

Please feel free to call me if you would like to discuss this further. My cell number is 435-590-2909.

Thank you for all you do.

Sincerely,

Ryan Gregerson



CEDAR CITY COUNCIL

AGENDA ITEM – 3

TO: Mayor and City Council  
FROM: City Attorney  
DATE: May 4, 2026  
SUBJECT: Requested Development Agreement with Smith's Food & Drug Centers, Inc.

DISCUSSION:

Smith's seeks a development agreement for its new Smith's Marketplace to be constructed near 1157 South Main Street. The exact terms of the agreement can be found below, but in very short summary, the agreement includes

- 1) Construction of the remaining Main Street improvements.
- 2) Drainage channel crossing for vehicle sand pedestrians connecting to Greens Lake Drive.
- 3) Frontage road access to properties north and south.
- 4) Requirements for loading docks and storage of pallets and surplus merchandise.
- 5) Allow unique e-commerce pick-up stalls (smaller but with 4-foot buffers between).
- 6) Architectural, landscape, signage design elements.
- 7) Water line remains private.
- 8) Storm drain modifications, including pumping water into drainage channel along Green Lakes Drive and a waiver of stormwater impact fees despite draining at a higher rate than typically allowed (5.5 cubic feet per second vs 0.2 cubic feet per second).
- 9) Traffic mitigation measures

The Planning Commission gave a positive recommendation after recommending a change from a public water system to a private water system on the property. Please consider a resolution and development agreement with Smith's.

**CEDAR CITY PLANNING COMMISSION**  
**MINUTES –April 21, 2026**

The Cedar City Planning Commission held a meeting on Tuesday, April 21, 2026, at 5:15 p.m., in the City Council Chambers, 10 North Main, Cedar City, Utah.

**Members in attendance:** John Webster, Jace Burgess, Jennifer Davis, Jim Lunt, Wayne Decker, Tom Jett, Steven Hitz

**Staff in attendance:** Kent Fugal – City Engineer, Randall McUne – City Attorney, Donald Boudreau – City Planner, Amber Ray- Planner, Matt Baker- Water Department, Paul Bittmenn- City Manager,

**Others in attendance:** Derek DeGroot, Randy Q. Jones, Rick Magness, Cyndi Mickelsen, Darlene Mickelsen, Adriane Kadera, Brad Kadera, Julie Cook, Donny Cook, EJ Barber, Cami Bettridge, Keith Nelson, Ed Johnson, Kenvin Nelson, J.L. Gilbert, Dennison Dolato, Ben Cozzens, Amy Bennett, Brock Slauch, Rob Obrien, Teresa McDonnell, Mark McDonnell, Loren Purcell, Christine Purcell, Craig Rasmussen, April Orton, John Kilcoyne, Dallas Buckner, Philip Grady, Danette Hohnson, Kate Watkins, Liz Garcia, Nathan Garcia, R Scott Phillips, B. Watkins, M. Watkins

**ITEM/REQUESTED MOTION      LOCATION/PROJECT      APPLICANT/PRESENTER**

- Pledge of Allegiance – the pledge was led by Davis

**I. REGULAR ITEMS**

1. Approval of Minutes (dated March 31, 2026)  
(Approval)

**Davis motions to approve the minutes from the March 31<sup>st</sup> meeting; Burgess seconds; all in favor for a unanimous vote.**

**2. PUBLIC HEARING**

Development Agreement (Recommendation)	1157 South Main Street Smith's Marketplace	AWA Engineering
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Rick Magness: I want to publicly thank staff for their countless hours. You guys have been great. You have a wonderful staff, and they're working so hard and diligent to get us out there and pushing dirt a little bit. I always see Development Agreements as a partnership with the city, and in this case, it's also with Smith's. We look forward to everything that's been negotiated and worked on. This is the overall site plan, and this shows the different pad sites and lots that are going to be developed on this. It's seven lots. We've got a fuel center, and then we have outlying pads. We don't have those totally committed yet, so I don't have anything to reveal to you tonight. All the pad sites are typical of being able to have a restaurant on there with a drive-through or not a drive-through. In the very back southeast corner would probably be just a normal retail without a restaurant there. As we got closer to Greens Lake, we wanted to minimize so traffic and have the other pads that have the drive-throughs out there towards Main Street.

I'm just going through the development agreement and the requests that the owner, or Smith's, is making. One is we have three loading bays that are at the north end of the site. The bays are set into the ground, and then we have an 8-inch concrete wall as well as 8-foot reinforced concrete wall with another 6 feet on top of that to help screen. Then we have 29-foot drive aisle in the back so that a truck can get back there to the docks. Then I have a retaining wall which will be there because we have to cut into the northeast corner to get that large of a building to be level. We also have landscaping and then a 6-foot masonry block wall to screen. So, there's quite a distance. Another request that we had was e-commerce pickup. This is very popular. This is at all of our Smith's Marketplaces now. The older clientele, the mom with the kids, this is very popular. The reason why we had to call this out in our development agreement is because the parking stalls where autos go do not conform to your code for a regular parking stall. But I promise this dimension works. This is not the first Smith's Marketplace that they've done. Another request is that we control the architectural design. That doesn't mean that we're just shoving something through. Staff has reviewed our materials and our look and our colors and everything else for the building. We wanted to be able to control that in the development agreement. This has a great percentage of open space and landscaping. One of the reasons why is because of the topography of this site. We do need extra landscaping to help us do everything. All three of these accesses are already in. This is a UDOT right-of-way, and they've already placed those in there. Fuel Center- six dispensers, 12 fueling locations with a little kiosk. We do have one request that was early on, to make this connection here to Greens Lake. We need to put in a box culvert that will allow passage of the flow to continue. This is going to be a great advantage for everyone, especially this neighborhood to the east, so that they can have access to this because we also have a screen wall along here. We're also going to be improving sidewalk to help that be connective and then come down into the marketplace when you need to. Three locations of various signage. Pink or salmon is the a 35-foot-high pylon sign that is multi-tenant sign. Not only is it set back from that public utility easement that runs there, but we've also pushed it back even further. And so that's why you see us asking for 5 feet more in height than what is allowed by code. A 30-foot would be allowed. We're asking for 35. It has to do with some visibility and speeds along here, that's why we're asking for that. The green indicates 15-foot-high signs with multi-tenant. Then I've got 8-foot for the pad sites. The signage on the building, we wanted that to also be in the development agreement. It's a typical thing that we ask for. This is a photometric plan. By code, we're not allowed to have light go past our property. LEDs can control lighting really well. They are at a point where it won't be able to bleed out into anything to the north and all other directions. The main lines of water system serving the property shall be owned, operated, and maintained by the city. It's an owner request. We are requesting that the water system on site be public. What happens here at Cedar City is that's not the case. It's usually private. We still design the system per city standards, but the standard is that the city would like to see us develop a water system differently. The city say to install a line out there in Main Street, and then run a line to each pad site for a meter. So you've got a spine running, running, running out into there. And then you have water meters that then you have to start to keep track of this. The longer you run a line, the less water pressure you get. There's resistance in the pipe. We do water studies, the city looks at water studies about water and fire safety and culinary water protection. One of the standard drawings asks for a W-7 water meter with fire flow. Note number 9 on that standard drawing, it says, "Only NEPA 13R fire sprinkler systems are allowed with this detail." That detail applies to residential. It doesn't work for commercial, I can't do this. The W-8 fire loop detector check valve, which is another way you can design, note number 5 says, "No culinary water connection to fire sprinkler supply lines." So now I can't take the water that's running out there in Main Street, I can't run culinary to fire sprinkler supply lines. Smith's needs to be sprinkled, I can't run culinary there, so I have to do something else. They're cost prohibitive.

But also, for about 85% of all Smith's that are designed in the Intermountain West, what is done is it's called a loop system. So it would come off water. This loop system would then be designed within either landscaping but most likely in pavement over the top. And it would then from that loop system, then a meter would run to the front of this building in this lot. That design also works, and most entities let you do that. And where that saves cost- all the piping that's required. What we're trying to do is, because we're going to make this connection to Green's Lake and add curb, gutter, sidewalk, for a portion, that was a bit of a cost that wasn't foreseen. We're trying to economically make this site work. There is a reason why it's been vacant for a while. The land costs are higher on this site than another one.

Decker: Is engineering good with all of that?

Kent: What I would say on that with the water system is there are two ways to do it. They can both be made to work. The biggest concern with the private system is that then that fire flow has to go through those vaults before it ever gets to the building. You'll lose some pressure. There's a little bit of concern there. The system can be designed to work either way. AWA is presenting the case for why they think it makes the most sense for it to be public water mains through there. We'll hear from our water superintendent the case for why they should be private. That's something that you need to consider in your recommendation of this development agreement to City Council, and City Council will need to consider that as well.

Rick: With regards to the stormwater, what we found out when we were designing this is there's stormwater that we handle underground, and normal discharge would have gone out to Main Street. Main Street is at capacity. It's not going to be able to take that. So we need to take it into the channel. And to do that, we're going to have to ask for a higher discharge rate. Discharge rate of .2, we're asking for .5. We're asking is that we not be charged for the increase of the discharge rate. You have a discharge rate that costs us money if we're discharging at a higher rate than .2. We have the constraint that we can't normally take it out to Main Street and just run it through that storm drain system.

Jett: What was your reason for not charging you the discharge rate?

Rick: The reason is because I can't comply with what code says you're already at capacity, so we don't have a place to discharge. So we now have to take it to the northeast, but it's going to have to discharge at a higher rate. We don't want to be charged that because of the constraint that's already been placed on us based on the design of Main Street and how it could take capacity.

Kent: When development comes in and they do on-site storage of stormwater, if they're able to store that stormwater, and any release into any public system is held to the historic rate, then we don't charge them storm drain impact fees. If they're not meeting that requirement fully, then there's a prorated share of that stormwater impact fee that they would need to pay. The proposal here is they want to discharge into the public system at a higher rate and not have to pay that prorated storm drainage impact fee.

Rick: Typically, we would have done that and then discharged in the system that is in Main Street. All we're asking is because we can't discharge into Main Street and we can physically discharge into the channel, we're asking that we waive the impact fee of that difference.

Jett: You want some relief from the extra cost to bring it to that. Does that increased discharge rate, does that harm the system in any way?

Kent: There is a lot of the water that hits that channel that isn't being routed through storage first and then directed to the channel. Therefore, some of those peaks will pass before this water ever gets there because they're going to fill up their storage and then pump from that storage to the channel. Their water will arrive later than a lot of other water would. There is some other water that comes down off the mountainside and runs through various Green's Lake dams that also gets released into this channel that comes later. It's hard for me to say whether there's a detrimental effect or not, but when their peak flows

hit the channel will be different than what some of the other areas that discharge to it. That is one reason why it may be just fine.

Decker: What would be worst-case scenario?

Kent: Worst-case scenario is that further downstream, when we get down into where Cross Hollow Road's going down through the canyon then the channel has to cross under Cross Hollow Road down by Silver Silo, we exceed capacity there. I don't know that we would, but that would be the worst-case scenario.

Dais: Financially, what's the impact fee that you're asking for versus the discharge? Financially, what does that mean to the city?

Kent: A site this large and the amount of stormwater that comes off of it, the storm drain impact fee could potentially be fairly significant. In their case, it would be reduced by the fact that they will have all of the storage that they're putting in, that helps to bring down those peak discharges. It wouldn't be reduced to 0 following our standard, because they are planning to discharge at a higher rate. What they're asking for isn't a waiver of the entirety of the storm drain impact fee because some of that would be prorated out anyway. They're just asking for relief from the remainder of that that wouldn't be prorated.

Rick: Charged if we had the capacity in Main Street at .2 CFS to pay that fee but the above and beyond. Owner will construct public improvements along the Main Street frontage. We're doing that. We need to connect a water line from the north end of our property, up there by that yellow building that's now vacant, down along the frontage of our property and connect it down to the south end. We're going to do that. That's just one of the utilities that'll be connected. Owner shall construct a drainage channel crossing to provide access to Green's Lake Drive and shall contain sufficient width for two-way vehicles and curb gutter and sidewalk. Properly abandon a drain that goes from this property underneath and goes right across the street. Originally, that handled the drainage for this site. UDOT is saying, "Hey, close it off correctly" so we'll doing it properly so that drainage pipe no longer serves and takes water underneath the UDOT right of way. Maintain cross access with frontage road to the northeast of the property and the frontage road to the south of the property. There is an easement recorded on those two ends that we're honoring. Traffic mitigation measures include measures required by UDOT. How that operates and how we have access to that is being handled by UDOT, a traffic study, traffic engineers.

Jett: It's my understanding the Water Conservancy District allows what he wants to do.

Kent: I think there are a lot of jurisdictions that would allow exactly what they're requesting. There are reasons why our city has chosen to go the route we have in the past. I'd love to have our water superintendent have an opportunity to explain why the city has operated the way the city has. And then it'll be a policy decision whether to allow a shift to do something different here.

Matt Baker: Water Division Superintendent. We have many developments in the city that have private fire flow. The current Smith's, Home Depot, Walmart, all the schools, SUU, hospital, the big manufacturing plants, and other little ones. All have their own private fire lines that are maintained and tested by the owner. This practice has worked, and we've had no issues with this in the past. Ratepayer Cost Allocation: Acceptance of privately located infrastructure would result in operation, maintenance, and lifecycle costs being borne by the City's rate base for facilities that primarily serve a single private development. Lack of system-wide infrastructure benefit- The city finds that the subject water infrastructure is required solely to satisfy private insurance underwriting requirements and does not increase system capacity, redundancy, resiliency, fire flow, or service coverage, nor does it otherwise constitute an improvement to the city's public water system. Municipal liability and claims- water facilities on private property increases the city's exposure to claims for private damages, property damage, service interruptions, personal injury, and loss of revenues, including claims arising from service

disruptions, access limitations, or private operational constraints. This area is also susceptible to soils. Water leaks or line breaks can lead to ground instability and structural sediment settlement which can cause a lawsuit to the city. For an example, there's a building here on Main Street that had a water leak on their fire line for years without it being noticed, and it settled their building. Another one was a manufacturing plant out West, same thing. Fire line leaked it caused a huge sinkhole. No responsibility to the city to pay for any of that damage to those buildings or the water line, operation and maintenance impacts. Water lines located on private property require no standard maintenance or nonstandard maintenance practices, increased coordination, and restoration, private improvements resulting in elevated costs relative to facilities and public rights-of-way. Unfunded capital and lifecycle obligations- If the city accepts, would obligate the city to fund long-term rehabilitation, replacement, and upgrades of infrastructure without a corresponding system-wide benefit or end-of-identified funding source. If we do this as a policy and precedence, acceptance of private located water infrastructure would establish a precedence inconsistent with adopted city policies and complicate future infrastructure ownership determinations. And then again, does not constitute a public improvement or component to the city's water systems, does not extend, upgrade, replace, enhance, or otherwise improve city water infrastructure capacity or level of service. Their private one exists solely to satisfy private insurance requirements for fire protection associated with the property and is required to supplement private fire protection only as the city has existing public fire hydrants located within the public right-of-way surrounding the property. Decker: If we're just having a conversation out in the hall, you'd say you're good with this? For me to fully take that in, I'd have to read it two or three times. So help me out here, you're in favor of a private system.

Matt: A public system.

Jett: The private system is less responsibility from what you've stated, and a big liability for the city. That area has suspect soils.

Hitz: I know on the builders' side, you can buy insurance to cover all those water damage scenarios. The premium on that's not going to be that much of an add-on.

Rick: When we do this in other entities, you have dedicated easements. You have to build it according to city standards. That goes in. The easement is there. They have full access to whatever needs to be done, whether it's a meter within a public easement or it's a hydrant that's also in an easement. You have that design.

Matt: We do have an ordinance 37-5-2. If it's on property, water meter acceptance is the back of the meter setter or property line, whichever it comes first. All these meters are going to be on property. They're going to be yours. The only thing that'll be ours is meters. So all the service lines would be yours.

Rick: But then but then we dedicate that easement area to the city for a public utility easement.

Matt: When you're saying easement, I don't think we're talking about easements where we take responsibility of any of your internal on your property water lines. Just there'd probably be an easement where the city's water line would come in and then hit the meter.

Rick: Usually, there is also a dedicated easement for a public utility easement. These are just public utility easements so that the city has access to something. Let's say we ran it right up the middle we wouldn't, but what if we ran it right up the middle of our parking lot? A pipe, a line, a meter. We would dedicate so much that they would have access. You would have access anytime for that utility that lies within that easement. But the city owns it. My understanding is the city owns the water line between the meter to the main.

Matt: That's correct.

Rick: Historically, I think we've tried to place meters right on the edge of property.

Matt: That's another ordinance 37-5, water meters placed within and near the line of the street curb.

Rick: Let's say Chick-fil-A buys one of our pad sites, they're going to use a meter, and it's going to be specific to their property. So in the loop system that we would have, there would just be an extension of that meter to that parcel, and then they would be responsible from meter into their building. But there's just this kind of small area where they're actually going to be dedicating to the city access to that.

Jett: On this part of town where your store's being proposed and toward the mountains, the city won't even accept the roads in there. You have to build private subdivisions because the soils are so suspect, especially when a drop of water hits them. There's buildings have sunk feet.

Rick: That's why we've done a soils test. We've drilled borings. We've done a soil study. We know when you put the weight of a 123,000-square-foot building and put all the goods in it and everything else, we have looked at that. We understand the soils out there.

Jett: May I ask why can't from the meter in, run your own water system to each one of those and do an independent or a sub-meter for each one of those? So there'd be a master meter.

Rick: So the master meter is tough because for the fire loop, I can't use culinary water. That's what's going to all these different pad sites. On the other one, this isn't a residential, so I can't do it. There's some notes in the standard drawings that don't allow me. But, both of those work. It's just the PSI gets a little janky on one of them that we were talking about yesterday.

Jett: Matt, Kent, is there any other options that could minimize the city having exposure that they could still get the water needs to their project?

Kent: Depending on what the policy decision is that ends up being made on whether this is going to be public or private on-site water mains, we will work with the applicant to come up with acceptable solutions to make it work, either as private or public. I'm not too concerned about that. We'll find a way to work through those issues and honor whatever policy decision is made.

### *Public Hearing Opened*

Ben Cozzens: Active Transportation Committee. I just have a few concerns about the walking and biking path that goes along Greens Lake and how this might affect the walking and biking infrastructure, and safety of those walking and biking, as well as on Main Street. It's already pretty bad in that area. Just making sure that people are thinking about the safety of those pedestrians walking on those streets. Smith's is one of the few grocery stores in town that doesn't have bike parking. If you go there now, it's kind of a hodgepodge of bikes wherever they can lock it up. Any way we could somehow get bike parking there, it would be greatly appreciated. There's a growing number of people who rely on biking and walking now, thank you.

Jett: Do we have the authority to require that?

Randall: When we're in a development agreement, the breadth of what we can add and what they can add is incredibly wide. But I always want to be careful that I don't give you a blank check at that point. You'll need to show that it's something that's related to the development. You're not trying to exact something that's just out there for no reason, no connection, not related. If you're talking bike racks, then yeah, that's probably within a range that can be done if you feel that's necessary as for safety reasons as part of the development. Same thing on Greens Lake. If you feel there's something that they're doing that becomes unsafe, that's something to discuss as well.

Rick: I'll take a note that we will look at that because we have bike racks at all of our stores. Maybe we need to just do a few more since we're now doing the connectivity to Greens Lake. With regards to the trail system there, we're not interfering with the trail system at all along that channel, except for the

culvert that's going to go over the top. But we're connecting that with sidewalk, curb and gutter. And as a matter of fact, we're going up around the corner on Greens Lake so that we can connect that sidewalk and continue that. The safety of our pedestrians is actually going to be enhanced for that reason. Where the access out onto Greens Lake crosses the existing path, we'll make provisions to make sure that's a safe crossing.

Dennison Dolato: A new resident of this community. We're very used to having dark sky standards being represented in our town, where we came from. We also see it happening here. I'm not sure it's a standard in the city community, but we're hoping that that standard will be continued here with new development wherever it is, including the Smith store, for not only parking lots but signage. It all gets to be considered to increase the importance to a lot of people in this community for dark skies and being able to look at the stars at night.

Jett: One of these days soon, we're going to be having a discussion about an ordinance allowing more dark sky subdivisions in the future. I hope you watch the agendas because I think it's an important discussion, especially in residential communities that aren't next to a commercial project.

### *Public Hearing Closed*

Kent: The big issues that I see that probably should be addressed in your motion, or at least consider addressing in your motion is the issue of public versus private with the water mains on-site. The other significant ask that they have, as I see it, is that higher discharge rate into the into the Greens Lake flood channel there. If you choose to weigh in on that, they're requesting that they be allowed that higher discharge rate that they would pump. If you feel like that needs to be addressed, you could address that in your motion as well. Those are the two items I see that you may want to address in your motion, or you may not if you're okay with it the way it's written.

Lunt: Is there any conflict with the 5 extra feet or 10 extra feet with their sign? Any problem there?

Don: Ordinance would allow a freestanding sign at 30 feet. The style of that sign is more of what we would describe as a monument sign. It has that continuous footing. It's wide, it's not sitting on a pole like a lollipop. The maximum height of those signs is 20 feet, so they are exceeding the height. The number of signs as far as the multi-tenant signs is being exceeded. I don't think staff has a whole lot of concerns. Just to the due to the size and scale of this development, I don't think it's a huge ask what they want. One of my concerns is the sign right there next to Greens Lake. That is a 15-foot sign right next to the trail. It's a digital sign. It will have gas prices and things of that nature. I don't know if that's the best fit for that residential area and the trail. I think something more subdued might be nicer. Like their individual pad signs are shorter, a little less intrusive.

Davis: You want it visible so people know what the gas prices are.

Rick: The reason why it's tucked up near the wash is because this site right at this point drops off. If we move it back, it drops underneath the elevation of the roadway. We're not going to interfere with any type of sight visibility line there.

Decker: Can you clarify one more time why the big sign is 35 feet instead of 30?

Rick: Because of the size and traffic along Main Street, what you usually look at with signage is speed, how much traffic's on there. People are going to have to make a decision heading south. There's a distance safety factor.

Randall: If I can just add in real quickly, not that we deal with it a lot, this is just outside of the south interchange area that's in our sign ordinance. Inside the sign ordinance, if you're within those specific zones that are each of the interchanges, they can actually have taller signs. They can go 50 feet as

measured from basically the deck of I-15 where it's even closest to them. And in most cases, that means quite a bit more height than the 20 to 30 feet they can have for other signs. This is literally right at the edge of your property. Just to let you know how close that is to other places that have higher signs. On the other side, we've actually had three businesses, two in this area, one at the center interchange. They went to the Board of Adjustments over the last 10, 15 years to try and get taller signs through a variance approach. The danger they all ran into is two of the three all said the same thing- we want to be seen so we can make more money. Very bad argument to the Board of Adjustments because they're not allowed to do it on money. You've at least not heard that argument today. It's based on a safety thing. Letting you know, that's a slightly different argument than what the Board of Adjustments has rejected. Maverick at this interchange is the one that did get an approval to have a taller sign. They also made some different arguments with regards to what was UDOT property before. But just know, similar concepts have been proposed, including one at the hotel more or less across the street from here, that was rejected by the Board of Adjustments but just under a different theory. So we're really close to this area, but there have been some prior boards, other boards that have gone the other way.

Decker: I'd like to add just a 30-foot sign also.

Lunt: I don't think 5 feet's going to matter with marketing.

**Jett motions for a positive recommendation to the Development Agreement with the change of the proposed public water to remain private. Hitz seconds; all in favor for a unanimous vote.**

3. PUBLIC HEARING

Residential Development Overlay	Cody Drive/Cross Hollow Road	Eros Dev/GO Civil
(Recommendation)	B-1764-0000-0000, B-1750-0044-0000	

4. PUBLIC HEARING

Development Agreement	Cody Drive/Cross Hollow Road	Eros Dev/ GO Civil
(Recommendation)	B-1764-0000-0000, B-1750-0044-0000	

Dallas Buckner: We're proposing a residential development overlay, so this is not a zone change. It's basically a master plan for the property. I've spent a couple hours last week talking to maybe a dozen of the residents. This had a pretty extensive mailer boundary to try to educate people on what an RDO is and what exactly we're proposing. We're proposing a master plan for a 77-acre parcel. We're proposing three pods. We're proposing pod one, which is R-3 right here, pod two, which is this larger area, and that's proposed to be R-1, then we're proposing R-3 right here. Currently, the property is zoned R-1. With an R-1 zoning designation based on the city ordinance, four units an acre. The property just under the R-1 would allow roughly 310 units if we did single-family residential 10,000-square-foot lots, which is what R-1 is. When you do a zone change, you come in and you propose a zone change, and you develop to the limits of the zone change. RDOs is what I would call a more restrictive type of zoning application where there's kind of a give and take, and there's more stipulations. Oftentimes, they come along with a development agreement, which is the second item on this agenda. When you do an RDO, there's a bonus density that the city can give you. The bonus density, if we were requesting it, would be 464 homes. Our total proposal for this is 400 units. I'm assuming most of the public's familiar with what this property looks like. It's relatively steep through this area, and then there's a flatter area down here. And then there's two dead-end stub roads that just go into the property. What we're requesting with this RDO is, instead of going and leveling the site and cutting the mountaintops off and masquerading the whole thing, we're proposing to concentrate the density into the flatter areas- being pod one, and pod three, and then

**CEDAR CITY RESOLUTION NO. 26-0504**

**A RESOLUTION APPROVING THE DEVELOPMENT AGREEMENT FOR SMITH'S FOOD & DRUG CENTERS, INC. FOR PROPERTY LOCATED AT APPROXIMATELY 1157 SOUTH MAIN STREET, CEDAR CITY UTAH.**

**WHEREAS**, the City Council hereby determines that it will be in the best interest of the City to allow use and development of the subject property in accordance with the Development Agreement; and

**WHEREAS**, the Development Agreement will allow the subject property to be developed pursuant the terms and conditions contained therein; and

**WHEREAS**, the Development Agreement outlines each party's responsibilities; and

**WHEREAS**, attached hereto and incorporated herein as exhibit A is the Development Agreement; and

**WHEREAS**, the Development Agreement has been reviewed and received a positive recommendation from the City's Planning Commission.

**NOW THEREFORE** be it resolved by the City Council of Cedar City, Iron County, State of Utah, that the Development Agreement provided in Exhibit A is approved by Cedar City.

Council Vote:

Phillips -  
Cox -  
Wilkey -  
Schmidt -  
Galan -

This resolution shall take effect immediately upon passage.

Dated this \_\_\_\_ day of May 2026.

\_\_\_\_\_  
Steve Nelson, Mayor

[SEAL]  
ATTEST:

\_\_\_\_\_  
Renon Savage, Recorder

# EXHIBIT A

Cedar City's Development Agreement with Smith's Food & Drug Centers, Inc.

## **DEVELOPMENT AGREEMENT**

This Development Agreement (“Agreement”) is entered into this \_\_\_ day of \_\_\_\_\_ 2026 (the “Effective Date”), by and among the City of Cedar City, a Utah municipal corporation, hereafter referred to as “City,” and Smith’s Food & Drug Centers, Inc, an Ohio corporation, hereafter referred to as “Owner” or “Smith’s.” The Owner owns or has development rights to approximately 18.47 acres of property located in Cedar City in the vicinity of Cedar Knolls Drive and Main Street (the “Project”). The City and Owner are collectively referred to in this Agreement as the “Parties.”

### **RECITALS**

A. City, acting pursuant to its authority under Utah Code Annotated §10-20-101, as amended, and in furtherance of its land use policies, goals, objectives, ordinances, resolutions, and regulations, has made certain determinations with respect to the Project and, in exercise of its legislative discretion, has elected to enter into this Agreement.

B. Owner is the owner of certain real property located in Cedar City, Utah and desires to develop the property and is willing to design and construct the Project in a manner that is in harmony with and intended to promote the long range policies, goals, and objectives of City’s general plan, zoning, and development regulations in order to receive the benefit of zoning designations under the terms of this Agreement as more fully set forth herein.

C. The Project is arranged on Iron County Parcel Numbers B-1135-0120-0000, B-1135-0121-0000, B-1135-0122-0000, B-1135-0123-0000, B-1135-0124-0000, B-1135-0125-0000, B-1135-0052-0000, and B-1135-0051-0000 located at Main Street and Cedar Knolls Drive, Cedar City, Utah. See **Exhibit A** attached hereto and incorporated herein by this reference (the “Property”).

D. This Agreement is to regulate the intended land uses, utilities, and access within this Project. It is anticipated that the Project will be developed in a manner to accommodate a Smith’s Marketplace consisting of approximately one hundred twenty-three thousand (123,000) square feet, along with a Smith’s Fuel Center and additional retail space.

E. Owner and City desire to allow the Owner to make improvements to the Property and develop the Project pursuant to City ordinance, policies, standards, and procedures.

F. The Cedar City Council has authorized the negotiation of and adoption of a development agreement which advances the policies, goals, and objectives of the Cedar City General Plan, and preserves and maintains the atmosphere desired by the citizens of the City. Moreover, the Owner has voluntarily agreed to the terms of this Agreement and hereby acknowledges the obligations to complete the Project in a manner consistent with the approval of the Cedar City Council and the regulations of the land use ordinances.

G. Consistent with the foregoing authorization and the provisions of Utah State law, the City's governing body has authorized execution of this Agreement by Resolution No. \_\_\_\_\_, a copy of which is attached to this Agreement as **Exhibit B**.

## **AGREEMENT**

**NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, IT IS AGREED AS FOLLOWS:**

### **I. Recitals.**

The recitals set forth above are incorporated herein by this reference.

### **II. Exhibits.**

The Exhibits and attachments are intended to be included as if in the body of this Agreement and regulated as such:

- Exhibit A – Legal Description
- Exhibit B – Resolution Adopting Development Agreement.
- Exhibit C – Site Plan
- Exhibit D – Store and Fuel Center Elevations
- Exhibit E – Preliminary Landscape Plan
- Exhibit F – Master Sign Plan
- Exhibit G – Photometric Plan

### **III. Bargained for Development Terms**

A. Prior to submitting development plans for review City and Owner have had discussions related to terms of City's development ordinance that Owner would like modified to fit Owner's project as well as conditions related to mitigating impacts to neighboring properties that City would like to see. The Owner's desires and City's desires that conflict with City's existing land use ordinances, engineering standards, and policies are contained herein.

- i. Items Owner requested.
  - a. Owner shall provide three (3) truck loading dock bays
  - b. Owner shall design e-commerce pick-up area in accordance with its own design standards
  - c. Owner shall control the architectural design characteristics for the project.
  - d. Owner shall control the landscape standards for the project.
  - e. Owner shall be allowed to design and control the standards related to signage.
  - f. Owner shall design and control the lighting standards for the project.
  - g. The main lines of water system serving the property shall be owned, operated, and maintained by City.



- b. The development shall comply with Parking Stall Dimensions (Section 26-V-20) except for Smith's designated e-commerce pick-up area. E-commerce pick-up stalls shall be eight (8) feet by seventeen (17) feet, with a four (4) foot buffer between adjacent stalls.
- v. Architectural design characteristics shall be consistent with the Building Elevations and approved Store and Fuel Building Elevations, see **Exhibit D**. Minor changes in architectural design and building elevations may be approved by mutual agreement of Owner and City Staff. Major changes will require City Council approval.
- vi. The development shall be landscaped consist with the Preliminary Landscape Plan shown on **Exhibit E**. Minor changes in landscape may be approved by mutual agreement of Owner and City Staff. Major changes will require City Council approval.
- vii. The project signage shall be per the attached Master Sign Plan generally consisting of one (1) – 35-foot-tall pylons sign, one (1) – 15-foot-tall pylon sign, and five (5) – 8-foot-tall monument signs as shown on the attached **Exhibit F**. Minor changes in building materials or design may be approved by mutual agreement of Owner and City Staff. Increases to number of sign and size of signs will require City Council approval.
- viii. Site Lighting for the project shall be constructed consistent with the Photometric Plan as shown on **Exhibit G**. Minor changes in project lighting may be approved by mutual agreement of Owner and City Staff. Major changes will require City Council approval.
- ix. Water Line Improvements. All water line improvements within the property shall be privately owned by Smith's and/or its successors in interest. City shall neither own nor be responsible for maintenance of the private water lines within the property.
- x. Stormwater Drainage and Fees:
  - a. Stormwater from the development shall not be discharged into the public storm drain system located within Main Street. Owner agrees that stormwater shall instead be pumped and conveyed to the drainage channel along Green Lakes Drive. Due to the increased cost and maintenance associated with this requirement, the development shall be permitted to discharge stormwater to the channel at a rate exceeding 0.2 cubic feet per second (cfs), with the approved discharge rate to be 5.5 cfs. Stormwater impact fees shall be waived as a result of this agreement.
  - b. There currently exists a storm drainpipe extend from Owner's property west across Main Street. This pipe is located south of the Knoll Street intersection. This pipe outlets on a parcel on the west side of Main Street that has recently been sold and is intended to be developed as a bank or credit union. As part of this storm drain plan Owner shall abandon the pipe by filling it with grout or similar Cementous product acceptable to the Utah Department of Transportation.

- c. Stormwater from a portion of this development and the adjacent property, Parcel # B-1135-0071-0002 to the southwest historically has drained into a catch basin located on this development which connects to the public storm drain system in Main Street. Owner agrees to reconfigure the storm drain to not allow any discharge from this development and to only discharge stormwater from the adjacent property into the public Main Street storm drain system.
- xi. Traffic mitigation measures include all measures required by the Utah Department of Transportation. These measures include, but are not limited to, right-in and right-out access only at the Southwest drive approach into the project.

#### **IV. Vested Rights and Reserved Legislative Powers.**

- A. Zoning: Vested Rights. The City has zoned the property as Central Commercial (CC) as shown on the City's zoning map and the zoning for City accommodates and, except as expressly limited in this Agreement, allows all development contemplated by City ordinance, City engineering standards, and this Agreement. To the maximum extent permissible under the laws of Utah and the United States and at equity, the Parties intend that this Agreement grants Owner all rights to develop the Project in fulfillment of this Agreement. The Parties specifically intend that this Agreement grant to Owner "vested rights" as that term is construed in Utah's common law and pursuant to Utah Code Ann. 10-20-902. As of the date of this Agreement, City confirms that the uses, configurations, densities, and other development standards reflected in this Agreement are approved under, and consistent with, City's existing laws, Zoning Map, and General Plan including, except as specifically exempted herein. This is subject to compliance with the terms and conditions of this Agreement and the other applicable ordinances and regulations of the City.
- B. Reserved Legislative Powers. Owner acknowledges that the City is restricted in its authority to limit its police power by contract and that the limitations, reservations and exceptions set forth herein are intended to reserve to the City all of its police power that cannot be so limited. Notwithstanding the retained power of the City to enact such legislation under the police powers, such legislation shall only be applied to modify the vested rights of Owner with respect to use under the zoning designations of this Agreement based upon the policies, facts and circumstances meeting the compelling, countervailing public interest exception to the vested rights doctrine in the State of Utah, which the City's land use authority finds, on the record, are necessary to prevent a physical harm to third parties, which harm did not exist at the time of the execution of this Agreement, and which harm, if not addressed, would jeopardize a compelling, countervailing public interest pursuant to Utah Code Ann. 10-20-902(1)(a)(ii), as proven by the City by clear and convincing evidence. Any such proposed change affecting the vested rights of the Project shall be of general application to all development activity in the City; and, unless in good faith the City declares an emergency, Owner shall be entitled to prior written notice and an opportunity to be heard with respect to the proposed change and its

applicability to the Project under the compelling, countervailing public interest exception to the vested rights doctrine.

- C. Application under City's Future Laws. "Future Laws" means the ordinances, policies, standards, and procedures which may be in effect as of a particular time in the future when a development application is submitted for a part of the Project and which may or may not be applicable to the development application depending upon the provisions of this Agreement. Without waiving any rights granted by this Agreement, Owner may at any time, choose to submit a development application for the Project under the City's Future Laws in effect at the time of the development application so long as Owner is not in current breach of this Agreement.

#### **V. Term.**

This Agreement shall be effective as of the date of execution, and upon recordation, shall run with the land and shall continue in full force and effect until all obligations hereunder have been fully performed and all rights hereunder fully exercised; provided, however, that unless the Parties mutually agree to extend the term, this Agreement shall not extend further than a period of twenty (20) years from its date of recordation in the official records of the Iron County Recorder's Office. For good cause, the City Council may grant an extension of up to ten (10) years.

For the portions of the property that are developed prior to the expiration of this agreement, the terms and conditions regulating the use of the property shall survive the expiration of this agreement.

#### **VI. General Provisions.**

- A. Notices. All notices, filings, consents, approvals, and other communication provided for herein or given in connection herewith shall be in writing and shall be sent registered or certified mail to:

If to City: Cedar City Corporation  
10 N. Main St.  
Cedar City, UT 84720

If to Owner: Smith's Food & Drug Centers, Inc  
Attn: Mitch Mauer, Regional Construction Manager  
1550 South Redwood Road  
Salt Lake City, Utah 84104

With a Copy to: Smith's Food & Drug Centers, Inc.  
Attn: Kyle J. Szanti  
1550 South Redwood Road  
Salt Lake City, Utah 84104

And a Copy to: Smith's Food & Drug Centers, Inc.  
c/o The Kroger Co.  
1014 Vine Street  
Cincinnati, Ohio 45202-1100  
Attn; Jennifer K. Gothard, Senior Attorney

Any such change of address shall be given at least ten (10) days before the date on which the change is to become effective.

- B. Mailing Effective. Notices given by mail shall be deemed delivered upon deposit with the U.S. Postal Service in the manner set forth above. Notices that are hand delivered or delivered by nationally recognized overnight courier shall be deemed delivered upon receipt.
- C. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof and no waiver by the Parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach by the same of any other provision of this Agreement.
- D. Headings. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any provision this Agreement.
- E. Authority. The Parties to this Agreement represent to each other that they have full power and authority to enter into this Agreement, and that all necessary actions have been taken to give full force and effect to this Agreement. Owner represents and warrants that each party is fully formed and validly existing under the laws of the State of Utah, and that each party is duly qualified to do business in the State of Utah and each is in good standing under applicable state laws. The Owner and the City warrant to each other that the individuals executing this Agreement on behalf of their respective parties are authorized and empowered to bind the Parties on whose behalf each individual is signing.
- F. Entire Agreement. This Agreement, including exhibits, constitutes the entire Agreement between the Parties.
- G. Amendment of this Agreement. This Agreement may be amended in whole or in part with respect to all or any portion of the Property by the mutual written consent of the Parties to this Agreement or by their successors in interest or assigns. Any such amendment of this Agreement shall be recorded in the official records of the Iron County Recorder's Office. The Parties agree to, in good faith, apply for, grant, and approve such amendments to this Agreement as may be necessary or reasonably required for future phases consistent with this Agreement and with the approval granted by the Cedar City Council.

- H. Severability. If any of the provisions of this Agreement are declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect, provided that the fundamental purpose of this Agreement and the Owner's ability to complete the Project is not defeated by such severance.
- I. Governing Law. The laws of the State of Utah shall govern the interpretation and enforcement of the Agreement. The Parties shall agree that the venue for any action commenced in connection with this Agreement shall be proper only in a court of competent jurisdiction located in Iron County, Utah, and the Parties hereby waive any right to object to such venue.
- J. Remedies. This is an agreement for the development of land. As such it is an application of the municipalities land use authority. Remedies for a breach of this agreement are strictly limited to remedies available in the Utah Land Use Development Act. All other remedies including but not limited to contractual remedies are specifically waived.
- K. Attorney's Fee and Costs. If any party brings legal action either because of a breach of the Agreement or to enforce a provision of the Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs.
- L. Binding Effect. The benefits and burdens of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors in interest and assigns.
- M. Third Parties. There are no third-party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.
- N. No Agency Created. Nothing contained in the Agreement shall create any partnership, joint venture, or agency relationship between the Parties.
- O. Limited remedies. This agreement is in furtherance of City's police powers to regulate the development of land and is an exception to City's general land use policies that were adopted in furtherance of the State of Utah Land Use Development and Management Act. The parties waive any right or interest they may have in contract based remedies in the event of a breach and specifically limit their remedies to the remedies available to either party pursuant to the Utah Land Use Development and Management Act.

*(remainder of page intentionally left blank)*

**IN WITNESS WHEREOF**, the Parties have executed this Development Agreement as of the Effective Date.

**OWNER:**

**SMITH'S FOOD & DRUG CENTERS, INC.,**  
an Ohio corporation

By: \_\_\_\_\_  
Kyle R. Grubbs  
Vice President

STATE OF OHIO )

) :ss.

COUNTY OF HAMILTON )

On this \_\_\_\_\_ day of \_\_\_\_\_ 2026, personally appeared before me Kyle R. Grubbs, Vice President of Smith's Food & Drug Centers, inc., an Ohio corporation, who duly acknowledged to me that he signed the above and foregoing document on behalf of the corporation.

---

NOTARY PUBLIC

**CITY:**

\_\_\_\_\_  
STEVE NELSON  
MAYOR

[SEAL]

ATTEST:

\_\_\_\_\_  
RENON SAVAGE  
CITY RECORDER

STATE OF UTAH )

) :ss.

COUNTY OF IRON )

This is to certify that on the \_\_\_ day of \_\_\_\_\_ 2026, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared Steve Nelson, known to me to be the Mayor of Cedar City Corporation, and Renon Savage, known to me to be the City Recorder of Cedar City Corporation, and acknowledged to me that he the said Steve Nelson and she the said Renon Savage executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

\_\_\_\_\_  
NOTARY PUBLIC

## EXHIBIT A

### Legal Description

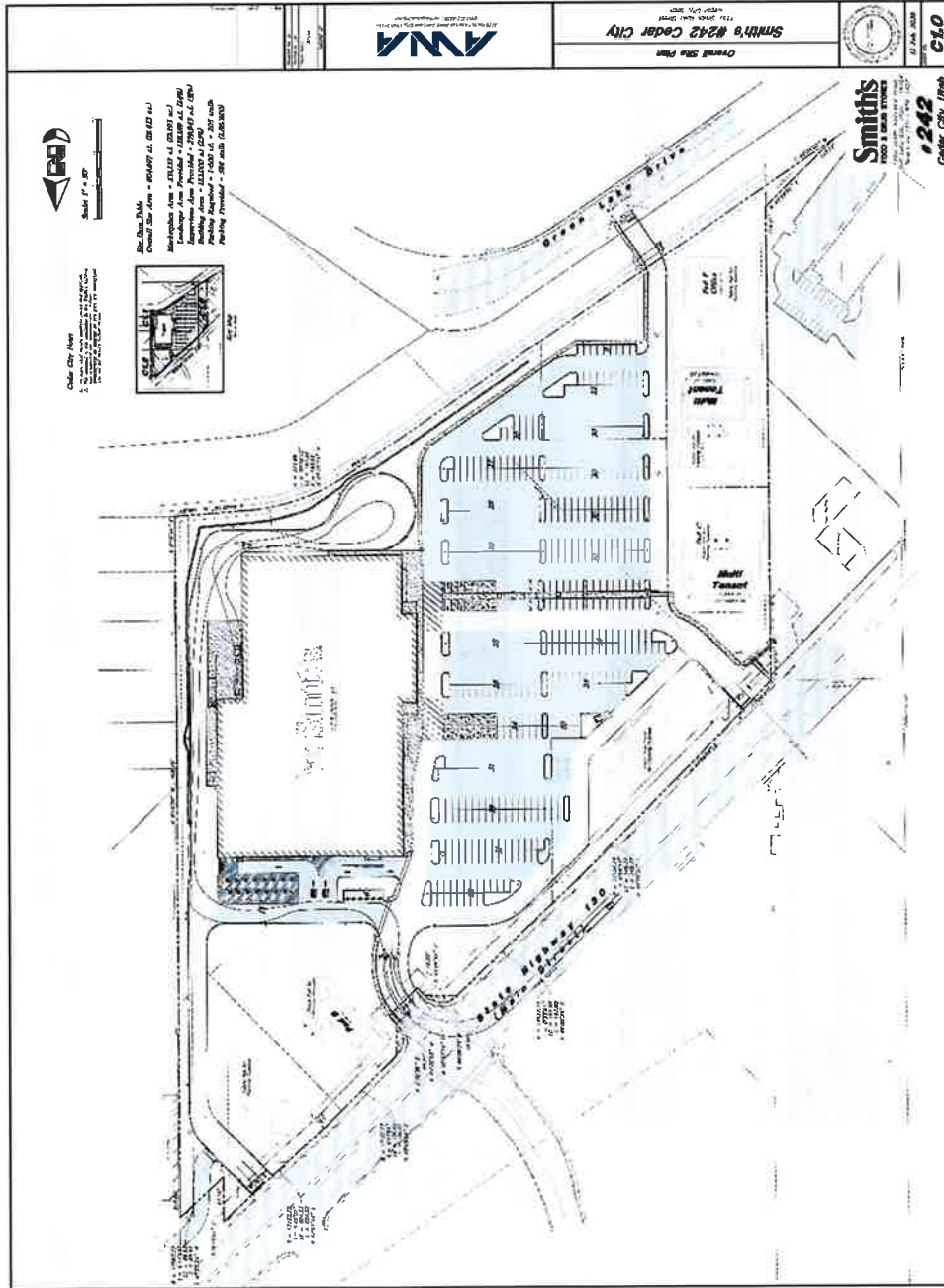
All of Cedar Creek Minor Lot Subdivision along with more land adjoining to the East lying within the East half of Section 22, Township 36 South, Range 11 West, Salt Lake Base and Meridian, U.S. Survey in Cedar City, Iron County, Utah:

Beginning at a point on the Southeasterly Line of Main Street as previously platted located 1084.59 feet North  $0^{\circ}31'08''$  West (North  $0^{\circ}30'47''$  West record); and 201.94 feet North  $89^{\circ}09'34''$  East from an existing Brass Cap Monument found marking the Center South Sixteenth Section Corner of said Section 22; said Sixteenth Section Corner is located 1349.66 feet South  $0^{\circ}31'08''$  East along the Quarter Section Line from an existing Brass Cap monument found marking the Center of said Section 22; which is located 3794.56 feet North  $44^{\circ}48'03''$  West (Basis of bearings) from an existing Brass Cap Monument found marking the Southeast Corner of said Section 22; and running thence along the previously platted Line of Main Street the following three courses: North  $44^{\circ}08'59''$  East 190.61 feet; Northeasterly along the arc of a 17137.73 foot radius curve to the left a distance of 231.17 feet (Center bears North  $45^{\circ}04'38''$  West, Central Angle equals  $0^{\circ}46'22''$  and Long Chord bears North  $44^{\circ}32'11''$  East 231.17 feet); and Northeasterly along the arc of a 17137.73 foot radius curve to the left a distance of 251.23 feet (Center bears North  $43^{\circ}20'49''$  West, Central Angle equals  $0^{\circ}50'24''$  and Long Chord bears North  $46^{\circ}13'59''$  East 251.23 feet); thence South  $89^{\circ}08'23''$  East 49.54 feet along the right-of-way Line as defined in 2025 Warranty Deed to Udot; thence continuing along previously platted lines the following three courses: South  $44^{\circ}05'33''$  East 16.05 feet; North  $45^{\circ}37'19''$  East 60.00 feet; and North  $44^{\circ}05'33''$  West 16.46 feet; thence North  $0^{\circ}38'37''$  East 49.27 feet along the right-of-way Line as defined in 2025 Warranty Deed to Udot; thence continuing along the previously platted Line of Main Street the following three courses: Northeasterly along the arc of a 17137.73 foot radius curve to the left a distance of 136.62 feet (Center bears North  $44^{\circ}37'14''$  West, Central Angle equals  $0^{\circ}27'24''$  and Long Chord bears North  $45^{\circ}09'04''$  East 136.62 feet); Northeasterly along the arc of a 17137.73 foot radius curve to the left a distance of 224.52 feet (Center bears North  $42^{\circ}35'45''$  West, Central Angle equals  $0^{\circ}45'02''$  and Long Chord bears North  $47^{\circ}01'44''$  East 224.52 feet) to the Northwestern Corner of said previously platted Minor Lot Subdivision; and South  $0^{\circ}15'41''$  East 67.19 feet to the Southeasterly Line of the highway; thence Northeasterly along the arc of a 17087.73 foot radius curve to the right a distance of 88.93 feet (Center bears South  $42^{\circ}45'03''$  East, Central Angle equals  $0^{\circ}17'53''$  and Long Chord bears North  $47^{\circ}23'54''$  East 88.93 feet) along said Southeasterly Line of the Highway to a common deed line; thence South  $0^{\circ}16'00''$  East 654.13 feet along said deed line to the previously platted subdivision boundary line; thence North  $45^{\circ}37'19''$  East 0.25 feet along said subdivision boundary to an angle point in said boundary line being marked by an existing rebar with cap marked '161712'; thence continuing along the previously platted subdivision boundary lines the following six courses: South  $0^{\circ}15'41''$  East 408.29 feet to the Northeasterly corner thereof; South  $85^{\circ}35'19''$  West 108.84 feet to a point of curvature; Southwesterly along the arc of a 311.69 foot radius curve to the left a distance of 163.22 feet (Central Angle equals  $30^{\circ}00'12''$  and Long Chord bears South  $70^{\circ}35'13''$  West 161.36 feet) to a point of tangency; South  $55^{\circ}35'07''$  West 895.36 feet to the Southeasterly Corner thereof; North  $45^{\circ}36'02''$  East 147.22 feet; and North  $0^{\circ}32'41''$  West 718.81 feet to the point of beginning.



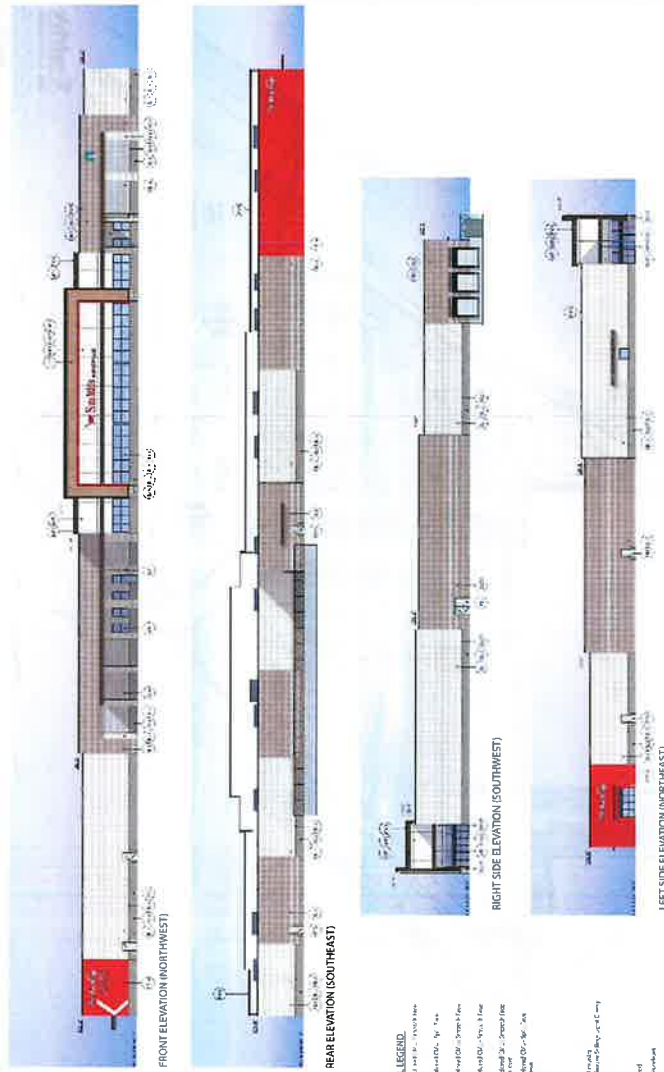
# EXHIBIT C

## Site Plan



# EXHIBIT D

## Store and Fuel Center Elevations



- EXTERNAL MATERIAL LEGEND:**
- 1. White Brick
  - 2. Dark Grey Brick
  - 3. Light Grey Brick
  - 4. Dark Grey Brick
  - 5. Light Grey Brick
  - 6. Dark Grey Brick
  - 7. Light Grey Brick
  - 8. Dark Grey Brick
  - 9. Light Grey Brick
  - 10. Dark Grey Brick
  - 11. Light Grey Brick
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  - 35. Light Grey Brick
  - 36. Dark Grey Brick
  - 37. Light Grey Brick
  - 38. Dark Grey Brick
  - 39. Light Grey Brick
  - 40. Dark Grey Brick
  - 41. Light Grey Brick
  - 42. Dark Grey Brick
  - 43. Light Grey Brick
  - 44. Dark Grey Brick
  - 45. Light Grey Brick
  - 46. Dark Grey Brick
  - 47. Light Grey Brick
  - 48. Dark Grey Brick
  - 49. Light Grey Brick
  - 50. Dark Grey Brick



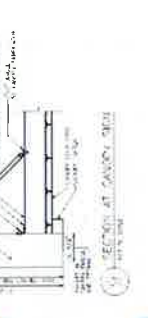
Smith's



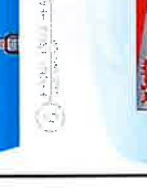
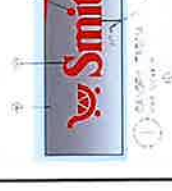
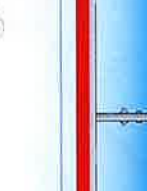
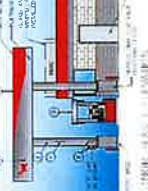
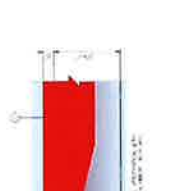
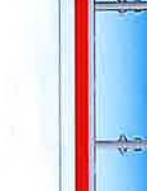
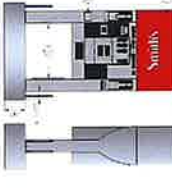
REVISIONS	
NO.	DESCRIPTION
1	ISSUED FOR PERMITS
2	REVISED PER PERMITS
3	REVISED PER PERMITS
4	REVISED PER PERMITS
5	REVISED PER PERMITS
6	REVISED PER PERMITS
7	REVISED PER PERMITS
8	REVISED PER PERMITS
9	REVISED PER PERMITS
10	REVISED PER PERMITS

**EQUIPMENT SCHEDULE**

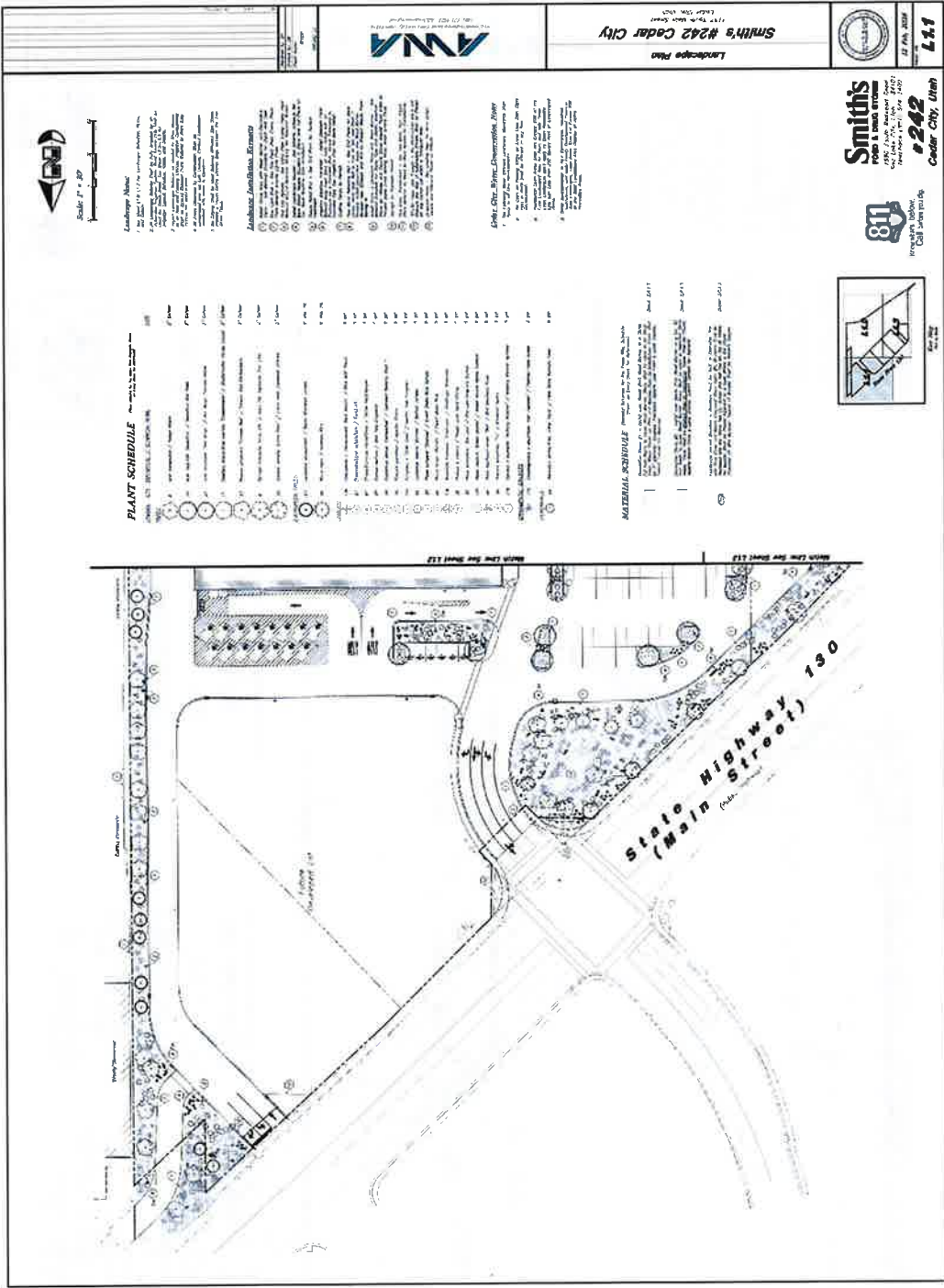
ITEM	DESCRIPTION	QUANTITY	MAKE	MODEL	REMARKS
1	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
2	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
3	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
4	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
5	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
6	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
7	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
8	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
9	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
10	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
11	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
12	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
13	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
14	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
15	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
16	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
17	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
18	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
19	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM
20	1000 GAL. DIESEL TANK	1	SMITH'S	1000	INSTALL IN MECHANICAL ROOM



**Smith's**  
**FOOD & DRUG STORES**  
 2422  
 Cedar City, Utah







**PLANT SCHEDULE**

Plant Number	Plant Name	Quantity	Notes
1	...	...	...
2	...	...	...
3	...	...	...
4	...	...	...
5	...	...	...
6	...	...	...
7	...	...	...
8	...	...	...
9	...	...	...
10	...	...	...
11	...	...	...
12	...	...	...
13	...	...	...
14	...	...	...
15	...	...	...
16	...	...	...
17	...	...	...
18	...	...	...
19	...	...	...
20	...	...	...

**MATERIAL SCHEDULE**

Material Number	Material Name	Quantity	Notes
1	...	...	...
2	...	...	...
3	...	...	...



**Landscape Notes**

1. All plants to be installed by 10/15/2020.
2. All plants to be installed by 10/15/2020.
3. All plants to be installed by 10/15/2020.
4. All plants to be installed by 10/15/2020.
5. All plants to be installed by 10/15/2020.
6. All plants to be installed by 10/15/2020.
7. All plants to be installed by 10/15/2020.
8. All plants to be installed by 10/15/2020.
9. All plants to be installed by 10/15/2020.
10. All plants to be installed by 10/15/2020.
11. All plants to be installed by 10/15/2020.
12. All plants to be installed by 10/15/2020.
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14. All plants to be installed by 10/15/2020.
15. All plants to be installed by 10/15/2020.
16. All plants to be installed by 10/15/2020.
17. All plants to be installed by 10/15/2020.
18. All plants to be installed by 10/15/2020.
19. All plants to be installed by 10/15/2020.
20. All plants to be installed by 10/15/2020.

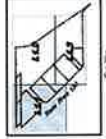
**Public Office Building, Downtown Cedar City, Utah**

Site Plan, 10/15/2020

Scale: 1" = 20'



**Smith's**  
Landscape Architecture  
242 Cedar City, Utah  
801.225.2422



L111

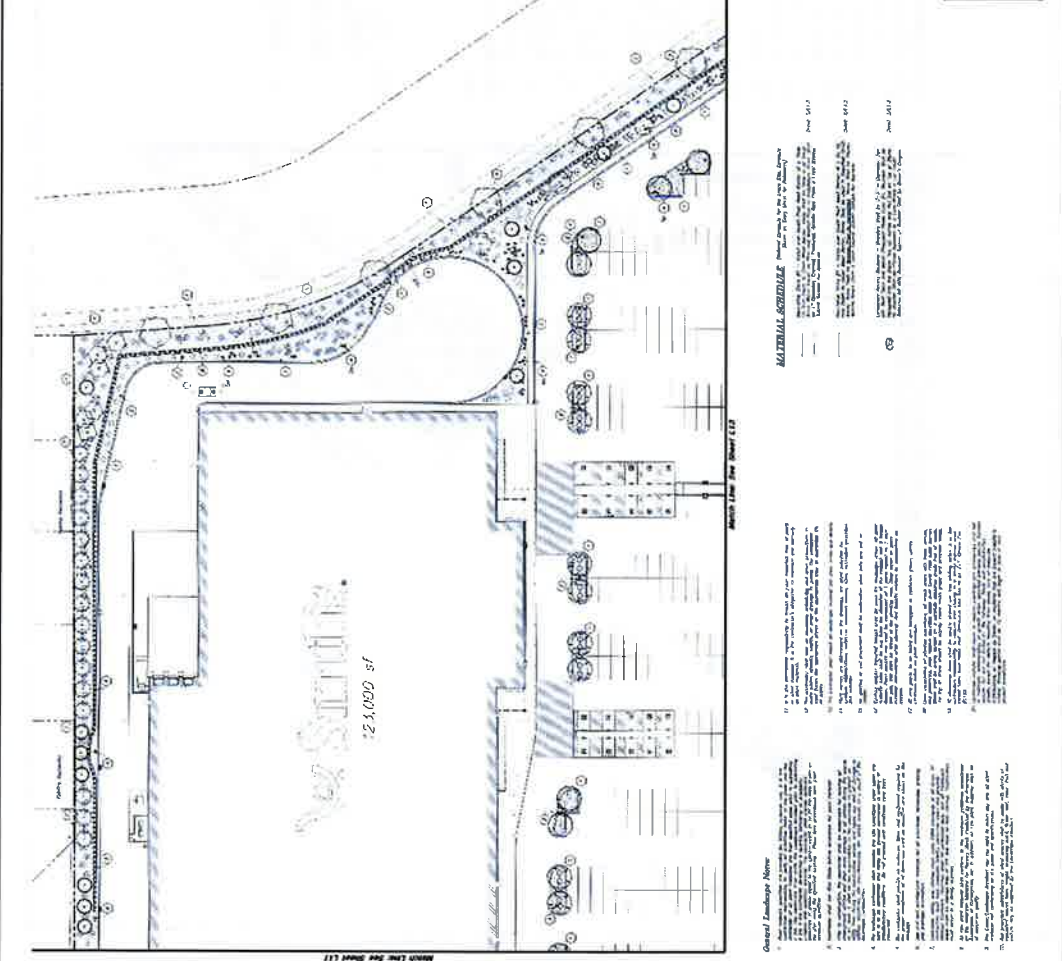
Cedar City, Utah

Call your favorite


**Smith's**  
 LANDSCAPE ARCHITECTS  
 117 South Main Street  
 Cedar City, Utah 84701  
 Phone: 437-2424

**PLANT SCHEDULE**

NO.	SYMBOL	PLANT NAME	QUANTITY
1	(Symbol)	1" Caliper Norway Spruce	1
2	(Symbol)	2" Caliper Norway Spruce	1
3	(Symbol)	3" Caliper Norway Spruce	1
4	(Symbol)	4" Caliper Norway Spruce	1
5	(Symbol)	5" Caliper Norway Spruce	1
6	(Symbol)	6" Caliper Norway Spruce	1
7	(Symbol)	7" Caliper Norway Spruce	1
8	(Symbol)	8" Caliper Norway Spruce	1
9	(Symbol)	9" Caliper Norway Spruce	1
10	(Symbol)	10" Caliper Norway Spruce	1
11	(Symbol)	12" Caliper Norway Spruce	1
12	(Symbol)	14" Caliper Norway Spruce	1
13	(Symbol)	16" Caliper Norway Spruce	1
14	(Symbol)	18" Caliper Norway Spruce	1
15	(Symbol)	20" Caliper Norway Spruce	1
16	(Symbol)	22" Caliper Norway Spruce	1
17	(Symbol)	24" Caliper Norway Spruce	1
18	(Symbol)	26" Caliper Norway Spruce	1
19	(Symbol)	28" Caliper Norway Spruce	1
20	(Symbol)	30" Caliper Norway Spruce	1
21	(Symbol)	32" Caliper Norway Spruce	1
22	(Symbol)	34" Caliper Norway Spruce	1
23	(Symbol)	36" Caliper Norway Spruce	1
24	(Symbol)	38" Caliper Norway Spruce	1
25	(Symbol)	40" Caliper Norway Spruce	1
26	(Symbol)	42" Caliper Norway Spruce	1
27	(Symbol)	44" Caliper Norway Spruce	1
28	(Symbol)	46" Caliper Norway Spruce	1
29	(Symbol)	48" Caliper Norway Spruce	1
30	(Symbol)	50" Caliper Norway Spruce	1
31	(Symbol)	52" Caliper Norway Spruce	1
32	(Symbol)	54" Caliper Norway Spruce	1
33	(Symbol)	56" Caliper Norway Spruce	1
34	(Symbol)	58" Caliper Norway Spruce	1
35	(Symbol)	60" Caliper Norway Spruce	1
36	(Symbol)	62" Caliper Norway Spruce	1
37	(Symbol)	64" Caliper Norway Spruce	1
38	(Symbol)	66" Caliper Norway Spruce	1
39	(Symbol)	68" Caliper Norway Spruce	1
40	(Symbol)	70" Caliper Norway Spruce	1
41	(Symbol)	72" Caliper Norway Spruce	1
42	(Symbol)	74" Caliper Norway Spruce	1
43	(Symbol)	76" Caliper Norway Spruce	1
44	(Symbol)	78" Caliper Norway Spruce	1
45	(Symbol)	80" Caliper Norway Spruce	1
46	(Symbol)	82" Caliper Norway Spruce	1
47	(Symbol)	84" Caliper Norway Spruce	1
48	(Symbol)	86" Caliper Norway Spruce	1
49	(Symbol)	88" Caliper Norway Spruce	1
50	(Symbol)	90" Caliper Norway Spruce	1
51	(Symbol)	92" Caliper Norway Spruce	1
52	(Symbol)	94" Caliper Norway Spruce	1
53	(Symbol)	96" Caliper Norway Spruce	1
54	(Symbol)	98" Caliper Norway Spruce	1
55	(Symbol)	100" Caliper Norway Spruce	1

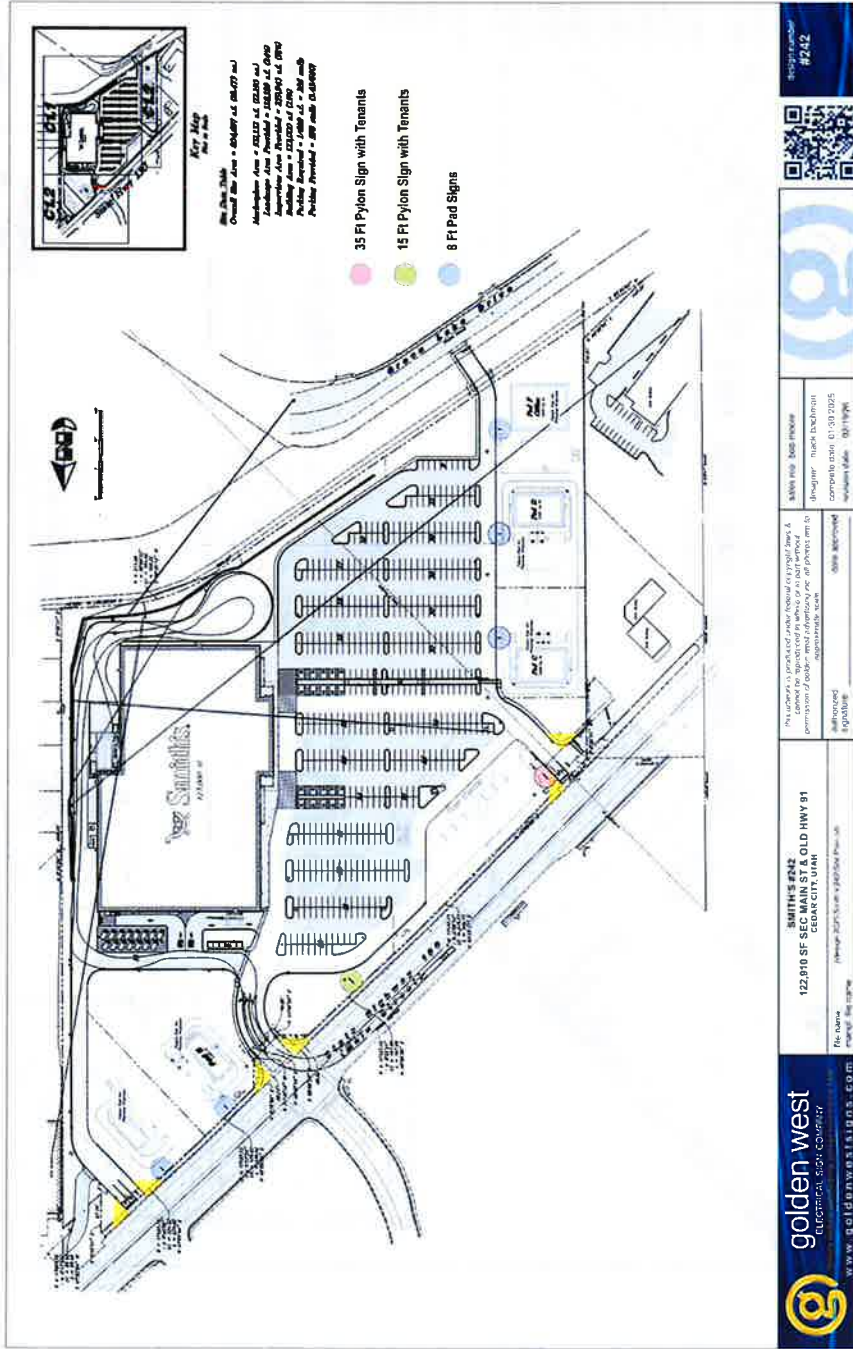


**General Landscape Note:**  
 1. All plants shall be installed in accordance with the manufacturer's instructions.  
 2. All plants shall be installed in accordance with the manufacturer's instructions.  
 3. All plants shall be installed in accordance with the manufacturer's instructions.  
 4. All plants shall be installed in accordance with the manufacturer's instructions.  
 5. All plants shall be installed in accordance with the manufacturer's instructions.  
 6. All plants shall be installed in accordance with the manufacturer's instructions.  
 7. All plants shall be installed in accordance with the manufacturer's instructions.  
 8. All plants shall be installed in accordance with the manufacturer's instructions.  
 9. All plants shall be installed in accordance with the manufacturer's instructions.  
 10. All plants shall be installed in accordance with the manufacturer's instructions.



# EXHIBIT F

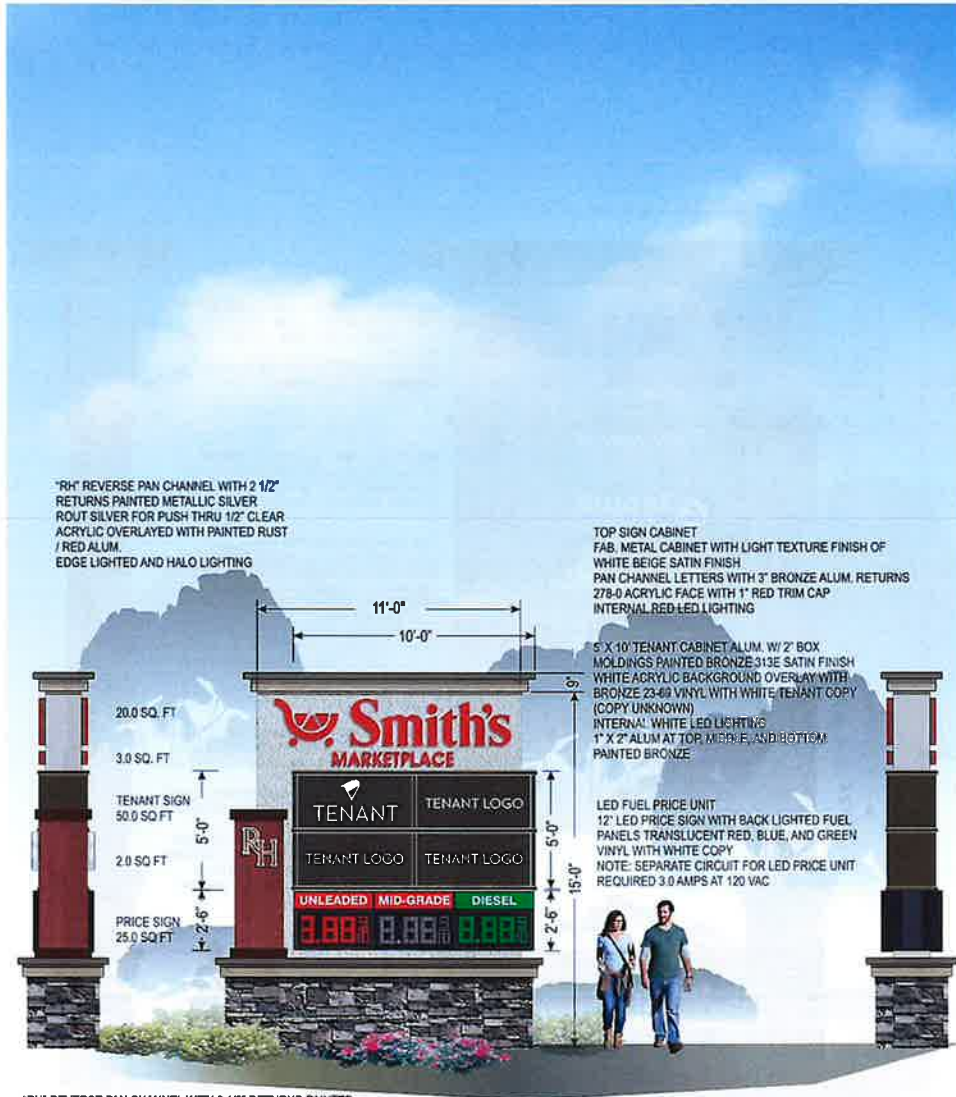
## Master Sign Plan





**35 FT PYLON SIGN**  
SCALE: 1/4"=1'-0"

<p>golden west ELECTRICAL SIGN COMPANY www.goldenwestsigns.com</p>	<p>client name &amp; location</p> <p><b>SMITH'S MARKETPLACE</b> 192,910 ST SEC MAIN ST &amp; OLD HWY 91 CEDAR CITY, UTAH</p>	<p>sales rep: SGO MORRIS</p>		<p>doc. no. number <b>#242</b></p>
	<p>sign carrier market. file name</p> <p>project: 2025 Smith's Marketplace Sign Program 02</p>	<p>designer: mark hughman</p> <p>estimate date: 01/06/2025</p> <p>revision date: 02/15/2025</p>		



\*RH REVERSE PAN CHANNEL WITH 2 1/2" RETURNS PAINTED METALLIC SILVER  
ROUT SILVER FOR PUSH THRU 1/2" CLEAR ACRYLIC OVERLAYED WITH PAINTED RUST / RED ALUM.  
EDGE LIGHTED AND HALO LIGHTING

**15 FT PYLON SIGN**  
SCALE: 1/4"=1'-0"

 <b>golden west</b> ELECTRICAL SIGN COMPANY www.goldenwestsign.com	project name & location <b>SMITH'S MARKETPLACE</b> 122010 OF DEC MAIN ST & OLD HWY 91 CEDAR CITY, UTAH	client rep: BOB PETER designer: mark badman complete date: 01/29/2018 revision date: 02/16/2018	 sign number <b>#242</b>
	file name: smark_15a.rvt	design: 2/16/2018 12:24 PM sign program v1.0	



4' X 8' TENANT CABINET ALUM. W/ 2" BOX MOLDINGS  
 PAINTED BRONZE 313E SATIN FINISH  
 WHITE ACRYLIC BACKGROUND OVERLAY WITH  
 BRONZE 23-69 VINYL WITH WHITE TENANT COPY  
 (COPY UNKNOWN)  
 INTERNAL WHITE LED LIGHTING  
 1" X 2" ALUM AT TOP, AND BOTTOM PAINTED BRONZE

\*RH\* REVERSE PAN CHANNEL WITH 2 1/2"  
 RETURNS PAINTED METALLIC SILVER  
 ROUT SILVER FOR PUSH THRU 1/2" CLEAR  
 ACRYLIC OVERLAYED WITH PAINTED RUST  
 / RED ALUM.  
 EDGE LIGHTED AND HALO LIGHTING

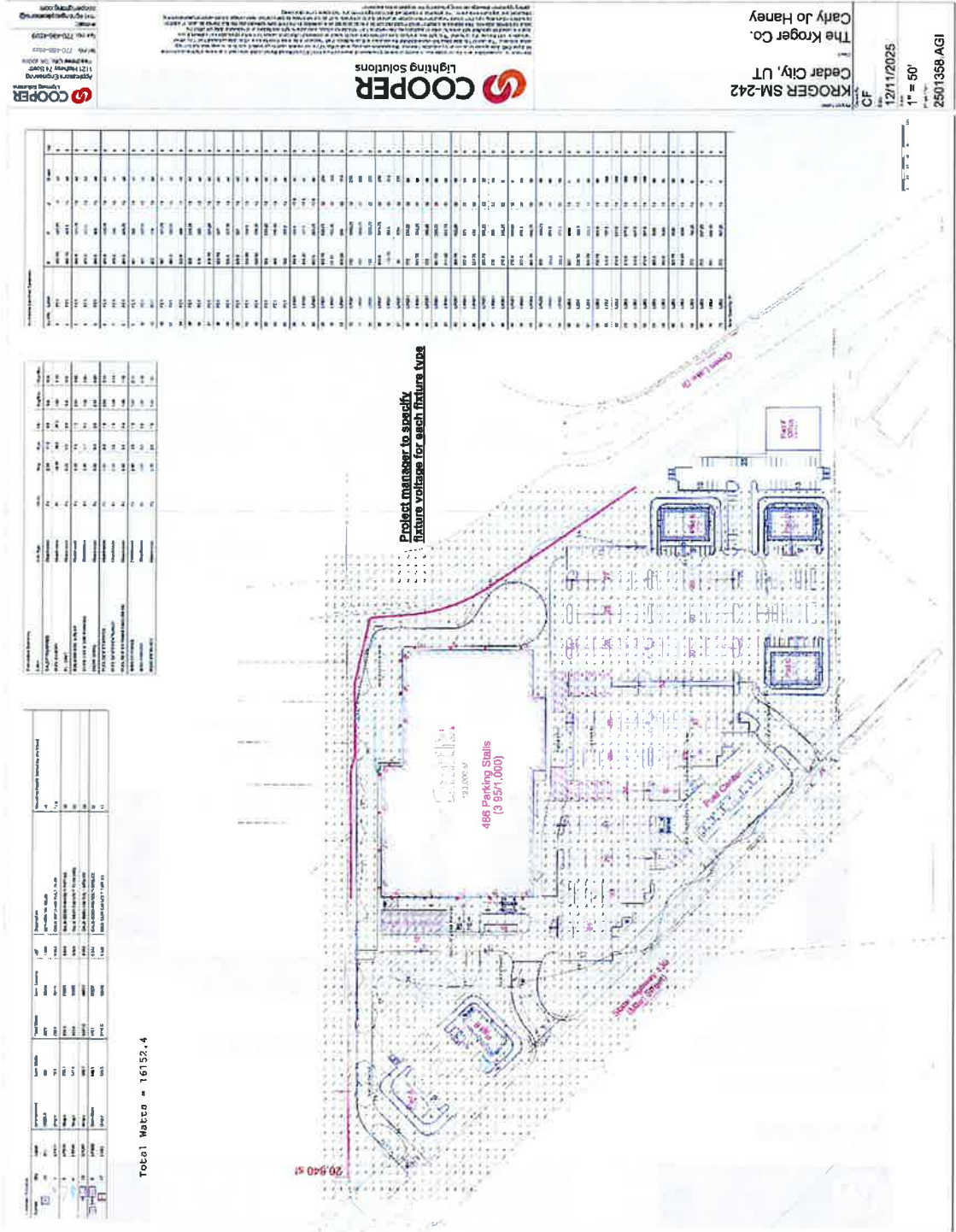
TOTAL 50.0 SQ. FT

**8 FT PYLON SIGN**  
 SCALE: 1/4"=1'-0"

 <b>golden west</b> ELECTRICAL, SIGN, GRAPHIC www.goldenwestsigns.com	project name & location <b>SMITH'S MARKETPLACE</b> 122.010 SF SEC MAIN ST & OLD HWY 91 CEDAR CITY, UTAH	sales rep. bob moore		sign # number <b>#242</b>
	the name brand, etc. name	[design 2025-06-16] 12:43:44 PM Sign Program.cbr		

# EXHIBIT G

## Photometric Plan



Item	Qty	Unit Price	Total Price
1.0000	1	16152.4	16152.4
<b>Total Netto = 16152.4</b>			

Item	Qty	Unit Price	Total Price
1.0000	1	16152.4	16152.4
2.0000	2	16152.4	32304.8
3.0000	3	16152.4	48457.2
4.0000	4	16152.4	64609.6
5.0000	5	16152.4	80762.0
6.0000	6	16152.4	96914.4
7.0000	7	16152.4	113066.8
8.0000	8	16152.4	129219.2
9.0000	9	16152.4	145371.6
10.0000	10	16152.4	161524.0
11.0000	11	16152.4	177676.4
12.0000	12	16152.4	193828.8
13.0000	13	16152.4	209981.2
14.0000	14	16152.4	226133.6
15.0000	15	16152.4	242286.0
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18.0000	18	16152.4	290743.2
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25.0000	25	16152.4	403810.0
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28.0000	28	16152.4	452267.2
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37.0000	37	16152.4	597638.8
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52.0000	52	16152.4	839924.8
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58.0000	58	16152.4	936839.2
59.0000	59	16152.4	952991.6
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79.0000	79	16152.4	1276039.6
80.0000	80	16152.4	1292192.0
81.0000	81	16152.4	1308344.4
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83.0000	83	16152.4	1340649.2
84.0000	84	16152.4	1356801.6
85.0000	85	16152.4	1372954.0
86.0000	86	16152.4	1389106.4
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89.0000	89	16152.4	1437563.6
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92.0000	92	16152.4	1486020.8
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98.0000	98	16152.4	1582935.2
99.0000	99	16152.4	1599087.6
100.0000	100	16152.4	1615240.0

**KROGER SM-242**  
 Cedar City, UT  
 The Kroger Co.  
 Cary Jo Haney

CF  
 12/11/2025  
 1" = 50'  
 2501358 AGI

**COOPER**  
 Lighting Solutions

Cooper Engineering  
 1212 Highway 16, Suite 100  
 P.O. Box 770462  
 Las Vegas, NV 89177-0462  
 Phone: 702-455-0133  
 Fax: 702-455-0133  
 Email: info@cooperlighting.com

**CEDAR CITY COUNCIL**  
**AGENDA ITEM 4**  
**DECISION PAPER**

**TO:** Mayor and City Council

**FROM:** Mike Phillips

**DATE:** 03 May 2026

**SUBJECT:** Cooperative Wildfire System

**PROBLEM:** In January 2017 the City signed into agreement with the State of Utah's Wildland Fire Policy Updates which was signed into law with an effective date of 01 January 2017. This bill gave municipalities the ability to join a statewide wildfire protection program where the State of Utah will pick up the costs of wildland fire suppression, if the municipality agrees to the in-kind costs for preparedness, mitigation, and prevention. Cedar City's 2026 in-kind Participation Commitment (PC) is \$22,640. This PC is covered by the department wildland program and department staff without additional budget costs.

Fast forward to today and the program is now the Cooperative Wildfire System (CWS), and a new agreement needs to be signed because of changes to the program.

Please see the attached documentation

**RECOMMENDATION:** To sign the Cooperative Wildfire System (CWS), agreement with the State of Utah.



**Cooperative Wildfire System  
2026 Participation Commitment Calculation  
for Participating Entity: Cedar City**

**TOTAL PARTICIPATION COMMITMENT: \$22,640**

*Participation Commitment is calculated by adding the Risk Assessment by Acres to the  
Historic Fire Cost Average in each jurisdiction, per R652122300 (2017).*

**WILDFIRE RISK ASSESSMENT**

	Medium Risk	Acres	High Risk	Acres	Cost
<b>Municipal</b>	\$2.62	7040	\$4.58	0	\$18,445
<b>County</b>	\$0.39		\$0.52		\$0
<b>TOTAL:</b>					<b>\$18,445</b>

**HISTORIC FIRE COST AVERAGE**

Year	Nominal Fire Suppression Costs	Inflation Rate	Real Fire Suppression Costs
2015	\$0	1.36	\$0
2016	\$5,363	1.34	\$7,187
2017	\$1,073	1.31	\$1,405
2018	\$1,089	1.28	\$1,394
2019	\$3,590	1.26	\$4,523
2020	\$14,247	1.23	\$17,524
2021	\$3,594	1.21	\$4,348
2022	\$2,109	1.13	\$2,384
2023	\$8,353	1.06	\$8,855
2024	\$3,368	1.03	\$3,469

**AVERAGE (removing the high year and low year): \$4,196**

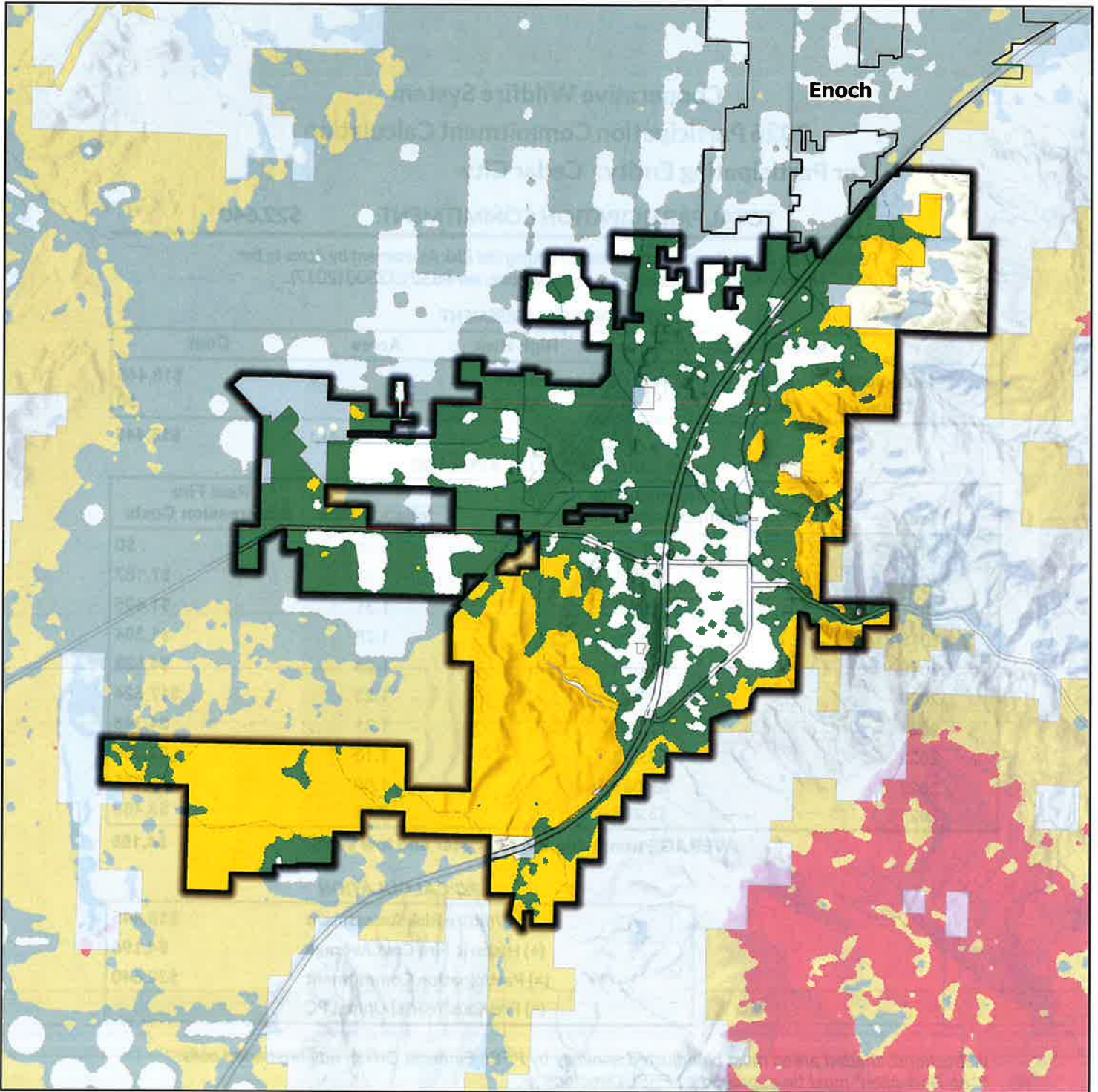
**PC CALCULATION**

Wildfire Risk Assessment	\$18,445
(+) Historic Fire Cost Average	\$4,196
(=) Participation Commitment	\$22,640
(+) Previous Year(s) Unmet PC	

*Instructions: shaded areas must be adjusted annually by FFSL Finance. Do not edit unshaded cells.  
"Cap Reduction" must be approved by FFSL Director.*



Utah Division of Forestry, Fire and State Lands  
1594 West North Temple  
P.O. Box 145703  
Salt Lake City, UT 84114



### Cedar City Cooperative Wildfire System Participation Commitment Map

1 Mile

Wildfire Risk Assessment - Incorporated Areas:			
	Medium Risk	High Risk	Total
Acres	7040	0	(for Risk Assessment)
Cost per Acre	\$2.62	\$4.58	
Cost	\$18,444.80	\$0.00	<b>\$18,444.80</b>

Participation Commitment Risk:  
(private lands shown in vibrant colors)

- Negligible
- Low
- Medium
- High

- Boundary of Municipality
- Other Municipal Boundaries
- Private Land (vibrant colors)

Produced for September 2025  
Utah Division of Forestry, Fire and State Lands







## COOPERATIVE AGREEMENT

This Cooperative Agreement (the “Agreement”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2026 (the “Effective Date”), by and between the Utah Division of Forestry, Fire and State Lands (“FFSL”) and \_\_\_\_\_ CEDAR CITY (the “Participating Entity”). FFSL and the Participating Entity may sometimes be referred to in this Agreement individually as a “Party” or, collectively, as the “Parties.”

### RECITALS

- A. Pursuant to Utah Code Section 65A-8-203, this Agreement is required for a county, municipality, or certain other Eligible Entities and the State of Utah, by and through FFSL, to cooperatively discharge their joint responsibilities for protecting non-federal land from wildland fire.
- B. The Participating Entity is a county, municipality, or other Eligible Entity, as defined in Section I of this Agreement.
- C. The Participating Entity is eligible to enter into a Cooperative Agreement under Utah Administrative Code R652-121 and R651-122.
- D. FFSL provided to the Participating Entity, and the Participating Entity signed and returned to FFSL, the Annual Participation Commitment Statement before the Effective Date of this Agreement.
- E. The fire department or equivalent fire service provider under contract with, or delegated by, the Participating Entity on unincorporated land meets minimum standards for wildland fire training, certification, and suppression equipment based upon nationally accepted standards, determined by FFSL.

### AGREEMENT

#### **I. Definitions**

For the purposes of this Agreement:

- 1. “Annual Participation Commitment Report” means a report prepared by the Participating Entity, detailing the expenditures and activities conducted in compliance with the Participation Commitment during the past calendar year.
- 2. “Annual Participation Commitment Statement” means a statement, signed by both FFSL and the Participating Entity, detailing both the monetary value of the Participation Commitment for the upcoming calendar year and the detailed activities the Participating Entity plans to perform to fulfill their Participation Commitment for that year.
- 3. “Catastrophic Wildfire” means wildland fires whose size and intensity cause significant impacts to State and local economies, critical infrastructure, the environment, and private landowners.

4. "Cooperative Agreement" means the same as the term is defined in Utah Administrative Code R652-1-200.
5. "Delegation of Fire Management Authority" means the acceptance by FFSL of responsibility for:
  - i. Managing a wildfire; and
  - ii. The cost of fire suppression, as described in Utah Code Section 65A-8-203.
6. "Direct Expenditure" means funds spent by a Participating Entity to implement wildland fire prevention, preparedness, or mitigation efforts both agreed to between the Parties and approved by FFSL.
7. "Direct Payment" means an alternative method of meeting all, or part, of the participation commitment by paying FFSL directly, as identified in Utah Code Section 65A-8-203.
8. "Director" means the division director of FFSL.
9. "Eligible Entity" means the same as the term is defined in Utah Code Section 65A-8-203.
10. "Extended Attack" means actions taken in response to wildland fire after Initial Attack.
11. "Firefighter" means an individual trained in wildland firefighting techniques and assigned to a position of hazardous duty.
12. "Initial Attack" means actions taken by the first resources to arrive at any wildland fire incident, including—without limitation—size-up, patrolling, monitoring, holding action, or aggressive suppression action.
13. "In-Kind Activity" means an activity for wildland fire prevention, preparedness, or mitigation efforts both agreed to between the Parties and approved by FFSL. The value of an In-Kind Activity shall be determined by using the rate calculated by the Independent Sector, <https://www.independentsector.org/>.
14. "Minimum Billing Threshold" means the dollar value of expenses not charged to the Participating Entity but incurred by FFSL, on behalf of the Participating Entity, on Initial Attack prior to Delegation of Fire Management Authority.
15. "Participation Commitment" means prevention, preparedness, and mitigation actions and expenditures, including those identified in an FFSL-approved CWPP or equivalent wildland fire preparedness plan, undertaken by a Participating Entity to reduce the risk of wildland fire and meet the intent of Utah Code Sections 65A-8-202 and 65A-8-202.5.
16. "Participating Entity" means an Eligible Entity with a valid Cooperative Agreement.

## **II. Term.**

1. The term of this Agreement shall be five (5) years from the Effective Date.

## **III. Participation Commitment.**

1. Annual Statement.

- a. FFSL shall send the Participating Entity an Annual Participation Commitment Statement at least three (3) months in advance of the end of each calendar year during the term of this Agreement.
- b. Upon receipt of an Annual Participation Commitment Statement, the Participating Entity shall complete the annual plan portion of the Annual Participation Commitment Statement outlining the actions it intends to take that address the wildfire threat. Within sixty (60) days of receipt of an Annual Participation Commitment Statement, the Participating Entity shall send the completed annual plan to FFSL for review and approval.
- c. Upon receipt of the Participating Entity's annual plan, FFSL shall review the annual plan. FFSL may request additional information before approving the annual plan. Upon FFSL's approval of the annual plan, FFSL shall sign and send the Annual Participation Commitment Statement to the Participating Entity for signature.
- d. Upon receipt of the signed Annual Participation Commitment from FFSL, the Participating Entity's chief executive shall sign and return the fully executed Annual Participation Commitment Statement to FFSL by the deadline provided. In the event the Participating Entity fails to sign and return the Annual Participation Commitment Statement by the deadline provided, this Agreement will terminate at the conclusion of the last calendar year in which the Participating Entity complied with this requirement.

2. Fulfillment.

- a. The Participating Entity shall meet its Participation Commitment, as determined by FFSL, pursuant to Utah Administrative Code R652-122.
- b. The Participating Entity shall meet its Participation Commitment through direct expenditures, direct payment, in-kind activities, or any combination of the three that are mutually agreed upon by the Parties.

3. Consultation.

- a. The Participating Entity may consult with FFSL to identify valid Participation Commitment actions and activities, based on the Participating Entity's FFSL-approved CWPP or equivalent wildfire preparedness plan.

4. Accounting.

- a. The Participating Entity shall account for its respective Participation Commitment activities and expenditures through the Utah Wildfire Assessment Risk Portal ("UWRAP").

- b. Beginning January 1, 2025, all qualifying Participation Commitment expenditures and activities count toward the Participating Entity's first full-year Participation Commitment.
- c. The value of Participation Commitment expenditures and activities may, with approval of FFSL, carry-over to the next calendar year.
- d. With the Director's approval, or approval of a designee, the value of capital improvement actions may carry-over for up to five (5) years and the value of non-capital improvement actions may carry-over for up to three (3) years.
- e. The Participating Entity must receive written approval from the Director, or designee, before pursuing carry-over for a specific action or activity under this Section III(4).
- f. Amounts reported annually in excess of Participation Commitment do not carry-over without written approval from the Director, or designee, under this Section III(4).

5. Reporting.

- a. The Participating Entity shall record and account for its Participation Commitment actions and expenditures in UWRAP.
- b. The Participating Entity shall provide an annual accounting of its activities and expenditures to FFSL for review and approval in the manner and form specified by FFSL.
- c. The Participating Entity shall account for, track, and report any year-to-year carry-over under Section III(4) of this Agreement in UWRAP.
- d. FFSL may review and verify records related to the Participating Entity's Participation Commitment at any time.
- e. FFSL may reject records related to the Participating Entity's Participation Commitment deemed by FFSL to be unverifiable, incorrect, or not approved in the Participating Entity's signed Participation Commitment Statement.

6. Calculation.

- a. FFSL shall calculate the Participation Commitment based on a wildfire risk assessment by acres (the "Risk Assessment"), conducted by FFSL, and the historic fire cost average ("Fire Cost Average") in the Participating Entity's jurisdiction, pursuant to Utah Administrative Code R652-122.
- b. The Risk Assessment calculation shall be adjusted for inflation using the Consumer Price Index.
- c. FFSL shall calculate the Fire Cost Average based on historic suppression costs accrued within the Participating Entity's jurisdiction. The Fire Cost Average shall only include wildland fire suppression costs accrued and paid by FFSL on behalf of a Participating Entity within the Participating Entity's jurisdiction. The

Fire Cost Average may include State-paid costs after Delegation of Fire Management Authority and Transfer of Fiscal Responsibility has occurred within the Participating Entity's jurisdiction.

- d. The Fire Cost Average shall be calculated on a rolling, ten-year average, dropping the highest and lowest cost years and adjusting for inflation using the Consumer Price Index. Each ten-year average shall contain eight data points.
7. Appeals.
    - a. Where permitted by Utah Administrative Code R652-122 and within ninety (90) days of the occurrence, the Participating Entity may appeal a decision regarding its Participation Commitment by submitting to the Director a written appeal that states the reasons for the appeal.

#### **IV. Initial Attack.**

1. The Participating Entity shall have primary responsibility for Initial Attack ("IA") on all nonfederal lands within the response area of the Participating Entity or within the response area of any delegee of the Participating Entity.
2. IA may include different resources based on fire danger, fuel type, values to be protected, and other factors.
3. Pursuant to Utah Code Sections 65A-8-202–202.5 and in accordance with this Agreement, FFSL shall determine reasonable and effective wildfire IA by verifying that the Participating Entity has adequate resources and equipment to manage IA.
4. The Participating Entity shall have financial responsibility for all IA costs within its jurisdiction, other than aviation costs.
5. FFSL shall have financial responsibility for all IA aviation costs.

#### **V. Delegation of Fire Management Authority and Transfer of Fiscal Responsibility.**

1. Delegation of Fire Management Authority and the transfer of fiscal responsibility to FFSL for a wildland fire shall occur simultaneously with one of the following events:
  - a. The involvement of state-owned or federally-owned lands in the wildland fire;
  - b. The order, beyond pre-planned dispatch, of firefighting resources through an Interagency Fire Center;
  - c. The request of the Participating Entity with jurisdiction through its local fire official on scene with authority to do so; or
  - d. The decision of the Director, after consultation with local authorities.
2. Upon Delegation of Fire Management Authority to FFSL, FFSL, or its designee, shall be the primary incident commander in a unified command environment with the agency having jurisdiction.

3. Deployment of aviation assets on pre-planned dispatch, as established by the State, does not cause an automatic Delegation of Fire Management Authority.

#### **VI. Extended Attack.**

1. Immediately upon Delegation of Fire Management Authority, the incident commander shall record a timestamp via radio with the Interagency Fire Center servicing the incident.
2. The Crew Time Report (“CTR”) or Shift Ticket of all resources not covered by a no-cost local agreement, such as an automatic aid system or other inter-local agreement, shall also reflect the timestamp recorded in Section VI(1).
3. Immediately upon Delegation of Fire Management Authority, a new CTR or Shift Ticket shall be started for all resources to be used in the Extended Attack.
4. All incident commanders named on the incident organizer shall sign delegation documentation. Resource needs shall be reevaluated in the transition from IA to Extended Attack.
5. Upon Delegation of Fire Management Authority, and if the Participating Entity is compliant with relevant statutes, regulations, and the terms of this Agreement, FFSL shall be financially responsible for wildland fire suppression costs incurred beyond IA.

#### **VII. Wildland Fire Response Training and Certification.**

1. The Participating Entity shall ensure Firefighters providing IA within the Participating Entity’s jurisdiction are trained in NWCG S130 Firefighter Training and S190 Introduction to Wildland Fire Behavior.
2. The Participating Entity shall ensure firefighters providing IA within the Participating Entity’s jurisdiction have completed RT130 Annual Fireline Safety Refresher Training prior to each statutory “closed fire season,” as defined in Utah Code Section 65A-8-211.
3. Upon Delegation of Fire Management Authority, FFSL may release from IA, or reassign to other firefighting duties, any Firefighter not certified as a NWCG Wildland Firefighter II.

#### **VIII. Wildland Fire Response Equipment Standards.**

1. The Participating Entity shall ensure engines, water tenders, hand tools, and water handling equipment used for response to wildland fire on nonfederal land within the Participating Entity’s jurisdiction meet the National Wildfire Coordinating Group standards and, if applicable, the FFSL Fire Department Manual standards.

#### **IX. Wildland Fire Cost Recovery Actions.**

1. Pursuant to Utah Code Title 65A and Utah Administrative Code R652, and when an investigation reasonably shows a person or persons started a wildfire by acting in a negligent, reckless, or intentional manner, the Participating

Entity shall initiate a civil action to recover all wildland fire costs incurred for a particular wildland fire (“Cost Recovery Action”), except for when Delegation of Fire Management Authority has occurred. FFSL may assist the Participating Entity in a Cost Recovery Action under this Section IX(1).

2. The Participating Entity shall notify FFSL once it has initiated a Cost Recovery Action.
3. If the Participating Entity recovers from a Cost Recovery Action, the Participating Entity shall provide to FFSL documentation verifying wildland fire costs by the Participating Entity and the legal costs incurred for the Cost Recovery Action.
4. The Participating Entity may retain costs recovered up to and not exceeding its incurred wildland fire costs—including legal fees in pursuing the Cost Recovery Action. All other recovered costs shall be tendered to FFSL for distribution amongst other entities with incurred suppression costs.
5. The value of costs incurred and recovered by the Participating Entity may reduce the Participating Entity’s Historic Fire Cost Average and Participation Commitment.
6. FFSL may initiate a Cost Recovery Action at any time, including when Delegation of Fire Management Authority has occurred and upon notice by the Participating Entity under Section IX(4).

**X. Probation Status.**

1. At the end of each calendar year, FFSL shall review the Participating Entity’s compliance with the terms of this Agreement.
2. If the Participating Entity is out of compliance, FFSL shall place the Participating Entity on “Probation Status” and provide the Participating Entity with a “Probation Notice” including:
  - a. Notice of the Probation Status;
  - b. The reason for the Probation Status;
  - c. The action(s) the Participating Entity must take to remedy the Probation Status; and
  - d. The time frame within which the Probation Status may be remedied.
3. If the reason for the Probation Status is the Participating Entity’s failure to fulfill its Participation Commitment for the previous calendar year:
  - a. The Participating Entity shall fulfill its Participation Commitment for the previous year and its Participation Commitment for the current calendar year within the Probation Notice time frame;
  - b. FFSL shall credit the Participating Entity’s Participation Commitment expenditures and actions toward the Participating Entity’s outstanding obligation before it may credit the expenditures and actions toward the current obligation;
  - c. FFSL may, based on evidence of a good faith effort to comply with Section X(3)(a) and at the sole discretion of FFSL, extend the

- Probation Notice time frame if the underlying noncompliance is not timely remedied; and
- d. FFSL shall lift the Probation Status if the underlying noncompliance is remedied within the Probation Notice time frame.
4. If the reason for the Probation Status is the Participating Entity's noncompliance with one or more terms of this Agreement, apart from a failure to fulfill its Participation Commitment:
    - a. The Participating Entity shall remedy the underlying noncompliance that led to the Probation Status within the Probation Notice time frame;
    - b. FFSL shall lift the Probation Status if the underlying noncompliance is remedied within the Probation Notice time frame; and
    - c. FFSL may, pursuant to Section XI, revoke this Agreement if the underlying noncompliance is not remedied within the Probation Notice time frame.
  5. For the duration of the Probation Status, this Agreement remains valid.

#### **XI. Revocation.**

1. FFSL may revoke this Agreement by providing written notice to the Participating Entity no later than forty-five (45) days from the start or end of the statutory fire season, as defined in Utah Code Section 65A-8-211.
2. If the Participating Entity signed and returned the Annual Participation Commitment Statement to FFSL, a revocation by FFSL shall be effective in the calendar year following the year the Annual Participation Commitment Statement was signed and returned.
3. The Participating Entity may revoke this Agreement by:
  - a. Providing written notice to FFSL of its intent to revoke this Agreement; or
  - b. By failing to sign and return the Annual Participation Commitment Statement to FFSL, unless a written extension for return has been granted by FFSL.
4. Any revocation of this Agreement is considered a termination of the Agreement.
5. If either FFSL or the Participating Entity revokes this Agreement, the Participating Entity may only enter into a new CWS cooperative agreement with FFSL if the Participating Entity meets the requirements under Utah Administrative Code R652-121 and the Participating Entity pays FFSL all outstanding wildland fire suppression costs in full.
6. If FFSL revokes this Agreement after the Participating Entity was placed on Probation Status, the Participating Entity shall be responsible for all costs of wildland fire suppression incurred by FFSL within the Participating Entity's jurisdiction from the date of the Probation Notice to the revocation of this Agreement.

7. A revocation of this Agreement by FFSL may be informally appealed to the Director within thirty (30) days of the notice of revocation being provided.

**XII. Renewal, Amendment, and Compliance with Applicable Laws.**

1. If neither FFSL nor the Participating Entity revoke this Agreement under Section XI, this Agreement may renew for a consecutive five (5) year term.
2. There is no renewal limit.
3. The terms of this Agreement may be amended at any time by written agreement, signed by the Parties.
4. The terms of this Agreement shall be subject to and, at the end of each five (5) year term, amended as necessary to comply with Utah Code Title 65A and Utah Administrative Code R652.
5. This Agreement is made pursuant to the provisions of all applicable laws and subject to the rules and regulations of the departments and agencies of the State of Utah presently in effect and to such laws, rules, and regulations as may be hereafter promulgated.

**XIII. Community Wildfire Preparedness Plan.**

1. The Participating Entity shall adopt a Community Wildfire Preparedness Plan (“CWPP”) or, subject to FFSL’s approval, equivalent wildland fire preparedness plan.
2. Following adoption, the Participating Entity shall update the CWPP or equivalent wildland fire preparedness plan at least every five (5) years initial adoption from initial adoption.
3. The Participating Entity shall implement prevention, preparedness, and mitigation actions identified in its CWPP or equivalent wildland fire preparedness plan.

**XIV. Wildland Urban Interface.**

1. The Participating Entity has adopted the Utah Wildland Urban Interface Code, as defined in Utah Code Section 65A-8-401.
2. The Participating Entity shall annually report on enforcement of the wildland urban interface building standards adopted by the Participating Entity.
3. If the State adopts a different version of the Code, the Participating Entity shall adopt within two years the same version of the Code.
4. The Participating Entity designates the following position as responsible to enforce the WUI code: \_\_\_\_\_.
5. The Participating Entity shall provide to FFSL the map of the zone where the wildland urban interface building standards are enforced. If the Participating Entity makes changes to the map they shall provide to FFSL the current map within 90 days of adoption.
6. The Participating Entity shall comply with all statutes, regulations, policies, and other requirements relating to wildland urban interface property.

7. If the Participating Entity chooses to perform lot assessments under the High Risk Wildland Urban Interface program, they must do so in accordance with policy established by FFSL.

**XV. Miscellaneous.**

1. This Agreement is governed by the laws, rules, and regulations of the State of Utah. Any action or proceeding arising from this Agreement shall be brought in a court of competent jurisdiction in the State of Utah. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
2. At all times during this Agreement, the Participating Entity shall comply with all applicable federal and state constitutions, laws, rules, codes, orders, and regulations, including applicable licensure and certification requirements.
3. The Participating Entity shall be fully liable for the actions of its agents, employees, officers, and partners and shall fully indemnify, defend, and hold harmless FFSL and the State of Utah from all claims, losses, suits, actions, damages, and costs of every name and description arising out of the Participating Entity's performance of this Agreement to the extent caused by any intentional wrongful act or negligence of the Participating Entity, its agents, employees, officers, or partners, without limitation; provided, however, the Participating Entity shall not indemnify for that portion of any claim, loss, or damage arising hereunder due to the fault of FFSL. In the event there is a conflict between this provision and Utah Code Sections 65A-8-101-403 or other provisions of State law, State law shall govern. The Parties are governmental entities under the Utah Governmental Immunity Act (the "Immunity Act"). Nothing contained herein shall be construed in any way to modify the limits of liability set forth in the Immunity Act or the basis for liability as established in the Immunity Act. Nothing contained herein shall be construed as a waiver by any Party of any defenses or limits of liability available under the Immunity Act and other applicable law. The Parties maintain all privileges, immunities, and other rights granted by the Immunity Act and all other applicable law.
4. The Participating Entity agrees to abide by the following federal and State employment laws, including: (i) Title VI and VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e), which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services on the basis of race, religion, color, or national origin; (ii) Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; (iii) 45 CFR 90, which prohibits discrimination on the basis of age; (iv) Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990, which prohibits discrimination on the basis of disabilities; and (v) Utah's Executive Order 2019-1, dated February 5, 2019, which prohibits unlawful harassment in the workplace. The Participating Entity further agrees

to abide by any other laws, regulations, or orders that prohibit the discrimination of any kind by any of the Participating Entity's employees.

5. The Participating Entity may not assign, sell, transfer, subcontract, or sublet rights, or delegate any right or obligation under this Agreement, in whole or in part, without the prior written approval of FFSL.
6. A waiver of any right, power, or privilege shall not be construed as a waiver of any subsequent right, power, or privilege. No waiver of any term of this Agreement is valid unless in writing.
7. The invalidity or unenforceability of any provision, term, or condition of this Agreement shall not affect the validity or enforceability of any other provision, term, or condition of this Agreement, which shall remain in full force and effect.
8. This Agreement may only be modified by the mutual written agreement of the Parties. If modified, the modification will be attached and made part of this Agreement.
9. This Agreement, constitutes the entire agreement between the Parties and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written.
10. In the event of any conflict or disagreement between this Agreement and any applicable statute or regulation, the statute or regulation shall control.

SIGNATURES ON FOLLOWING PAGE

**UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS**

\_\_\_\_\_  
FFSL Area Manager Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
State Forester/Division Director Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

**PARTICIPATING ENTITY**

\_\_\_\_\_  
Chief Executive Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

**APPROVED AS TO FORM**

**UTAH ATTORNEY GENERAL'S OFFICE**

  
\_\_\_\_\_  
[Connor Arrington \(Jan 15, 2026 13:27:10 MST\)](#)

**Connor Arrington**  
\_\_\_\_\_

01/15/2026  
\_\_\_\_\_

Assistant Attorney General Signature

Name

Date

**CEDAR CITY COUNCIL  
AGENDA ITEM 5**

**DECISION PAPER**

**TO:** Mayor and City Council

**FROM:** Mike Phillips

**DATE:** 19 April 2026

**SUBJECT:** **Request** to donate a water tender to Kanarraville Fire Dept.

**PROBLEM:** The Fire Department has a new tender that has been put into service and paid for with wildland revenue. The truck we are proposing to donate is a 1995 Freightliner, 4000-gallon water tender, with 92,422 miles. It needs to be noted that it was a gift from NBC Three Wishes. The estimated depreciated value of the water tender is between \$15,000 and \$25,000. This tender has made \$416,075 on wildland deployments since 2017.

**RECOMMENDATION:** Whereas the Kanarraville Fire Department participates in our annual budget and responds to fires within our response area. The department would recommend this old tender be donated to the Kanarraville Fire Department, where it can be used for its intended purpose, and it will be used to fight fires in our response area.



CEDAR CITY COUNCIL

AGENDA ITEMS – STAFF *LP*

**TO:** Honorable Mayor  
**FROM:** Finance Director  
**DATE:** May 1, 2026  
**SUBJECT:** Audit Service Agreement with HBME, LLC.

**Summary:**

The City Council will consider entering into an agreement with HBME, LLC for independent audit services for a term of one (1) year with the right to extend the term of the contract for two (2) additional one-year terms.

**Recommendation:**

Authorize the Finance Director to enter into a Contract Services Agreement with HBME, LLC as the independent certified public accounting firm to audit the financial statements of Cedar City through the fiscal year ending June 30, 2026, for \$39,000.

**Fiscal Impact:**

The all-inclusive maximum price for performing the yearly audit for the fiscal year end June 30, 2026, and possible extension of the contract for two (2) additional one-year terms are listed on the table below. The hourly rate of the firm’s employees is also listed below.

Total All-Inclusive Maximum Price:

	Not to Exceed Amount Year Ending June 30,		
	2026	2027	2028
Financial Audit Fees	\$32,000	\$33,500	\$35,000
Single Audit Fees	\$7,000	\$7,000	\$7,000
<b>Not to Exceed Maximum Fees</b>	<b>\$39,000</b>	<b>\$40,500</b>	<b>\$42,000</b>

Hourly Billing Rates of the Firms Employees Included in the Maximum Price:

Classification	Hourly Rate
Partners	\$300
Managers	\$200
Senior Staff	\$175
Staff Accountants	\$150

The total cost for the FY25 audit paid to Rees CPA was \$51,000. This amount is broken down as \$34,000 for the financial audit, \$3,000 for the single audit and \$14,000 for other services rendered. It is the expectation of the finance department that the contract with HBME, LLC will cost the city less. It is expected that fewer agreed upon services will be required due to the accountant role hired at the city, in addition to the charging structure of agreed upon services by HBME, LLC ; other services rendered will be charged on an hourly basis by the staff level performing the work indicated in the above table.

**Background and Analysis:**


Cedar City published a Request for Proposals (RFP) for audit services in the local newspaper and on the State Auditor’s website on February 19, 2026. The following week the RFP was emailed to eight independent certified public accounting firms who have extensive experience in governmental audits. There were three firms that submitted proposals by the deadline of March 20, 2026. A panel consisting of Councilmember Robert Cox, Councilmember Waldo Galan, City Manager Paul Bittmenn, Finance Director Terri Marsh and Accountant Lindey Matheson, independently reviewed and scored the RFPs submitted. From the scoring matrix, two firms were chosen to interview in-depth.

The panel then interviewed each firm for an hour. At the end of the interviews, each panel member rated the answers and performance of the two firms. HBME, LLC was chosen as the finalist. The criterion and scoring of the proposals and interviews are attached to this report as Attachment B and C. Also, the proposal submitted by HBME, LLC, in response to the City’s RFP is attached as Attachment D.

HBME, LLC was the firm that was the most responsive to the City’s needs and deadlines and was also determined to be the best fit for the City at this time. HBME, LLC was the top-ranked competitor in the written evaluations and the lowest when considering costs. A few things that stood out to the evaluators were the qualifications and experience as a whole and their staff assigned to our audit. Additionally, the audit approach of HBME seemed most conducive with the goals of the City.

References were checked by calling municipal clients that HBME currently audits. Our discussion with each reference was favorable. All cities contacted have worked with HBME for multiple years and stated their quality of work and communication was exceptional.

Prepared by:



---

Lindsey Matheson, CPA

Accountant

Attachment A: Cedar City FY26 RFP for Professional Auditing Services

Attachment B: Proposal Evaluations Criterion and Results

Attachment C: Interview Evaluations Criterion and Results

Attachment D: HBME, LLC Proposal for Cedar City





# Cedar City Corporation

*Invites Proposals for  
Professional Auditing Services*

RFP responses to be received until

**March 20, 2026 – 5:00 p.m.**

Attn: Lindey Matheson, CPA

Cedar City Corporation

10 N Main St.

Cedar City, UT 84720

[mlindey@cedarcityut.gov](mailto:mlindey@cedarcityut.gov)

---

Terri Marsh

Finance Director

Date Issued: Feb 19, 2026

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## **I. INTRODUCTION**

### **A. General Information**

Cedar City is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards. This audit must be submitted to the Office of the Utah State Auditor within 180 days after the end of the fiscal year

During the evaluation process, Cedar City reserves the right, where it may serve the City's best interest, to request additional information or clarifications, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Cedar City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether the proposal was selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

### **B. Terms of Engagement**

It is the intent of the City to contract for the services presented herein for a term of one year. It is anticipated that the same firm will be engaged to perform the audit for the succeeding two years, subject to an annual evaluation and Cedar City Council appropriation. The term may be extended beyond the total three-year engagement based on mutual agreement between the auditor and the Cedar City Council, but not beyond a total of three additional years.

## **II. DESCRIPTION OF CEDAR CITY CORPORATION**

### **A. City Background Information**

Cedar City was incorporated in 1868. A flourishing city with a growing population of 42,000 Residents. The city proudly carries the nickname "Festival City USA" thanks to its rich calendar of cultural events and attractions that bring visitors from around the world. It is home to the Utah Shakespeare Festival, Utah Summer Games, the Simon Fest and many more events.

Cedar City's close proximity to several national parks and monuments, including Zion National Park, Bryce Canyon National Park and Cedar Breaks National Monument, significantly boosts its hospitality and tourism industries. Additionally, trademarked as the University of the Parks, Southern Utah University is located in

the heart of the city. The university attracts a wide range of students from all around the world, enrolling more than 15,000 students, and offering 140 undergraduate, 21 graduate, and 1 PHD program.

The City currently operates under the six-member council form of government. Policy making and legislative authority are vested in the mayor and city council. The City Manager is responsible for carrying out policies and ordinances approved by the city council, overseeing the day-to-day operations of the city. The city council meets weekly; meetings are also attended by the City Manager, Finance Director, City Attorney, City Recorder and City Engineer.

Cedar City employes 196 full-time staff members that provide a full range of services to its residents. These services include but are not limited to: police and fire protection; economic development; building safety regulation and inspection; street maintenance and improvement; utilities such as water, sewer, storm water, and solid waste services. The city also operates an airport, public library, aquatic center and maintains and continually develops a wide network of parks and walking trails that support recreation and quality of life.

#### **B. Finance Department Information**

The Finance Department is responsible for the fiscal affairs and overall financial management of the City. This includes the handling of cash receipts, the disbursement of all monies, and recording of all transactions, preparation of payroll, preparation and maintenance and development of the budget, the general ledgers, financial reporting, risk management, debt service, and safeguarding the City fiscal assets.

The Finance Department's goals are to provide the fiscal and management support services necessary to ensure the efficient and effective performance of all City operations consistent with established laws and practices.

The staff consists of a Director of Finance, a Treasurer, an Accountant, an Accounts Payable Specialist, a Payroll Specialist, a Utility Billing Clerk and a Receptionist/cashier.

#### **C. Name and Telephone Number of Contact Person**

Any questions regarding this proposal or additional information required by the respondents should be directed to:

Lindey Matheson, CPA [mlindey@cedarcityut.gov](mailto:mlindey@cedarcityut.gov)  
10 N Main St, Cedar City, Utah 84720

In the Accountant's absence:

Terri Marsh, Finance Director, will serve as the contact mterri@cedarcityut.gov

### III. NATURE OF SERVICES REQUIRED

#### A. Scope of the Work to be Performed

Management is not aware of any unusual circumstances warranting an extended scope beyond that called for herein, however, if in due course of the examination, evidence of such circumstances appear, the proposer agrees to provide the City with all ascertainable facts relative to such circumstances together with an estimate of additional cost thereof in order that proper contract modifications may be completed before commencing with such extended examination.

Cedar City's goal is to provide the public and our constituents with a financial statement that gives complete, accurate and understandable information about the City's financial condition. The selected independent auditor will be required to perform the tasks that follow.

1. The auditor shall perform an audit of all funds of the City. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, **The City's Annual Comprehensive Financial Report (ACFR) will be prepared, Notes to the Financial Statements and Required Supplementary Information, word processed, printed and bound by the audit firm.** The ACFR will be in full compliance with GASB 34 and all applicable GASB pronouncements.
2. The audit firm will render their auditor's report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also provide a Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of the City.
3. The auditor is expected to express an opinion on the fair presentation of the financial statements of the Redevelopment Agency and Municipal Building Authority and Report on Compliance with applicable laws, regulations, and administrative requirements governing its activities. The auditor shall prepare GASB 34 compliant financial statements for Cedar City Redevelopment Agency and Municipal Building Authority.
4. The auditor shall perform a single audit, if deemed necessary, on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance

with Government Auditing Standards and the appropriate reports on compliance with requirements applicable to each major program, internal control over compliance and on the Schedule of Expenditures of Federal Awards in accordance with OMB Circular A-133. The single audit report will include appropriate schedule of expenditures of federal awards, footnotes, findings and questioned costs, including reportable conditions and material weaknesses, and follow up on prior findings where required.

5. The auditor will examine the City's internal accounting controls and accounting procedures and render written reports of their findings and recommendations to the Director of Finance and Accountant. The examination shall communicate to the Director of Finance any reportable conditions found during the audit that can be defined as either a significant or material weakness in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement.
6. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the City Manager, Director of Finance and Accountant.
7. The auditor shall include written responses for each recommendation included in the state compliance letter and the management letter as required by the State of Utah Legal Compliance Audit Guide. The management letter shall be addressed to the Director of Finance.
8. Review the City's Annual Comprehensive Financial Report (ACFR) for conformance with the GFOA financial reporting award program.
9. Attendance at a minimum of one or maximum of three City Council meetings by a Principal of the audit firm per calendar year.
10. The firm selected may also be asked to examine other reports or perform other services as required. Hourly rates as described in section W would apply.

#### **B. Auditing Standards to be Followed**

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the current U.S. General Accounting Office's Government Auditing Standards, the provisions of the Single Audit Act and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, as amended.

The auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal accounting and administrative controls, compliance with laws and regulations as applicable and adherence to generally accepted accounting principles.

**C. Other Communications**

The independent auditor shall make all communications to the Finance Director required by the audit standards under which the engagement is performed. The management of Cedar City welcomes open discussion of concerns, questions and recommendations and expects the selected audit firm to participate fully in such discussions.

**D. Working Paper Retention and Access to Working Papers**

All work papers and reports must be retained, at the auditor's expense, for a minimum of seven years. The work papers are subject to review by federal and state agencies and other individuals designated by Cedar City. Accordingly, the work papers shall be made available upon request.

In addition, the firm shall make the work papers generated by these audits available to successor auditors.

**E. Fund Structure**

Cedar City uses the following types of funds in its financial reporting:

- General Fund (1 fund)
- Special Revenue Funds (12 funds)
- Debt Service Funds (8 funds)
- Capital Projects Funds (10 funds)
- Enterprise Funds (5 funds)
- Internal Service Funds (1 fund)
- Fiduciary Fund Types (1 fund)

Total revenue for the fiscal year ended June 30, 2025 governmental activities and business type activities was \$56,236,752 and \$26,227,712 respectively.

**F. Computer System**

Cedar City's main financial applications operate using Caselle Software. Utility billings and other city billings are processed in Xpress Bill Pay; payroll and onboarding functions are processed in Isolved.

### **G. Availability of Prior Reports and Work Papers**

The City's most recent audit was conducted by Rees CPAs in Cedar City, Utah. The work papers of the previous audits are the property of the previous auditor and the ability to review them is undetermined at this time.

## **IV. TIME REQUIREMENTS**

### **A. Audit**

Before commencement of interim field work the auditor shall schedule an entrance conference for the purpose of discussing any perceived audit issues or problems, asking and answering questions, clarifying responsibilities and developing an audit strategy. Audit planning should take place prior to June 30<sup>th</sup> of each year, at which time the audit firm will present a list of documents that the City will need to provide (commonly known as "PBC" list). During the course of the engagement, the auditor will meet with and provide status reports to the Director of Finance and/or Accountant on a regular basis. The final draft of the ACFR will be given to the City on or before December 5th of each year. If applicable, audit entries will be given to the City before the final draft is submitted to the City.

Upon completion of the field work and before issuing any report or management letter, the auditor shall schedule an exit conference with the City Manager, Director of Finance, Accountant, and other City staff or elected officials as deemed appropriate. This is to discuss observations, findings, recommendations, and to discuss matters to be included in the Management Letter.

Cedar City plans to submit its Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association (GFOA) for review in its Certificate of Achievement of Excellence in Financial Reporting Program. It is anticipated that the auditor will be requested to provide assistance to the City in preparing and reviewing the ACFR prior to submittal to the GFOA

### **B. Single Audit**

The final draft of the Single Audit, if necessary, will be given to the City on or before January 1<sup>st</sup> of each year. These deadlines are critical deadlines to the City and shall be observed. Changes in time requirements for any of these must first be approved by the Finance Director in advance.

## **V. PROPOSAL REQUIREMENTS**

For an audit firm to be considered, the following material is requested to be received by the due date.

**A. Title Page**

The title page shall show the RFP subject, name of the audit firm, local address, telephone number, name and title of contact person, and the firm's Utah CPA License Number and Firm's Federal Identification Number.

**B. Cover Letter**

The cover letter should briefly state the firm's understanding of the work to be performed, the commitment to perform the work in the required time frame and statements as to why the firm believes it is best qualified to perform the engagement. The cover letter should also make a statement that the firm's offer is a firm, irrevocable offer for 90 days. The cover letter should indicate whether the firm is independent with respect to Cedar City Corporation and that the firm is an Equal Opportunity Employer

**C. Table of Contents**

The table of contents should include a clear and complete identification of the materials submitted by section and page number. Cross-referencing to section and page number in the RFP would be helpful.

**D. Formatting**

Items E through L should not exceed 12 pages. A page is defined as any 8.5" by 11" page that contains text pictures graphs, charts or any other graphics.

**E. Content**

The purpose of the Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit in conformity with the requirements of this Request for Proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposal requirements.

The Proposal should address all the points outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the areas detailed below must be included. They represent the criteria against which the proposal will be evaluated.

The audit firm should set forth the following:

1. License to Practice in Utah

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Utah.

2. Independence

The firm should provide an affirmative statement that it is independent of Cedar City as defined by generally accepted auditing standards as defined by the U.S. General Accounting Office's *Government Auditing Standards*

3. Business License

The independent auditor selected must possess a Cedar City business license while conducting any work under this contract.

4. Insurance

The audit firm shall make a positive statement that it has the required insurance policies in force in amounts of coverage for not less than \$1,000,000 for Professional Liability, Workers Compensation, Comprehensive General Liability and Auto (Owned and Non-Owned). Prior to any commencement of audit services, the auditor will be required to provide certificates of insurance coverage to Cedar City.

5. Firm Qualifications and Experience

***To qualify the firm must have extensive experience in audits of local governments.*** The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

If the proposer will be subcontracting any portion of the audit to another individual or firm, the proposal must include a list of all subcontractors to be used. No substitutions of subcontractors may be made without prior written consent of Cedar City.

6. Partner Supervisory and Staff Qualifications and Experience

- a. Staff assigned to Cedar City audit fieldwork shall include at least one CPA with three or more years of local government auditing experience. This person will be at the supervisory level. There shall be at least one additional person on the audit staff who has completed at least two full years in local government auditing. The total audit staff should be at a level sufficient to complete the

audit within the time schedule specified above. In addition, the audit staff should remain constant throughout the audit and at least one staff member from the current year's audit is to be a member of the next year's audit team.

- b. Identify the principal supervisory and management staff, including engagement partners, managers, and other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Utah. Also, provide information on the government auditing experience of each person.
- c. Provide as much information as possible regarding the number, qualifications, experience, and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff will be assured over the term of the agreement.
- d. Principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists may be changed during the course of the agreement, however, Cedar City reserves the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

**F. Capabilities in General Consulting and Compliance Auditing**

Provide any other information regarding general consulting and special audits provided by the firm.

**G. Approach, Scope and Timing of the Audit**

The proposal should provide in detail the firm's approach to Cedar City's audit, including procedures to be performed, tasks required as a part of the single audit, the use of statistical sampling, the utilization of computers on the audit engagement, analytical procedures that may be used, the consideration of laws and regulations, assistance required from City staff and proposed segmentation of the audit. The work plan should include time estimates for each significant segment of work and the staff level to be assigned as well as the expected client assistance. The proposal should identify and describe recent changes in accounting principles and pronouncements and their impact on the audit approach and the presentation, scope and disclosure of the financial report.

The proposal should also provide information of the firm's understanding of the objectives and scope of the engagement. Specifics should be provided of the auditing standards to be followed and reports to be issued by the audit firm.

**H. Maximum Fee and Hourly Rates**

The maximum fees and estimated hours for the audit of Cedar City Corporation should be provided in the following format for fiscal years ending June 30, 2026, 2027 and 2028.

The fees should be inclusive of any out-of-pocket expenses incurred by the audit firm:

Description of Services	Not to Exceed Amount Year Ended June 30,		
	2026	2027	2028
1) <i>Scope of Work As described in Section III</i>			
2) <i>Other services</i>			
Not to Exceed Maximum Fee (Including Expenses)			

**Hourly rates of the firm’s employees** should be provided by the firm for services which may be requested outside the scope of the audit services as follows:

<u>Classification</u>	<u>Hourly Rate</u>
Partner	\$
Manager	\$
Senior Accountant	\$
Staff Accountant	\$

**I. Out of Pocket Expenses**

**J. Other information**

Provide any additional information if desired

**K. List of Current Local Government Client References**

Provide a listing of at least five municipal clients which the firm's local office serves, with preferences to similar government entities who have received financial reporting awards from the GFOA. Indicate the scope of work, date, engagement

partners, total hours, and the name and telephone number of the principal client contact.

**L. List of Former Local Government Client References**

Provide a list of former municipal clients during the last three years who are no longer contracting with your firm and describe the reason(s) for the separation.

**M. Peer Review**

The proposer is also required to submit a copy of the report on its most recent external quality control (peer) review, with a statement whether that quality control review included a review of specific government engagements, required by *Government Audit Standards*.

The proposer shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the proposer shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations.

**VI. SUBMISSION OF PROPOSALS**

Responses to this Request for Proposal shall be submitted by paper to the Cedar City Finance Department, Attn: Lindey Matheson, Cedar City, 10 North Main, or electronic submission to [mlindey@cedarcityut.gov](mailto:mlindey@cedarcityut.gov) no later than 5:00 p.m. on Friday, March 20, 2026. No proposal will be considered that is not received in its entirety at or prior to the above time and date.

**VII. EVALUATION OF PROPOSALS**

Proposals will initially be reviewed and evaluated based upon their response to provisions of this Request for Proposal. The following criteria will be used to evaluate responses to this proposal:

1. Responsiveness of the proposal in clearly stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.
2. The firm’s licensing, independence with respect to Cedar City Corporation and results of most recent peer review. This should include any disciplinary actions taken or pending against the firm.
3. Qualifications, size, and related experience of the audit team who will be actually working on and coordinating the City’s audit (i.e., Partner, Manager and

Senior Auditors), including the firm's on-going efforts to keep its staff current and knowledgeable in governmental accounting practices.

4. Experience of the firm auditing Utah cities, redevelopment agencies, and Municipal Building Authority of similar nature, size, and complexity, and the auditor's commitment to maintaining technical expertise in the municipal financial environment.
5. Local government client references.
6. Commitment to timeliness and meeting City set deadlines in the conduct of the audit.
7. Thoroughness of approach to conducting the audit.
8. Demonstration of the understanding of the objectives and scope of the audit.
9. Maximum fees to conduct the audit. Although a significant factor, cost will not be the primary factor in the selection of an audit firm.

## **VIII. CONTRACT**

### **A. Agreement for Services**

The award of the successful proposal is contingent on successful negotiation of an agreement with the City in a form substantially similar to Attachment A. The scope of work, terms and conditions, and other express requirements set forth in this RFP shall be incorporated by reference into the actual executed Agreement for Services upon award. Where there is a conflict between the terms of the Sample Agreement and the more express, stringent, or particular terms set forth in the RFP, the provision or requirement set forth in the RFP shall control.



**Auditor Proposal Evaluation Criterion**

The following criteria will be used to evaluate responses for: (company)  _____	<b>Total Possible Points</b>	<b>Evaluation Scores</b>
Responsiveness of the proposal in clearly stating the understanding of the work to be performed and in demonstrating the intention and ability to perform the work.	10	
The firm's licensing, independence with respect to Cedar City and results of most recent peer review. This should include any disciplinary actions taken or pending against the firm.	20	
Qualifications, size, and related experience of the audit team who will be actually working on and coordinating the City's audit (i.e., Partner, Manager and Senior Auditors), including the firm's on-going efforts to keep its staff current and knowledgeable in governmental accounting practices.	30	
Experience of the firm auditing Utah cities or agencies of similar nature, size, and complexity, and the auditor's commitment to maintaining technical expertise in the municipal financial environment.	35	
Local government client references.	30	
Commitment to timeliness and meeting City set deadlines in the conduct of the audit.	35	
Thoroughness of approach to conducting the audit.	20	
Demonstration of the understanding of the objectives and scope of the audit.	10	
Maximum fees to conduct the audit. Although a significant factor, cost will not be the primary factor in the selection of an audit firm.	10	
<b>TOTAL POINTS</b>	<b>200</b>	



**Auditor Interview Evaluation Criterion**

The following criteria will be used to evaluate responses for: (company) <hr/>	<b>Total Possible Points</b>	<b>Evaluation Scores</b>
Completeness of answers	20	
Approach & understanding	20	
Professional qualifications and impression of key personnel	20	
Related projects	20	
Compatible fit with City	20	
<b>TOTAL POINTS</b>	<b>100</b>	



**CEDAR CITY CORPORATION**

**PROPOSAL FOR PROFESSIONAL  
AUDITING SERVICES**

**JUNE 30, 2026 – JUNE 30, 2028**



**COMMITTED. EXPERIENCED. TRUSTED.**

# **CEDAR CITY CORPORATION**

## **PROPOSAL FOR PROFESSIONAL AUDITING SERVICES**

**JUNE 30, 2026 – JUNE 30, 2028**

**HBME, LLC  
559 West 500 South  
Bountiful, UT 84010  
(801) 296-0200**

**Contact Person – Jeffrey B. Miles, CPA  
Email Address: [jeff@hbme.com](mailto:jeff@hbme.com)  
[www.hbme.com](http://www.hbme.com)**

**March 20, 2026**

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COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

MICHAEL L. SMITH, CPA  
 JASON L. TANNER, CPA  
 ROBERT D. WOOD, CPA  
 AARON R. HIXSON, CPA  
 TED C. GARDINER, CPA  
 JEFFREY B. MILES, CPA  
 JESSE S. MALMROSE, EA  
 JANICE ANDERSON, EA  
 TROY F. NILSON, CPA

March 20, 2026

Cedar City Corporation  
 ATTN: Lindey Matheson, CPA  
 10 N Main St.  
 Cedary City, UT 84720

To Whom It May Concern:

Thank you for inviting us to submit a proposal to provide audited financial statements to Cedary City Corporation (the City). We appreciate the information you sent to us and the time your staff spent explaining your current needs. You would continue to be an especially important client to our firm. The services we perform for you will receive our highest priority. We believe we have the means to provide a quality audit with vital knowledge and superior staffing to meet your needs.

We would be very pleased to serve as your independent accounting firm, and we hope that our proposal conveys our desire and qualifications to fulfill your current and future professional needs.

You will benefit from our services in the following ways:

- **EXPERIENCED PROFESSIONALS:** Nine of our professionals are partners and six are directors or managers, out of a total of 30 personnel. At HBME, LLC, our partners and managers work closely with clients. As a result, you will have our personal attention whenever needed. We also will give you the continuity of service you expect.
- **MUNICIPAL GOVERNMENT AUDIT EXPERIENCE:** Collectively and individually, our audit team has many years' experience in performing and managing governmental entity audits, including Federal Single Audits and Utah State Compliance Audits. Some of our current clients similar to The City include: Layton City, Riverton City, Springville City, Draper City, Herriman City, and Park City.
- **TIMELINESS:** We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We will work closely with your management team to optimize our audit services to your needs. We believe in clear, up-front and open communication with no surprises. We understand and will comply with the schedules and scope for the audit, as outlined in your Request for Proposal, and will perform all work within the time frames outlined.

- FEES: We can provide you with timely, high-quality professional work at a reasonable fee. We have proposed fees that reflect our sensitivity to the budget constraints the City is facing. The fee for the audit includes routine phone calls and meetings during the year. Prior to performing any specialized services, we will discuss an estimate of the fee and obtain your approval before commencing work on special projects. The choice of services is always yours, and you always have control over fees.

These key benefits will become a reality as we work closely with you. We hope we have given you some additional insight into the manner in which HBME, LLC professionals serve our clients.

We look forward to serving you.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey Miles".

Jeffrey B. Miles, CPA  
Partner

**Proposal to Serve Cedar City Corporation**

**PROFILE OF HBME, LLC**

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PROFILE OF HBME, LLC

HBME, LLC was formed in April 1980 and is a local firm located in Bountiful, Utah. The firm currently has nine partners with a total of twenty-two employees. We have tailored our practice to serve local governments and small-to-medium size organizations. We work hard to keep current with our clients' needs and make sure their organizational plans become realities.

Our CPA practice is very much a firm; not just practitioners sharing office space. Each professional has an area of specific emphasis; therefore, giving clients the benefits of experts in areas of service. The composition of our staff is as follows:

Partners	9
Director/Managers	6
Seniors	5
Staff/Administrative	<u>10</u>
 Total	 <u>30</u>

We are unique in our approach to client service. Our partners and managers work directly with each engagement and function as in-charge accountants, rather than merely reviewing the final product. As a result, your engagement is conducted by professionals with extensive years' experience, rather than recent college graduates.

**GOVERNMENTAL AUDITING EXPERIENCE**

We have significant experience with government entities, including financial, Federal Single Audits, and State of Utah compliance audits. We provide auditing or financial statement and accounting assistance to approximately 17 municipalities and 15 other governmental entities that include counties, a school district, and local and special service districts. Each of the auditors have extensive governmental auditing experience, ranging from 2 to 31 years. This experience has allowed us to be efficient, thorough, and committed to meeting all client needs and deadlines. It has also allowed us to share best practices and to examine risks and findings from one entity to the next by sharing our knowledge and ensuring our governmental entities are receiving trusted guidance.

We also have other professional staff who participate in audit engagements, as needed. We will also use administrative staff to assist the audit team, as applicable.

## Proposal to Serve Cedar City Corporation

### PROFILE OF HBME, LLC

#### SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENTAL ENTITIES

HBME has been engaged to perform the year-end financial audit services for the following Utah municipalities and other governmental entities through and for the year ended June 30, 2025. The completion date for all of the clients listed were within the six-month time frame, as required by Utah State Law. All required submissions were on-time. See contact information in the references section.

Client	Scope of Engagement*	Years Served	Service Through Date	Engagement Partner	Engagement Manager
Draper City	Financial Audit	12 years	6/30/2025	Robert Wood	Robert Wood
Layton City	Financial Audit	23 years	6/30/2025	Robert Wood	Robert Wood
Provo City	Financial Audit	19 years	6/30/2025	Jeffrey Miles	Warren Anderson
Riverton City	Financial Audit	14 years	6/30/2025	Jeffrey Miles	Todd Sullivan
Taylorsville City	Financial Audit	17 years	6/30/2025	Robert Wood	Warren Anderson
Murray City	Financial Audit	7 years	6/30/2025	Robert Wood	Warren Anderson
Holladay City	Financial Audit	9 years	6/30/2025	Robert Wood	Warren Anderson
Kaysville City	Financial Audit	13 years	6/30/2025	Aaron Hixson	Warren Anderson
Pleasant Grove City	Financial Audit	10 years	6/30/2025	Robert Wood	Warren Anderson
Springville City	Financial Audit	9 years	6/30/2025	Aaron Hixson	Todd Sullivan
Bluffdale City	Financial Audit	20 years	6/30/2025	Jeffrey Miles	Warren Anderson
Millcreek City	Financial Audit	9 years	6/30/2025	Jeffrey Miles	Jeffrey Miles
Park City	Financial Audit	4 years	6/30/2025	Jeffrey Miles	Warren Anderson
Ogden City	Financial Audit	6 years	6/30/2025	Jeffrey Miles	Todd Sullivan

#### STAFF CONTINUITY

We take pride in the low amount of staff turnover our firm has experienced over the years. During the past five years, we have had one professional staff leave our firm. We understand the importance our clients place on continuity of service and commit to you that the partners, managers and staff assigned to your engagement will not be reassigned to other clients.

#### COMPUTER AUDITING AND OTHER SOFTWARE CAPABILITIES

All of our personnel have significant computer experience and auditing computerized systems. We have experience in using various audit software packages of local governments, including Tyler Technology, Cayenta, Caselle, and many others, and in using computers to enhance audit efficiency. We also have assisted various governmental clients in general ledger and ERP software transitions. We recognize the many complexities of this significant change, especially relating to the external reporting process, and believe our staff can help ease the stresses as they relate to the audit.

**Proposal to Serve Cedar City Corporation****PROFILE OF HBME, LLC**

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**PROFESSIONAL LICENSES**

We affirm that HBME is properly licensed to practice as certified public accountants in the State of Utah.

**INDEPENDENCE**

We affirm that HBME personnel are independent in relation to the City, as defined by the American Institute of Certified Public Accountants and by the *Government Auditing Standards*, 2024 revision, published by the U.S. General Accounting Office.

**CONTINUING EDUCATION AND QUALITY REVIEW**

All partners and professional staff of HBME receive a minimum of 80 hours of continuing education every two years. All personnel who will be assigned to the City's engagement have received specialized governmental accounting and auditing training, including requirements with Federal Single Audits. We affirm that HBME meets the continuing education requirements contained in *Government Auditing Standards*, 2024 revision, published by the U.S. General Accounting Office.

As a member of the AICPA Private Companies Practice Section, we are required to undergo a peer review every three years. We successfully completed our last peer review in January 2024 and received an unmodified opinion. The letter is available upon request.

**LIABILITY INSURANCE**

We affirm that HBME carries professional liability insurance.

**AFFIRMATIVE ACTION**

We also state that during the course of the audit, those employees associated with HBME will not discriminate against any employee who is employed in the work covered by the contract, or against any applicant for such employment because of race, religion, sex, color, age, handicap, or national origin. In addition, these items will not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion or separation.

**IMMIGRATION STATUS**

We affirm that we are in compliance with the requirements of Utah Code Annotated 63G-11-103, and are registered with and participate in a federally-approved immigration status verification system. Proof of participation is available upon request.

**Proposal to Serve Cedar City Corporation****KEY AUDIT TEAM MEMBERS**

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## ENGAGEMENT TEAM

A key element in your selection of a public accounting firm is the people you will work with on the engagement. HBME, LLC professionals have served organizations such as yours throughout their careers. They understand your needs and are highly motivated to help you make your organization even more successful. Shown below are brief descriptions of the responsibilities of those who will be serving you on-site. Their resumes are further detailed on the following pages.

**Jeffrey B. Miles, CPA**, Partner, in charge of Accounting & Auditing Services, will be responsible for coordinating and performing all audit services provided, and for the review of all reports. He will also be closely involved in any special services requested.

**Robert D. Wood, CPA**, Partner, will be responsible for the review of all reports and assistance with any technical issues.

**Warren P. Anderson, CPA**, Manager, will be the on-site lead supervisor. He will oversee and perform most of the audit fieldwork and supervise senior and staff accountants.

**Todd H. Sullivan**, Senior Associate, will assist with the performance of audit fieldwork, and supervision of work performed by staff accountants.

**Proposal to Serve Cedar City Corporation**

**KEY AUDIT TEAM MEMBERS**

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**JEFFREY B. MILES, CPA**  
**Audit Partner**  
**HBME, LLC**

Mr. Miles, has had experience in public accounting for over 20 years. His responsibilities include performance of audits for small and medium-sized businesses, cities and non-profit organizations, including Provo City, Riverton City, Park City, Bluffdale City, Ogden City, Millcreek, and Herriman City.

**PROFESSIONAL EXPERIENCE:**

2008 - Present      HBME, LLC  
2006 - 2008        Price Waterhouse Coopers, LLP

**INDUSTRY EXPERIENCE:**

Large and medium sized governments  
Non-profit organizations  
Wholesale and retail companies  
Manufacturing companies

**SPECIALIZED TRAINING:**

Utah State Auditor's Office Local Government Annual Updates  
GFOA Advanced Governmental Accounting Seminar  
Utah Government Finance Officers Conference

**ACADEMIC EXPERIENCE:**

BBA - Accounting Idaho State University

**OTHER:**

Member              American Institute of Certified Public Accountants  
Member              Utah Association of Certified Public Accountants  
Member              Utah Government Finance Officers Association

## Proposal to Serve Cedar City Corporation

### KEY AUDIT TEAM MEMBERS

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**ROBERT D. WOOD, CPA**  
**Audit Partner**  
**HBME, LLC**

Mr. Wood has been practicing as a Certified Public Accountant for over 26 years. He has had significant experience with several cities, and other government entities, including Riverton City, Layton City, Draper City, Taylorville City, Kaysville City, Murray City, Springville City, and South Davis Metro Fire. He worked at the Utah State Auditor's Office for many years, working on audits of various State agencies and State universities and colleges. He currently supervises managers and staff during all phases of audit engagements.

Mr. Wood has assisted several Cities and Counties in Utah with their initial conversion to GASB 34 compliant financial statements.

**PROFESSIONAL EXPERIENCE:**

2005 - Present	HBME, LLC
2000 - 2005	Utah State Auditor's Office

**INDUSTRY EXPERIENCE:**

City and County governments	Non-profit organizations
Special districts	Manufacturing
Colleges and Universities	Wholesale and retail companies
State government	Construction

**SPECIALIZED TRAINING:**

- GFOA Advanced Governmental Accounting Seminar
- Utah Association of CPAs State and Local Government Update Conferences
- Utah Government Finance Officers Conference
- Local Office Governmental Accounting and Auditing Training
- Utah State Auditor's Office Local Government Annual Updates

**ACADEMIC EXPERIENCE:**

M.Acc - Audit	Weber State University
B.S.	Weber State University

**OTHER:**

Member	American Institute of Certified Public Accountants
Member	Utah Association of Certified Public Accountants
Member	Government Finance Officers Association
Member	Utah Government Finance Officers Association

**Proposal to Serve Cedar City Corporation**

**KEY AUDIT TEAM MEMBERS**

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**WARREN P. ANDERSON, CPA**  
**Manager**  
**HBME, LLC**

Mr. Anderson has experience in public accounting for 9 years and as a Staff Accountant in industry for one year. His responsibilities include performance of audits for counties, cities, nonprofit, and other organizations, including Layton City, Kaysville City, Springville City, Oquirrh Recreation and Parks District, Kearns Improvement District, Murray City, Morgan County, Provo City, Pleasant Grove City, Draper City, Bluffdale City, and more.

**PROFESSIONAL EXPERIENCE:**

2020 – Present	HBME, LLC, Audit Associate
2019 – 2020	Western States Lodging and Management, Staff Accountant
2018 – 2019	WSRP, LLC, Tax Associate
2016 – 2018	CBIZ MHM, LLC, Tax Associate

**INDUSTRY EXPERIENCE:**

- Nonprofit organizations
- City governments
- County governments
- Small to medium-sized companies

**ACADEMIC EXPERIENCE:**

MAcc	University of Utah
B.S. - Accounting	Dixie State University

**OTHER:**

Member	American Institute of Certified Public Accountants
Member	Utah Association of Certified Public Accountants

**Proposal to Serve Cedar City Corporation**

**KEY AUDIT TEAM MEMBERS**

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**TODD H. SULLIVAN**  
**Audit Senior Associate**  
**HBME, LLC**

Mr. Sullivan has his Master's Degree in Accounting, and is currently working on achieving his CPA License. Before joining the firm, he was with the Utah State Tax Commission for a year and half, as an Associate Tax Auditor. His responsibilities include performance of audits for small and medium-sized businesses, cities and nonprofit organizations, including Morgan County, Draper City, Murray City, Springville City, Holladay City, Kaysville City, Provo City, Logan City, Pleasant Grove City, Taylorsville City, Midvale City, and more.

**PROFESSIONAL EXPERIENCE:**

2016 - Present	HBME, LLC
2015 - 2016	Utah State Tax Commission

**INDUSTRY EXPERIENCE:**

- City governments
- County governments
- School districts
- Small to medium-sized companies
- Nonprofit organizations

**ACADEMIC EXPERIENCE:**

MAcc	Southern Utah University
B.S. - Accounting	Dixie State University

**OTHER:**

Member	American Institute of Certified Public Accountants
Member	Utah Association of Certified Public Accountants
Member	Association of Certified Fraud Examiners

**Proposal to Serve Cedar City Corporation****SCOPE OF WORK**

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At HBME, LLC, we promise you a better overall experience. While we recognize that multiple firms are capable of accomplishing the objectives of an audit, HBME appreciates that every situation and every organization is different and we tailor our approach based on the needs of each governmental client.

HBME values its business relationships and demonstrates this through our partner and manager involvement. Our senior level professionals are involved with our clients and are accessible throughout the year. They do not delegate all tasks to staff, but rather stay involved onsite during fieldwork as well as staying connected throughout the year. This approach delivers the greatest benefit to our clients in that we are able to stay abreast of changes in and updates to our client's operating environment and partner with them to achieve optimal results.

Additionally, our clients experience a communication approach that stands apart in both style and frequency. Because we recognize that effective communication is critical throughout the entire audit process, our service approach is one where communication begins with planning and continues through the year. Additionally, we take a collaborative communication approach with our clients and include them in the process as our peers. Our clients offer a wealth of knowledge and information about their organization, and communicating with them as a business partner ultimately produces the best outcome.

During the course of our auditing services, we will hold periodic meetings with your management and the City Council, as requested. This continuous communication ensures you are fully informed and provides us with timely information that will enable us to best serve your organization. Prior to beginning the engagement, we will discuss with management:

- The engagement time line
- The audit approach and process
- Additional considerations that may affect scope, schedules and workpapers to be prepared by your personnel

**Sampling**

Sampling may be performed for tests of controls, compliance testing and substantive tests of certain accounts and transactions. During our audit of basic financial statements, we will also select various transactions for testing based on materiality assessed at the appropriate level. These transactions may include such items as capital assets additions, expenditures, subsequent disbursements and subsequent receipts. We will be pleased to discuss specific sample sizes and selection methods when they are determined, either during audit planning or during fieldwork. We will select the appropriate sample size to support our conclusions in compliance with laws, regulations, and auditing standards.

We will use confirmations in the areas of cash and investments, debt, state retirement systems and other areas deemed necessary.

We will perform tests of the City's compliance with certain provisions of laws, regulations, contracts and grants. We will assess the risk of material misstatement resulting from violations of laws and regulations having a direct and material effect on the determination of financial statement amounts. These laws and regulations can relate to items such as budgetary compliance, purchasing compliance and cash and investment compliance, as well as single audit compliance, as applicable.

## Proposal to Serve Cedar City Corporation

### SCOPE OF WORK

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We will combine compliance tests of laws and regulations that involve the inspection of documentation supporting transactions with substantive tests of transactions and tests of control procedures.

Our audit will meet all federal and state requirements, as applicable. Samples will be used to the extent necessary to support our conclusions on compliance with laws and regulations.

#### Software

HBME staff utilizes progressive and effective software to streamline the audit process and make it as efficient as possible. The major software products we utilize include:

- **CCH Prosystems Engagement** - Software to facilitate the preparation of audit adjustments and financial statements in a paperless format.
- **Microsoft Excel** - Software to prepare audit workpapers and schedules.
- **Microsoft Word** - Software to generate audit memos, audit correspondence and audit workpapers.
- **CCH Teammate Analytics** – Analytical software to enhance auditing procedures by performing data analysis to identify certain trends or patterns.
- **Thompson Reuters CoCounsel** – AI enabled research tool with access to all accounting and auditing standards. Areas include GASB, FASB, AICPA, and other resource material. We can access this material at any given time and can provide a quick response to any technical questions you may have.

Through the use of our Electronic Data Processing (EDP) software, our audit approach delivers an effective and efficient use of time. We have found that we can achieve this objective by obtaining various reports from the EDP system. During the planning phase, we will review your EDP software to determine control features. Our audit procedures will test these features. We will also meet with your information technology staff to identify the ability of your EDP system to generate reports and information, which we can use throughout the audit to supplement or replace other audit procedures. Potential data to be downloaded from the City's server includes trial balances, disbursement ledgers and payroll ledgers.

#### Analytical Procedures

HBME will apply analytical procedures throughout general planning to improve our understanding of your operations and to identify audit areas for increased attention. These will be applied to assist in planning the nature, timing and extent of other procedures. They will be applied to all balance sheet, revenue/receipt and expense/expenditure areas. These procedures include, but are not limited to, the comparison of current year to prior year and budget amounts. Areas that show results different from those anticipated or planned will be further investigated to determine the validity of the variance.

**Proposal to Serve Cedar City Corporation****SCOPE OF WORK**

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Audit Hour Estimates

Providing our clients with effective and efficient audits services is very important to us. We recognize the importance of ensuring our audit team is assigned to each audit area, based on our risk-based approach. The estimated hours, by staff level, is determined by the partner and managers during the planning phase, and is monitored throughout all phases of the audit engagement. Refer to these estimates on page 21, *Proposed Audit Fees*.

Internal Controls Approach

The approach we will take to gain an understanding of your internal controls includes:

- Interview City personnel
- Review organizational charts, accounting and procedure manuals and programs
- Complete internal control questionnaires
- Write-up system narratives
- Evaluate items selected for testing
- Review controls over financial information systems

In addition, our engagement approach is based on two key assumptions:

- Observations we believe will help the City achieve its objectives will be shared. We will also be pleased to respond to inquiries you may have about financial or other business matters.
- The assistance to be provided by your personnel, including the preparation of schedules and analyses of accounts, will be discussed with the Finance Department. The timely completion of this work will assist us in performing our work efficiently.

Compliance with Laws and Regulations

During the planning process, we will discuss with the City's management and personnel the laws and regulations to which the City is subject. The object of our discussion will be to determine those laws and regulations that could have a material impact on the financial statements. Pertinent to our discussion will be our knowledge of such laws and regulations, and our knowledge of *Government Auditing Standards*. We are aware of the applicable requirements, and consider them when determining the necessary audit procedures for the City.

Audit Strategy

HBME's strategy for approaching the audit is to deliver value by remaining true to practices that have worked well for our clients in the past:

- Hire only talented individuals with a passion for client care.
- Treat our employees right and provide educational and professional advancement opportunities to minimize turnover.
- Assign highly qualified professionals with government experience.

## Proposal to Serve Cedar City Corporation

### SCOPE OF WORK

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- Maintain stability on audit teams from year to year to enhance our relationship with our clients, make the best use of their time, and to deliver consistent service.

These core practices are often cited by our clients as the reasons they chose to be and remain as HBME clients.

#### Client Responsibilities

The following represents the type of information we request during the audit process:

- Reconciliations of detailed subsidiary ledgers to the general ledger
- Analysis of account balances
- Provide documentation to support balances and transactions
- Preparation of confirmations and internal control and other questionnaires
- Prepare financial statements

#### Audit Objectives

The primary objective of our audit procedures is to enable us to issue opinions on the City's financial statements.

- A. Our audit procedures are conducted in accordance with auditing standards generally accepted in the United States of American and *Government Auditing Standards* and will include tests of accounting records and other procedures considered necessary to enable the expression of such an opinion.
- B. Our audit procedures are designed to obtain reasonable assurance about whether the financial statements are free of material misstatement using accounting principles generally accepted in the United States of America.
- C. The audit procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit procedures also include discussions with management, an assessment of the quality of the accounting principles used and significant estimates made, as well as evaluating the overall consistency of the financial statements and related disclosures.
- D. The audit procedures also include, when required, testing compliance with the Federal Single Audit Compliance Supplement and other federal grant requirements. We will obtain evidence supporting the related revenues and expenditures, and disclosures in the financial statements.

#### Management Letter Reporting and Communications

There are many ways to say the same thing. We understand that our job is to communicate information to you, regardless of its nature. To build a better client experience, we focus on employing communication styles that are collaborative rather than combative. By keeping our communication positive, friendly and open, we believe we can create positive discussions with our clients.

**Proposal to Serve Cedar City Corporation****SCOPE OF WORK**

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As we identify issues during the audit, we focus on communicating information as early as possible, which results in concluding the audits without springing surprises on our clients at the end of the process. By keeping the lines of communication open at all times and properly planning the audit, we are able to keep the process moving in an efficient manner.

Planning

During this phase, we determine the timing of the various procedures, complete logistical arrangements, arrange for assistance to be provided by personnel from the City, and prepare the audit work programs. We believe the planning component is important to the process as it helps properly address changes and concerns prior to commencement of the audit field work. For this reason, we spend a significant amount of our time in the planning phase. We will also complete a risk analysis, develop a better understanding of the City, perform preliminary review procedures, and assess fraud risk factors in accordance with SAS 99 as well as SAS 104-111. In addition, we will perform selected compliance testing and fraud risk documentation.

The following outline summarizes the elements of the planning phase:

1. Assess Risk
  - a. The partners and managers review and identify estimates to determine areas of risk in relation to the financial statements.
  - b. Management override of internal control can significantly impact the financial reporting process. We consider this in our planning and timing of procedures for the City.
2. Identify Issues
  - c. During the planning phase, we will also have pre-engagement planning discussions with the City's management to discuss accounting issues, changes in the financial statements, and other issues affecting the audit process.
  - d. Our audit team will review interim financial statements. This review provides us with information necessary to help plan our audit and develop questions.

3. Document Systems

Through discussions held with personnel from the City and the completion of various questionnaires, we develop an understanding of your financial reporting process and internal controls. We reassess the procedures and controls annually and appropriately plan the audit to address any concerns. We address any concerns identified in connection with this review in our letter of comments to the City Commission.

**Proposal to Serve Cedar City Corporation****SCOPE OF WORK**

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## 4. Consideration of Fraud

Auditors have a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud (SAS 99). HBME's audit approach has historically addressed many of these issues in accordance with our internal policies. The recent changes have primarily required us to change our documentation policies regarding fraud risk factors and our response to those factors.

## 5. Tailor Audit Approach

After considering the above factors, we design audit procedures to address changes and difficult areas. Examples include using data extraction software to analyze various accounts and transactions.

Preparing/Internal Control

During this phase, we will review the internal control systems for the City and review Commission minutes. We will also review agreements entered into during the current year. In addition, we will perform some preliminary substantive procedures.

The following outline summarizes the elements of the preparing phase:

## 1. Communicate Expectations

We will set report delivery time frames for both drafts and final copies of the financial statements and letters to the City Commission and Administration.

## 2. Conduct Preliminary Analytical Review

Our audit team will review interim financial statements to identify significant or unusual variances from the prior year and from the budget. This information will be used to formulate expectations and will also be used in the fraud risk analysis.

## 3. Tailor Data and Schedule Requests

We will coordinate information requests and timing of our onsite work with management and make arrangements to meet with personnel from the City involved in the audit.

## 4. Select Samples and Set Scopes

We will begin making sample selections from preliminary financial information to distribute time requirements of personnel from the City during the audit process.

**Proposal to Serve Cedar City Corporation****SCOPE OF WORK**

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Conducting/Fieldwork

This phase of the audit includes the primary portion of the substantive testing of the financial statements. This testing includes confirming certain accounts and transactions, vouching selected transactions to source documents, analyzing account balances, making inquiries of management and others, and conducting an analytical review of various account balances and the financial statements.

All of our partners and managers have extensive experience with yellow book audits, including drafting both Basic Financial Statements and Annual Comprehensive Financial Reports (ACFR). We currently draft or assist in drafting ACFRs for many of our clients. We also have significant experience (more than 20 years) with Federal Single Audits for many of our City clients.

The following outline summarizes the elements of the conducting phase planned for our audit of the City:

**1. Risk-Based Approach**

During fieldwork, we continually reevaluate the risk factors identified during the Planning and Preparing Stages. As we will have a partner and a manager on site, we are able to quickly respond to changes and make the necessary modifications in our audit approach.

**2. Tests of Balances and Transactions**

- Utilize computer assisted auditing tools in sampling accounts receivable and account payable transactions, in the review of general journal entries, and the identification of significant or unusual transactions in specific accounts.
- Vouch to source documents for selected items.
- Review activity subsequent to year-end (to substantiate cut-off as well as substantiate liabilities).
- Confirm balances with external sources, such as financial institutions, investment managers and actuaries.
- Determine proper GASB 40 classifications for the investments.
- Determine proper GASB 63 and 65 compliance for deferred outflows, deferred inflows, and net position.
- Review for proper reporting of leases and SBITDAs in accordance with GASB 87 and 96.

**3. Compliance**

We review federal and state statutes to ensure they are being met.

**4. Review Estimates**

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

**Proposal to Serve Cedar City Corporation****SCOPE OF WORK**

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## 5. Final Analytical Procedures

We will compare financial statement line items for the current, preceding period and budget amount, analyze the results, and inquire of management and others within the City regarding significant changes. We will also consider whether sufficient audit evidence has been obtained in response to unusual or unexpected balances or relationships. In addition, we will consider whether responses to inquiries throughout the audit about analytical relationships have been vague or implausible or have produced evidence that is inconsistent with other evidential matter accumulated during the audit.

## 6. Review of Working Papers and Financial Statements

The partner and managers will review the working papers. We believe it is important to complete the majority of the working paper reviews in the field to omit the number of phone calls back to your staff and reduce interruptions. In addition to the review conducted by these individuals, the financial statements will be reviewed by a partner not otherwise associated with the audit of the City to obtain a second opinion on the completeness and adequacy of financial statement disclosures and audit procedures.

## 7. Hold Exit Conference with Management to Discuss Findings and Reports

This meeting generally occurs on the last day of fieldwork.

Reporting

We will issue the audit reports and other letters to the City's Council, and will present these reports to the Council at their regularly scheduled meeting. Our comments will address the City's significant accounting policies, management's judgments and estimates related to the financial statements, and other items related to the conduct of the audit. If our audit procedures disclose the existence of reportable conditions or other matters that we feel should be communicated, we will report those items to the City Council.

HBME is able and will, at the request of City, assign a different audit manager who will manage the financial and single audit for the duration of the term of this proposal.

**Proposal to Serve Cedar City Corporation**

**SCOPE OF WORK**

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We sincerely pride ourselves at HBME of never missing a deadline. We will always ensure that hard deadlines with the State, Federal Government, or any other entity will be met. We will also ensure that the City is aware of the deadlines, so that we can work together to be 100% compliant.

The following is our proposed schedule for completing the 2026 audit (subsequent audit years will be modified, if needed):

<u>Audit Function</u>	<u>Approximate Dates</u>
Pre-audit conference	August
Review, evaluation and testing of internal control structure, preparation of audit programs, and interim auditing procedures, including state compliance testing	August
Confirmations sent on cash accounts, receivables, bonds and other debt, tax revenues, State Retirement System, etc.	August
Complete interim auditing procedures, year-end financial and compliance auditing procedures, including single audit	October
Preparation and review of financial statements, yellow book reports, state compliance report and management letters, issuance of all reports	November
Closing conference with City Council	December

**Proposal to Serve Cedar City Corporation****REFERENCES**

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<u>Entity</u>	<u>Business</u>	<u>Person(s) to Contact</u>	<u>Phone #</u>	<u>Email</u>
Riverton City	Government	Kevin Hicks, City Manager	801-208-3122	khicks@rivertoncity.com
Park City	Government	Mindy Finlinson, Finance Director	435-615-5227	mindy.finlinson@parkcity.org
Provo City	Government	Dan Follett, Admin. Services Director	801-852-6503	dfollett@provo.utah.gov
Millcreek	Government	Lisa Dudley, Finance Director	801-214-2709	ldudley@millcreek.us
Bluffdale City	Government	Bruce Kartchner, City Manager	801-849-9405	bkartchner@bluffdale.gov
Layton City	Government	Tracy Probert, Finance Director	801-336-3881	tprobert@laytoncity.org

**Proposal to Serve Cedar City Corporation**

**PROPOSED AUDIT FEES**

Our fees are based on the estimated hours required of our professional staff at all levels, estimated hours required of our support staff, and out-of-pocket expenses. The schedule below contains our estimates of the hours required and the proposed audit fees for 2026 through 2028. The fees quoted are a not to exceed fee for the services contained in our proposal, and includes our out-of-pocket expenses.

<u>Year Ended</u>	<u>Total Estimated Hours</u>	<u>Financial Audit Fees</u>	<u>Single Audit Fees</u>	<u>Total Fees</u>
June 30, 2026	200	\$ 32,000	\$ 7,000	\$ 39,000
June 30, 2027	200	33,500	7,000	40,500
June 30, 2028	200	35,000	7,000	42,000
		<u>\$ 100,500</u>	<u>\$ 21,000</u>	<u>\$ 121,500</u>

The above fees for the 2026 audit were determined based on the following rates:

<u>Classification</u>	<u>Estimated Hours</u>	<u>Standard Hourly Rates</u>	<u>Total Fees</u>
Partners	60	\$ 300	\$ 18,000
Managers	40	200	8,000
Senior Staff	50	175	8,750
Staff Accountants	50	150	7,500
	<u>200</u>		<u>\$ 42,250</u>

The proposed fees for 2026 reflect the following adjustments:

Total professional fees	\$ 42,250
Additional discount	<u>(3,250)</u>
Proposed total cost of the 2026 audit	<u>\$ 39,000</u>

The above fees are based on the nature of the City as it presently exists and are based upon our understanding that your personnel will provide certain schedules and other information on a timely basis that will be required during the course of the audit. These fees also include preparation of the basic financial statements only, with City preparing the other sections of the AFR, including the MD&A. Our discounted hourly rates, as stated above, will be used for consulting and non-audit services that may be requested.

Larry D. Graham, CPA  
Richard P. Reimann, CPA  
Stephen A. Willadson, CPA  
Stephanie L. Means, CPA  
Dirk A. Montgomery, CPA



**Attachment D**

Joni Kumor, CPA  
John A. Smith, CPA  
Scott Buckingham, CPA  
Andrew J. Beyeler, CPA  
Melanie J. Urville, CPA  
Larry G. Bean, CPA - Of Counsel

**Report on the Firm's System of Quality Control**

January 11, 2024

To the Members of HBME, LLC  
and the Peer Review Committee of the Nevada Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of HBME, LLC (the firm) in effect for the year ended August 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

**Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with the requirement of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

**Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design and compliance with the firm's system of quality control based on our review.

**Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of HBME, LLC in effect for the year ended August 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. HBME, LLC has received a peer review rating of pass.

A handwritten signature in cursive script that reads 'Lenhart, Mason &amp; Associates, LLC'.

Lenhart, Mason & Associates, LLC

Member American Institute of Certified Public Accountants  
900 Werner Ct., Suite 200 • Casper, WY 82601  
Tel: (307) 234-7800 • Fax: (307) 234-9847, (307) 234-5414



## **CEDAR CITY COUNCIL**

### **AGENDA ITEM 7**

**TO:** Mayor and City Council  
**FROM:** Tyler Galetka, Airport Manager  
**DATE:** May 6, 2026  
**SUBJECT:** BLM Wildland Fire Ground Lease – Cedar City Regional Airport (Lease No. L26PL000XX)

#### **DISCUSSION:**

The United States Bureau of Land Management (BLM) has proposed a new ground lease at the Cedar City Regional Airport to continue operations of its Wildland Fire Dispatch Complex and Large Air Tanker (LAT) base. The lease is administered through the Cedar City Interagency Fire Center, with the City serving as Lessor.

The leased premises consist of approximately 261,360 square feet (6.0 acres), with an additional 5.414-acre expansion parcel, for a combined total of approximately 10.6 acres at the Airport. BLM's use includes operation of its fire dispatch complex, fixed-wing and helicopter ramps, fire retardant loading pad, lined containment pond, and associated support facilities, along with non-exclusive access to Airport runways, taxiways, and aprons for aerial wildland fire suppression operations.

The lease term is twenty-five (25) years, beginning December 1, 2024, and expiring November 30, 2049. BLM will be responsible for all utility costs and will fund any improvements to the leased premises, which shall become City property upon lease termination. Annual rental rate is currently pending determination; the lease will be updated once a figure is established.

Please consider approving this Ground Lease Agreement with the Bureau of Land Management.



**CEDAR CITY, UT  
Wildland Fire Lease  
Bureau of Land Management  
Lease Agreement  
LEASE NUMBER L26PL000XX**

**WITNESSETH:** The Parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

WHEREAS CEDAR CITY INTERAGENCY FIRE CENTER, a Utah municipal corporation ("LESSOR") owns and operates the Cedar City Regional Airport, *located in Iron County*, state of **Error! Reference source not found.** ("Airport"); and,

WHEREAS, UNITED STATES OF AMERICA, BUREAU OF LAND MANAGEMENT ("GOVERNMENT") desires to lease LESSOR-owned land at Cedar City Regional Airport, Cedar City, Utah, 84720 for the purpose of operations of the GOVERNMENT'S owned Fire Dispatch Complex, Large Air Tanker (LAT) base of operations, fixed-wing aircraft ramp, lined containment pond, fire retardant loading pad, three helicopter ramps, aerial firefighting; and,

WHEREAS LESSOR is willing to enter into an agreement for a ground lease for the affected real property.

**1. AGREEMENT AND USE:**

**LESSOR** hereby leases to the **GOVERNMENT** the below described Leased Premises (Leased Premises):

- A. Approximately **261,360** square feet or **6.0** acres of land and extant structures located at Cedar City Regional Airport in Cedar City, Utah, (Leased Premises), and more particularly depicted in **Exhibit A: Legal Description and Aerial View of Leased Premises.**
- B. LESSOR hereby agrees to allow the construction of two replacing permanent structures and complete update renovations on the GOVERNMENT funded, owned, operated, and maintained owned Fire Dispatch Complex on the Leased Premises. The work to be performed is more particularly described herein under **Exhibit B: BLM Project Scope of Work.**
- C. GOVERNMENT'S use includes, but is not limited to, operating flights for firefighting, shuttle training, inspection, emergency transporting and loading and unloading persons, cargo and property to and from the Leased Premises for the operational support of the GOVERNMENT'S Utah Fire Management Program.
- D. GOVERNMENT shall maintain existing GOVERNMENT funded, owned, operated Fire Dispatch Complex, Large Air Tanker (LAT) base of operations, fixed-wing aircraft ramp, lined containment pond, fire retardant loading pad, three helicopter ramps, and other associated support facilities, along with appropriate security systems, landscaping, and fencing.
- E. GOVERNMENT is granted non-exclusive use of the operations ramp, a retardant storage tank area, vehicle parking, aerial tie-downs, and other common area facilities, to park aircraft and conduct support activities related to aerial wildland fire suppression and logistical support

UT, CEDAR CITY (Cedar City Regional Airport) L26PL000XX

Initials: \_\_\_\_\_  
Lessor                      Gov't

operations.

- F. GOVERNMENT is also granted the non-exclusive right to utilize such Airport runways, taxiways, and public use aprons and other rights of way as well as access across the Airport as necessary for ingress and egress to the Leased Premises to enable GOVERNMENT to provide the aerial wildland fire suppression, logistical support operations, aeronautical services, and ground initial attack resources.

See attached:

**Exhibit A: Legal Description and Aerial View of Leased Premises**

**Exhibit B: BLM SEAT Base Project Scope of Work**

**2. TERM:**

**TO HAVE AND TO HOLD** the said Leased Space for a period of twenty-five (25) years, beginning **December 1, 2024**, and continuing through **November 30, 2049**, subject to termination as is hereinafter set forth.

**3. RENTAL:**

Rental payments referenced herein are issued in accordance with Continuing Resolution *H.R. 1968 — Public Law No: 119-4, Wildland Fire Management Continuing Appropriations Act, 2025.*

- A. GOVERNMENT shall pay LESSOR an annual Rent in the amount of \$\_\_\_\_\_.00, paid in advance for the Leased Premises.
- B. Rent shall be an annual payment, paid in advance. Rent for a period of less than a year shall be prorated. In the event GOVERNMENT exercises its option to terminate, rentals received shall be prorated to coincide with the termination date.
- C. Rent shall be made payable through the Automated Clearing House (ACH) payment system to LESSOR according to its data in the System for Award Management (SAM). Invoice submittal is not required.

**4. TERMINATION:**

GOVERNMENT and LESSOR have the following termination rights:

- A. Termination shall require 365 days' written notification to the other party.
- B. Should LESSOR exercise these termination rights, LESSOR shall reimburse the GOVERNMENT, on a pro-rated basis, for all Capitalized Real Property improvements, as depreciated by the GOVERNMENT.
- C. Rent for a period of less than a month shall be prorated. In the event LESSOR exercises its option to terminate, advanced rentals received shall be prorated to coincide with the termination date.
- D. Said notice shall be computed commencing with the day after the date of mailing.

E. If the GOVERNMENT'S mission is discontinued, all real property improvements funded by the GOVERNMENT shall be the sole and separate property of the LESSOR.

**5. UTILITIES:**

- A. GOVERNMENT shall have access to the Leased Premises at all times without additional payment.
- B. GOVERNMENT agrees to pay all use costs for electricity, gas, water, sewer, trash, special disposal, and other utilities, including without limitation hookup fees and charges, used by GOVERNMENT on Leased Premises, and LESSOR assumes no responsibility for such utilities.
- C. LESSOR shall ensure that water, sewer, garbage, telephone, telecommunications, cable television, gas and electrical service necessary for operation are available and in good, operable, condition. The LESSOR shall provide separate meters for utilities to be paid by GOVERNMENT and will provide written verification of the meter numbers and certification that these meters measure BLM usage only. Proration is not permissible.
- D. LESSOR must have a designated representative available to promptly address all utility deficiencies.

**6. ALTERATIONS:**

- A. With prior LESSOR permission, said permission not to be unreasonably withheld, GOVERNMENT shall have the right during the existence of this lease agreement to make alterations, renovate or replace existing GOVERNMENT owned structures, attach fixtures or signs in or upon the Leased Premises, which fixtures, additions on, upon, or attached to the said Leased Premises shall be and remain the property of GOVERNMENT and may be removed or otherwise disposed of by GOVERNMENT.
- B. GOVERNMENT shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the Leased Premises. GOVERNMENT has the right to request LESSOR to perform said alterations in the Leased Premises. Any GOVERNMENT requested alterations to the space will be funded by GOVERNMENT. Upon removal of the alterations, GOVERNMENT shall return the Leased Premises in the same condition, normal wear and tear excepted.

**7. WAIVER OF RESTORATION:**

GOVERNMENT shall have the right to remove all moveable furniture, fixtures, machinery and equipment and all other personal property owned or installed by GOVERNMENT on the Leased Premises, and all expenses connected with such removal shall be borne by GOVERNMENT. Said property shall be removed within five (5) business days prior to termination of this Lease Agreement. GOVERNMENT shall remove from the Leased Premises all debris resulting from the removal and GOVERNMENT shall leave the Leased Premises in a clean and orderly condition, acceptable to LESSOR. LESSOR waives any and all restoration costs.

**8. ADDITIONAL SERVICES:**

UT, CEDAR CITY (Cedar City Regional Airport) L26PL000XX

Initials: \_\_\_\_\_  
Lessor                      Gov't

LESSOR is responsible for timely submittal of invoices for additional operational services requested by GOVERNMENT and provided by the LESSOR. Typical operational services request on a case by case situation may be for parking, snow removal, hardstand sweeping, etc. LESSOR will not be paid for any services that are not authorized in advance in writing by the GOVERNMENT on- site Representative. Upon presentation of a properly certified invoice to Lease Contracting Officer, payment will be made by GOVERNMENT for services requested and furnished.

**9. LIABILITY:**

- A. GOVERNMENT is responsible for the Leased Premises located at Cedar City Regional Airport as determined under and in accordance with this Lease Agreement and the laws of the State of Utah but limited by the laws of the United States of America.
- B. GOVERNMENT shall be liable for all damages caused by the exercise of rights granted herein, to the extent authorized by the Federal Tort Claims Act, 28 U.S.C. Sections 2671-2680 and the Disputes Clause FAR 52-233-1.

**10. QUIET ENJOYMENT:**

LESSOR expressly covenants and represents that upon payment of fees when due and upon performance of all other conditions required herein, GOVERNMENT shall peaceably have, possess, and enjoy the Leased Premises and other rights herein granted, without hindrance or disturbance from LESSOR or LESSOR'S designated representatives, subject to LESSOR'S various rights contained elsewhere in this Lease Agreement.

**11. BENEFITS:**

No member or delegate to Congress shall be admitted to any share or part of this Lease Agreement or to any benefit that may arise here from, but this restriction shall not be construed to extend to this Lease Agreement if made with a corporation or company for its general benefit.

**12. RELATIONSHIP OF PARTIES:**

It is understood that LESSOR is not in any way or for any purpose a partner or in a joint venture with, or agent of, GOVERNMENT in its use of the Leased Premises or any improvement thereon.

**13. NOTICE:**

- A. Any and all notices required herein to be made by either party to the other shall be written notice made by depositing such notice, correctly addressed, in the registered or certified mail of the United States of America, postage prepaid, and such notice shall be deemed to have been served on the date of such depositing.

All notices to **LESSOR** shall be mailed to:

For the CEDAR CITY CORP  
Attn: City Manager  
10 North Main Street

Cedar City, UT 84720  
Telephone: (435) 867-9408

All notices to **GOVERNMENT** shall be mailed to:

Bureau of Land Management  
Barbra Burns-Fink  
National Operations Center Denver Federal Center Building #85, OC651  
P.O. Box 25047  
Denver, CO 80225-0047  
Telephone: (303) 880-9042

All on-site notifications to GOVERNMENT shall be made to:

**GOVERNMENT on-site Representative:** Joshua Tibbets, (435) 865-3018

- B. Each party may, from time to time, change the address to which notices to said party are to be sent, by providing written notice of said change of address to the other party in accordance with the procedure set forth in this paragraph.

**14. ENTIRE AGREEMENT:**

This Lease Agreement, together with the attachments hereto, is the entire Lease Agreement of the parties regarding the establishment of their leasehold arrangements. No representations, warranties, inducements, or oral agreements previously made between the parties regarding the establishment of their leasehold arrangements shall continue unless stated herein. This Lease Agreement shall not be changed or modified, except in writing, signed by both parties.

**15. CONFLICT BETWEEN CLAUSES:**

In the event of a conflict between the Lease clauses in this Lease Agreement, the more stringent of the two clauses shall apply.

**AGREED AND EXECUTED** as below written:

**ATTEST:**

**LESSOR:  
CEDAR CITY CORP**

\_\_\_\_\_  
Date

This Lease Agreement is not binding on the GOVERNMENT unless signed below by a GOVERNMENT Leasing Contracting Officer.

UT, CEDAR CITY (Cedar City Regional Airport) L26PL000XX

Initials: \_\_\_\_\_  
Lessor Gov't

**GOVERNMENT:**  
UNITED STATES OF AMERICA DEPARTMENT INTERIOR  
BUREAU OF LAND MANAGEMENT

\_\_\_\_\_  
Barbra Burns-Fink  
Leasing Contracting Officer

\_\_\_\_\_  
Date

DRAFT

**Exhibit A (1 Page)**  
**Cedar City, Utah**  
**Bureau of Land Management**  
**BLM Color Country District**  
**Cedar City Regional Airport**  
August 12, 2025

**Legal Description to be verified**

**Exhibit A: Legal Description and Aerial View of Leased Premises**

*Beginning at a point N89° 55'45" W, 697.36 ft along the Township line and North, 98.02 ft from the northeast corner of Section 4, T36S, R11 W, SLM; thence N 14° 50' 38" E, 1030.25 ft; Thence S 36° 15'44" E, 944.89 ft; thence S 75° 06' 42" E, 29.85 ft; thence S 1° 13'46" E, 178.80 ft along the west line of Airport Road; thence S 86° 49' 07" W, 856.83 ft to the point of beginning.*

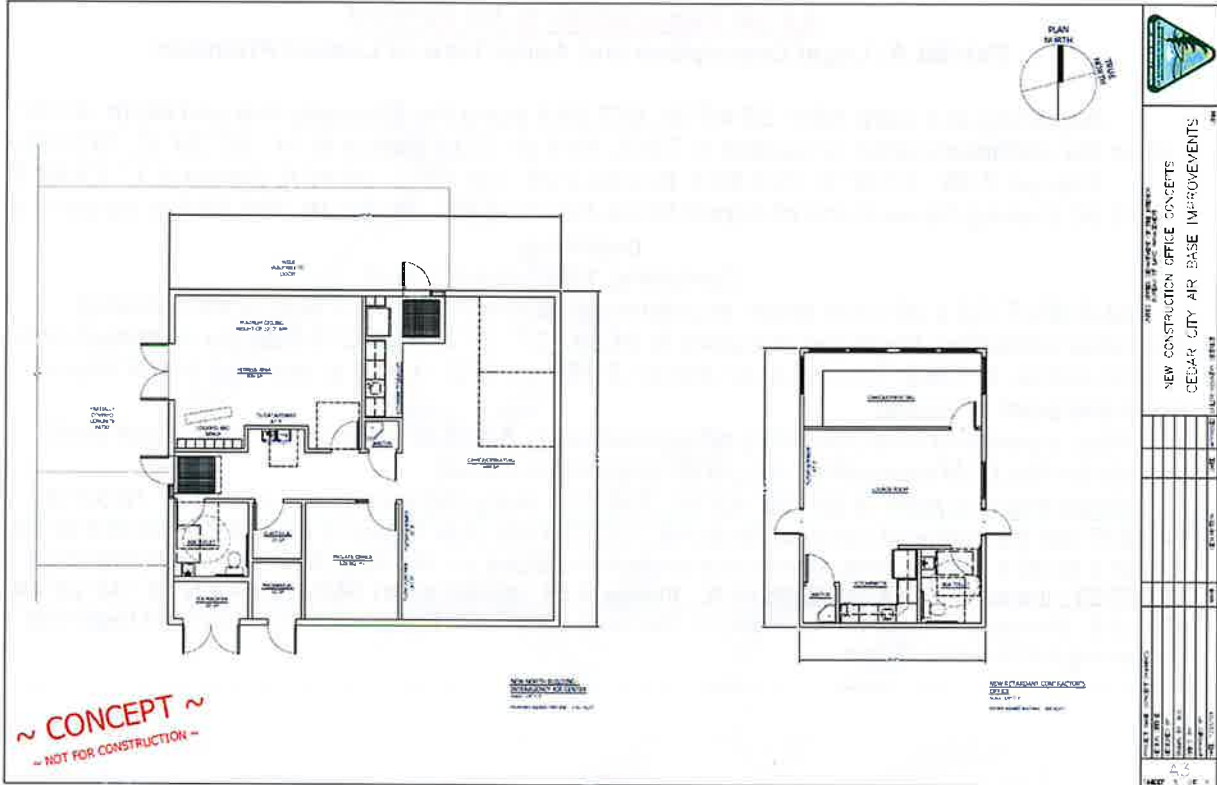
*Containing 10.60 acres of land.*

*SUBJECT TO a 30' wide sewer maintenance easement 15' each side of the following described centerline; beginning at a point N 24 24° 27' 12" E, 358.92 ft from the northeast corner of said section 4, T36S, R11 W, SLM; thence S 36° 15'44"E, 9.94 ft to the west line of Airport Road and point of ending.*

*Also, a parcel of land consisting of approximately 5.414 acres, more or less, which shall provide for the BLM expansion. A legal description as follows:*

*Beginning at a point N 89° 55' 45" W, 228.71 ft along the section line and N 3° 10'53" W, 44.53 ft from the northeast corner of Section 4, T36S, R11W, SLM; thence S 3° 10'53" E, 93.88 ft to the P.C. of a 50.00 ft. radius curve; thence counterclockwise along arc of curve 78.54 ft. thru a central angle of 18° 07'00"; thence S 1° 14' 00" E, 56.66 ft. ; thence S 88° 46' 00" W, 81.54 ft. ; thence N 75° 33' 22" W, 829.12 ft.; thence N 14° 50' 38" E, 206.74 ft; thence N 86° 49' 07" E, 488.46 ft. to the point of beginning. Containing 5.414 acres of land.*

**Exhibit B (    Pages)**  
**TBD**  
**Cedar City, Utah**  
**Bureau of Land Management**  
**BLM Color Country District**  
**Cedar City Regional Airport**



## **CEDAR CITY COUNCIL**

### **AGENDA ITEM 8**

**TO:** Mayor and City Council  
**FROM:** Tyler Galetka, Airport Manager  
**DATE:** May 6, 2026  
**SUBJECT:** Exchange of Services Agreement Extension – Schmidt Construction

#### **DISCUSSION:**

Schmidt Construction and Cedar City Corporation originally entered into a non-monetary Exchange of Services Agreement on July 9, 2015, at the Cedar City Regional Airport. The most recent extension expired on September 14, 2025. Both parties wish to continue the arrangement for the benefit of the community.

Under this agreement, Schmidt Construction disposes of up to 210,000 cubic yards of fill material at the Airport. In exchange, the City receives Schmidt's labor and equipment services for Airport improvement projects, including grading, brush clearing, and other projects as directed by the Airport Manager. Updated equipment and labor rates have been established, with a new opening balance of \$56,706 in services owed to the City.

The proposed extension is for five (5) years, expiring September 14, 2030, with one (1) final optional five-year renewal. All other terms of the original 2015 agreement remain in effect. This is a non-monetary exchange at no direct cost to the City.

Please consider approving this Exchange of Services Agreement Extension with Schmidt Construction.



## EXCHANGE OF SERVICES AGREEMENT EXTENSION

This agreement extension is entered into and becomes effective on the \_\_\_ day of March 2026, and is entered into between Cedar City Corporation, a Utah Municipal Corporation (herein referred to as "CITY") and Schmidt Construction, a Utah Corporation, hereinafter referred to as CONTRACTOR.

**WHEREAS**, both CITY and CONTRACTOR entered into a non-monetary Exchange of Services Agreement on July 9, 2015, at the property located at the Cedar City Regional Airport; and

**WHEREAS**, CITY owns and operates the Cedar City Regional Airport and said Airport has need of excavated material to fill in certain areas of the Airport, as well as several other possible projects that may include the completion of Irrigation piping, Including a catch basin, in the irrigation canal known as the Guymon Ditch, the clearing of brush from a certain amount of acreage at the Airport, and any other projects identified by the Airport Manager; and,

**WHEREAS**, CONTRACTOR has the need to dispose of a certain number of cubic yards of fill material containing dirt, rocks, brush, concrete and any other material approved by the Airport Manager amassed during CONTRACTOR's construction work; and,

**WHEREAS**, an Agreement extension was granted for an additional five (5) years; and

**WHEREAS**, the Agreement extension expired on September ~~14th~~ 2025; and

**WHEREAS**, CONTRACTOR and CITY desire to extend the Exchange of Services Agreement for the continuing benefit of the Cedar City community.

**NOW THEREFORE**, CITY and CONTRACTOR agree as follows:

1. CITY and CONTRACTOR agree to assume and abide by all terms and conditions of the original Agreement dated July 9, 2015 as described in Exhibit "A".
2. CONTRACTOR will be allowed to dispose of approximately 210,000 c.y. of fill material during this five (5) year agreement. Fill material shall be measured by ~~CONTRACTOR~~ at the end of the contract period to verify sufficient fill material has been disposed of. Measurement data shall be provided to CITY by CONTRACTOR.
3. Contractor and City are adjusting the original agreement to account for changes in the cost of materials, equipment, and labor. For purposes of this extension Contractor assumes a new balance of \$56,706 as the value of labor and equipment Contractor will

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supply to City. In addition Contractor's schedule of labor and equipment from the original 2015 agreement is hereby updated as follows:

Unit #	Equipment	Rate
LT 29	Fuel Truck	\$125.00
204	Exc 314	\$120.00
205	Exc 329	\$200.00
206	Exc 349	\$270.00
207	Exc 336	\$230.00
208	Exc 330	\$210.00
209	Exc 330	\$210.00
210	Exc 349	\$270.00
212	Exc 304	\$90.00
213	Exc 352	\$280.00
214	Exc 330	\$230.00
302	Dz D6	\$190.00
304	Dz D6	\$220.00
305	Dz D3	\$140.00
306	Skid Steer	\$90.00
401	Ld 966	\$170.00
402	Ld 544	\$140.00
403	Ld 544	\$140.00
404	Ld 544	\$150.00
405	Bachoe	\$120.00
406	Ld 980	\$220.00
503	Gd 140	\$190.00
601	Water Wagon	\$200.00
602	Rt 730	\$200.00
603	Rt 730	\$200.00
604	Rt 740	\$250.00
605	Rt 740	\$250.00
	Rt 745	\$290.00
702	Roller 4 Ft	\$90.00
703	CP12 Roller	\$140.00
Wt 21	Water Truck	\$110.00
Wt 22	Water Truck	\$110.00
Wt 23	Water Truck	\$110.00
T100	T100	\$170.00
T104	T104	\$170.00
	Labor	\$80.00

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All terms of the 2015 agreement not specifically modified herein shall remain the same.  
~~3. CONTRACTOR agrees to assume a new balance of \$56,796.01 total value of work carried out by CONTRACTOR as established in Exhibit "A" for the term of this Agreement extension with any previous balances transferred from the previous term to the new five (5) year term.~~

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4. This Lease extension shall remain in effect for an additional five (5) years from the end of the extension period, expiring on ~~September~~October 14, 2030~~25~~.
5. CONTRACTOR is hereby granted the option to renew this agreement for one (1) additional five (5) year term as contemplated in the original July 9, 2015, agreement, subject to negotiation of consideration acceptable to both parties.

Dated this \_\_\_\_\_ day of March 2026.

\_\_\_\_\_  
Steven Nelson,  
Mayor  
Cedar City Corporation

[Seal]  
ATTEST:

\_\_\_\_\_  
RENON SAVAGE, CITY RECORDER

STATE OF UTAH    )  
                          : Ss.  
COUNTY OF IRON )

This is to certify that on the \_\_\_\_ day of \_\_\_\_\_, 2026, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared Steven Nelson, known to me to be the Mayor of Cedar City Corporation, and Renon Savage known to me to be the City Recorder of Cedar City Corporation, and acknowledged to me that he the said Steven Nelson and she the said Renon Savage executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

\_\_\_\_\_  
NOTARY PUBLIC

Dated this \_\_\_\_ day of March 2026.

\_\_\_\_\_  
Schmidt Construction, Inc.

STATE OF UTAH)  
: Ss.  
COUNTY OF IRON)

On this \_\_\_\_ day of \_\_\_\_\_, 2026, personally appeared before me  
\_\_\_\_\_ who duly acknowledged to me that he/she/they signed the above and foregoing  
document.

\_\_\_\_\_  
NOTARY PUBLIC

EXHIBIT A

2015  
EXCHANGE OF SERVICES AGREEMENT

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CEDAR CITY COUNCIL

AGENDA ITEMS – 10

DECISION PAPER

TO: Mayor and City Council  
FROM: City Attorney  
DATE: May 4, 2026  
SUBJECT: Consolidated Fee Schedule  
DISCUSSION:

A number of fee changes are being requested by City departments. The requested changes and their justifications are included below. Please consider the resolution to adopt the proposed changes.

**CEDAR CITY RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CEDAR CITY COUNCIL AMENDING THE CEDAR CITY  
FEE SCHEDULE**

**WHEREAS**, Cedar City maintains a fee schedule showing fees the City charges for various services; and

**WHEREAS**, the departments/divisions for Economic Development, Public Works, Leisure Services, Cedar City Airport, Heritage Theatre, and Engineering have a need to update their fees in order to reimburse the City for the public services that they make available to residents of Cedar City and non-residents alike; and

**WHEREAS**, City staff have recommended changes in the fee schedule as reflected in exhibit #1; and

**WHEREAS**, the City Council has reviewed the proposed changes to the fee schedule during an open and public meeting and finds that the proposed fee changes are reasonable and necessary.

**NOW THEREFORE** be it resolved by the City Council of Cedar City, State of Utah, that Cedar City's fee schedule is amended as set forth in exhibit #1.

**NOW THEREFORE BE IT FURTHER RESOLVED** by the City Council of Cedar City, State of Utah, that this resolution shall become effective immediately upon passage.

**NOW THEREFORE BE IT FURTHER RESOLVED** by the City Council of Cedar City, State of Utah, that City staff is authorized to make such changes of a non-substantive nature to the City's fee schedule as are reasonably necessary to facilitate the foregoing amendment.

Council Vote:

Phillips -  
Cox -  
Wilkey -  
Schmidt -  
Galan -

Dated this \_\_\_\_\_ day of May, 2026.

\_\_\_\_\_  
STEVE NELSON  
MAYOR

[SEAL]  
ATTEST:

---

RENON SAVAGE  
RECORDER

# Exhibit #1

Cedar City Resolution No. \_\_\_\_\_

EXISTING FEES

ADMINISTRATION

Copies	\$0.25 per page
Certification of Records	\$2 per record
City Council campaign finance disclosure late fee	\$50
Compilation in Other Format	Actual cost to City
<u>Declaration of Candidacy - Council</u>	<u>\$50</u>
<u>Declaration of Candidacy - Mayor</u>	<u>\$100</u>
Electronically formatted records	\$5 per audio or video disc
Record Search	After first twenty minutes, actual cost to City
Returned Check Fee	\$20

**CEDAR CITY CORPORATION**  
**Proposed Fee or Rate Increase**  
**FY 2026-27**

**Department/Division:** Economic Development

Fee Title	Old Amount	Proposed Amount	Justification
Banner Program fees	<p>Less than \$6 a banner.</p> <p>\$65: 1-14 banners</p> <p>\$105: 15-25 banners</p> <p>\$155: 26-35 banners</p> <p>\$205: 36-46 banners</p> <p>\$5.40 per banner for 47 or more banners</p>	\$10 per banner to cover City costs.	<p>The cost breakdown to install and remove banners:</p> <p>2 staff for 130 banners @ 8hrs = 16hrs at an average of \$25hr = \$400.</p> <p>Machinery maintenance &amp; fuel is \$60hr × 8hrs = \$480</p> <p>Insolated wire at \$50.</p> <p>Administrative costs to manage and coordinate the banner schedule with staff and applicants, and take payment: 3.5hrs a week / 14 hours a month @ \$25hr = \$350 a month.</p> <p>Total City Cost: \$1,280</p> <p>\$1,280 / 130 banners = ~\$10 per banner</p> <p><u>Staff also received the following bids from third parties:</u></p> <p>Rainbow Sign: \$3,344 /130 banners = ~\$26 per banner</p> <p>Kolob Sign: \$10 per banner</p>

**CEDAR CITY CORPORATION**  
**Proposed Fee or Rate Increase**  
**FY 2026-27**

Fee Title	Old Amount	Proposed Amount	Justification
Water Tapping Fee 1"	\$90.00	<del>\$500.00</del> 650	Costs have increased due to rising expenses related to materials, labor, equipment, system upgrades, regulatory requirements and prevailing local contractor pricing. Existing tap fees no longer fully offset these costs, resulting in a subsidy from existing ratepayers to new development.
Water Tapping Fee 2"	\$90.00	<del>\$900.00</del> 1150	Costs have increased due to rising expenses related to materials, labor, equipment, system upgrades, regulatory requirements and prevailing local contractor pricing. Existing tap fees no longer fully offset these costs, resulting in a subsidy from existing ratepayers to new development.
Water User Base Fee	\$17.00	\$17.30	<p>The increase in the cost of Neptune AMI meter reading is attributable to expanded data storage, processing, and system functionality associated with the cloud-based AMI platform. Advanced Metering Infrastructure (AMI) meters collect and transmit significantly more data than traditional meters, including high-frequency consumption reads, alarms, diagnostics, and historical usage records. This increased data volume requires enhanced cloud storage capacity, cybersecurity protections, system maintenance, and ongoing software support.</p> <p>In addition, the cost reflects the implementation and continued support of the Neptune My360 customer portal. My360 provides customers with secure, real-time access to their water usage data, leak alerts, consumption trends, and billing information. The portal improves customer service, transparency, and conservation efforts but requires licensing fees, hosting, system integration, and ongoing technical support.</p> <p>Together, the expanded cloud infrastructure requirements and the addition of the My360 customer portal have resulted in higher operating costs, which are reflected in the increased Neptune AMI meter reading charges.</p>





**CEDAR CITY CORPORATION**  
**Proposed Fee or Rate Increase**  
**FY 2026-27**

<b>Fee Title</b>	<b>Old Amount</b>	<b>Proposed Amount</b>	<b>Justification</b>
Grand Lobby	\$275	\$300	Increasing demand & cost adjustment to bring it in line with comparable facilities pricing over time.
Theater Performance Rate	\$600	\$650	Increasing demand & cost adjustment to bring it in line with comparable facilities pricing over time.
Theater Rehearsal Rate	\$275	\$300	Increasing demand & cost adjustment to bring it in line with comparable facilities pricing over time.
HT Basement Singler Conference Room	\$75	\$80	Increasing demand & cost adjustment to bring it in line with comparable facilities pricing over time.
HT Basement Double Conference Rooms	\$137.50	\$150	Increasing demand & cost adjustment to bring it in line with comparable facilities pricing over time.
HT Basement Explorers Conference Space	\$275	\$300	Increasing demand & cost adjustment to bring it in line with comparable facilities pricing over time.
Festival Hall Room #7	\$200	\$250	Increasing demand & cost adjustment to bring it in line with comparable facilities pricing over time.
Festival Hall Multi Use Rate (Entire Upstairs)	\$585	\$635	Increasing demand & cost adjustment to bring it in line with comparable facilities pricing over time.
			Please see the attached rate sheet. It shows how this rate increases carry throughout the weekend and above 4 hour basic rental blocks of time.

# Heritage Theater and Festival Hall Rental Rates

Updated February 2026

Heritage Theater Facilities	Hourly Rate	4HR Sun-Thu	4HR Fri-Sat	8+HR Sun-Thu	8+HR Fri-Sat
Hogan Outdoor Stage (w/o lights/sound, per hour)	\$25				
Hogan Outdoor Stage (w/ lights/sound, per hour)	\$50				
Grand Lobby		\$300	\$325	\$575	\$625
Theater (per performance - same day setup & rehearsal)		\$650	\$700		
Stage (rehearsal only)		\$300	\$325		
Festival Hall Facilities					
Single Conference Room		\$80	\$86.50	\$160	\$173
Double Conference Room		\$150.00	\$163	\$300	\$326
The Explorers Conference Center		\$300	\$325	\$575	\$625
Multi-Use Rate (Festival Hall)		\$635	\$695	\$1,220	\$1,340
Room 1		\$100	\$115	\$200	\$230
Rooms 2-5		\$45	\$50	\$90	\$100
Room 6		\$65	\$70	\$130	\$140
Rooms 1-6 (open/combined)		\$340	\$375	\$680	\$750
Room 7		\$250	\$275	\$450	\$500
Tower Room		\$50	\$55	\$100	\$110

**Sun-Thu Constituent Members & Verified Tax Exempt (501-c-3) Organizations Pay 65% Listed Fee (X .65)**

**Rentals outside of regular business hours (M-F 9-5) are subject to additional after hours fees**

Set Up Fee: \$50

After Hours Fee: \$50

**CEDAR CITY CORPORATION**  
**Proposed Fee or Rate Increase**  
**FY 2026-27**

<b>Fee Title</b>	<b>Old Amount</b>	<b>Proposed Amount</b>	<b>Justification</b>
Conditional Use Permit Fee	\$25	\$350	Conditional uses permit reviews are very comprehensive and time-consuming. Increase needed to help cover cost of the reviews.
Inspection Fee	1% of bond amount for public improvements	1% of total cost estimate for public improvements	On many subdivisions, a significant amount of the public improvement construction happens prior to bonding. This reduces the bond amount, but not the inspection effort. Fee needs to be based on total cost of public improvements.
PUD Inspection Fee	1% of bond (Public improvements only)	1% of total cost estimate for public improvements	As with subdivisions, on many PUDs, a significant amount of the public improvement construction happens prior to bonding. This reduces the bond amount, but not the inspection effort. Fee needs to be based on total cost of public improvements.
Planning Commission Application	\$25	\$50	Current fee is well short of covering the City's administrative costs preparing items for Planning Commission.
Parcel Line Adjustment (currently called Lot Line Adjustment)	\$40 per lot	\$60 per parcel	\$40 doesn't cover the review cost. \$60 would cover it in most cases.



**CEDAR CITY CORPORATION**  
**Proposed Fee or Rate Increase**  
**FY 2026-27**

The Building Department Fee schedule is antiquated and needs to be updated to reflect the way that the department calculate building permits fees and to become more in line with the state standers. See the attached copy of the proposed fee schedule and a snapshot of the permit fees from 2025 showing the cost difference between the current calculation and the proposed calculations. This would change it, so the plan review fee is a set percent of 30 percent of the building permit fee, if you combine the fees on the current calculations the average percent is 27 percent of the building fee. The proposed change will increase the cost of some permits and decrease the cost of others. Overall, this will make it easier for contractors and owners to calculate the permit fees and make the prosses more transparent as they are applying for a building permit.

**BUILDING DEPARTMENT**

Building Permit Fees

Building Valuations

As set by ICC Building Valuation Data table August 2011

New Construction

\$50.00 per Sq foot

Remodel

\$50.00 per Sq foot

Basement Finish

\$50.00 per Sq foot

Tenant Improvement

\$50.00

Electrical (service upgrade, new meter base, etc.)

\$50.00

Mechanical (Furnace, Gas line, gas meter, etc.)

\$50.00

Plumbing (water heater, etc.)

Contractor's Estimate

Solor with or without batteries

Contractor's Estimate

Retaining walls

\$25.00 per sign type

Sign

Per Engineer Estimate

Grading/Excavation

Building Permit Calculation Table

TOTAL VALUATION	FEE
\$1 to \$500	\$24
\$501 to \$2,000	\$24 for the first \$500; plus \$3 for each additional \$100 or fraction thereof, to and including \$2,000.
\$2,001 to \$40,000	\$69 for the first \$2,000; plus \$11 for each additional \$1,000 or fraction thereof, to and including \$40,000.
\$40,001 to \$100,000	\$487 for the first \$40,000; plus \$9 for each additional \$1,000 or fraction thereof, to and including \$100,000.
\$100,001 to \$500,000	\$1,027 for the first \$100,000; plus \$7 for each additional \$1,000 or fraction thereof, to and including \$500,000.
\$500,001 to \$1,000,000	\$3,827 for the first \$500,000; plus \$5 for each additional \$1,000 or fraction thereof, to and including \$1,000,000.
\$1,000,001 and over	\$6,387 for the first \$1,000,000; plus \$4 for each additional \$1,000 or fraction thereof.

**Other Building permits Fees**

**Plan Review**

**30% of Building Permit**

**Utah State Fee**

**1% of Building Permit**

**Northwest Water Reimbursement Area**

**\$1,500 Per ERU**

**Other Building fees**

**Inspection (not part of a building permit)**

**\$50.00**

**Re-inspection**

**\$50.00**

**Revised Plan review**

**\$50.00 per hour**

Builder	permit #	permit type	Eng. Plan Check			Mechanical			Percent of			30% plan			Change in		
			Building Fee	Fee	Electrical Fee	Plumbing Fee	Fee	Plan Fee total	Check/fees	Check/fees	Check fee	Fees	Fees				
All Pro Cons	25-056 (C)	Addition	\$ 951.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 285.53	\$ 285.53	\$ 285.53	\$ (60.03)		
Matthew Ma	25-525	Addition	\$ 1,195.35	\$ -	\$ 112.88	\$ 213.65	\$ 92.10	\$ 418.63	\$ 418.63	35%	\$ 358.61	\$ 358.61	\$ 358.61	\$ 216.23	\$ 216.23		
Mountain St	25-214 (C)	Addition	\$ 720.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 216.23	\$ 216.23	\$ 216.23	\$ 56.08	\$ 56.08		
ARC Contral	25-147	Addition	\$ 377.25	\$ -	\$ 57.10	\$ -	\$ -	\$ 57.10	\$ 57.10	15%	\$ 113.18	\$ 113.18	\$ 113.18	\$ 54.38	\$ 54.38		
Copper Poin	25-118 (C)	Addition	\$ 181.25	\$ -	\$ 73.12	\$ -	\$ -	\$ 33.30	\$ 106.42	59%	\$ 54.38	\$ 54.38	\$ 54.38	\$ 87.98	\$ 87.98		
3 MC Const	25-359 (C)	Addition	\$ 293.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 7.43	\$ 7.43	\$ 7.43	\$ 317.93	\$ 317.93		
Shettell Rea	25-270 (C)	ADU	\$ 24.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ 600.53	\$ 600.53	\$ 600.53	\$ 92.18	\$ 92.18		
MHP Homes	25-571	Commercial	\$ 2,001.75	\$ 184.00	\$ 163.05	\$ 86.25	\$ 33.30	\$ 282.60	\$ 282.60	14%	\$ 92.18	\$ 92.18	\$ 92.18	\$ 865.74	\$ 865.74		
Carter Enter	25-360 (C)	Commercial	\$ 307.25	\$ -	\$ 32.85	\$ 125.45	\$ 33.30	\$ 191.60	\$ 191.60	62%	\$ 1,792.13	\$ 1,792.13	\$ 1,792.13	\$ 511.49	\$ 511.49		
JMI Construc	25-314	Commercial	\$ 5,973.75	\$ 618.84	\$ 926.39	\$ -	\$ -	\$ 926.39	\$ 926.39	16%	\$ 2,805.00	\$ 2,805.00	\$ 2,805.00	\$ 1,437.53	\$ 1,437.53		
Grass Creek	25-660	Commercial	\$ 9,350.00	\$ -	\$ 8,089.74	\$ 184.25	\$ 33.30	\$ 8,307.29	\$ 8,307.29	89%	\$ 1,437.53	\$ 1,437.53	\$ 1,437.53	\$ 560.21	\$ 560.21		
Grass Creek	25-659	Commercial	\$ 4,791.75	\$ 270.00	\$ 617.04	\$ 96.05	\$ 33.30	\$ 746.39	\$ 746.39	16%	\$ 511.49	\$ 511.49	\$ 511.49	\$ 242.50	\$ 242.50		
Velocity Buil	25-473	Commercial	\$ 1,704.95	\$ 90.48	\$ 129.84	\$ 105.85	\$ 33.30	\$ 268.99	\$ 268.99	16%	\$ 560.21	\$ 560.21	\$ 560.21	\$ 616.93	\$ 616.93		
CG Develop	25-274	Commercial	\$ 1,867.35	\$ 74.76	\$ 303.50	\$ -	\$ -	\$ 303.50	\$ 303.50	16%	\$ 2,805.00	\$ 2,805.00	\$ 2,805.00	\$ 426.92	\$ 426.92		
CG Develop	25-273	Commercial	\$ 1,867.35	\$ 74.76	\$ 303.50	\$ -	\$ -	\$ 303.50	\$ 303.50	16%	\$ 560.21	\$ 560.21	\$ 560.21	\$ 256.71	\$ 256.71		
Nova Buil L	25-316 (C)	Commercial	\$ 3,518.75	\$ 103.14	\$ 303.50	\$ 101.90	\$ 33.30	\$ 438.70	\$ 438.70	12%	\$ 1,055.63	\$ 1,055.63	\$ 1,055.63	\$ 720.82	\$ 720.82		
Westside Cd	25-621	Commercial	\$ 9,350.00	\$ 224.00	\$ 1,700.03	\$ 341.05	\$ 43.10	\$ 2,084.18	\$ 2,084.18	22%	\$ 2,805.00	\$ 2,805.00	\$ 2,805.00	\$ 475.40	\$ 475.40		
Nova Buil L	25-517 (C)	Commercial	\$ 4,036.50	\$ 135.00	\$ 615.48	\$ 135.25	\$ 33.30	\$ 784.03	\$ 784.03	19%	\$ 909.65	\$ 909.65	\$ 909.65	\$ 168.03	\$ 168.03		
Miller Contr	25-545 (C)	Commercial	\$ 3,032.15	\$ 112.50	\$ 275.50	\$ 115.65	\$ 43.10	\$ 434.25	\$ 434.25	14%	\$ 3,802.44	\$ 3,802.44	\$ 3,802.44	\$ 2,099.60	\$ 2,099.60		
Wasatch Col	25-440	Multi-Family	\$ 12,674.81	\$ -	\$ 1,616.92	\$ 2,183.45	\$ 1,905.01	\$ 5,705.38	\$ 5,705.38	45%	\$ 4,229.10	\$ 4,229.10	\$ 4,229.10	\$ 18.42	\$ 18.42		
Wasatch Col	25-442	Multi-Family	\$ 14,096.99	\$ -	\$ 1,828.55	\$ 2,418.65	\$ 2,081.50	\$ 6,328.70	\$ 6,328.70	45%	\$ 4,615.90	\$ 4,615.90	\$ 4,615.90	\$ 196.83	\$ 196.83		
Wasatch Col	25-441	Multi-Family	\$ 15,386.32	\$ -	\$ 2,020.40	\$ 2,653.85	\$ 2,257.90	\$ 6,932.15	\$ 6,932.15	45%	\$ 1,879.64	\$ 1,879.64	\$ 1,879.64	\$ 88.86	\$ 88.86		
Timberhawk	25-331	Multi-Family	\$ 6,265.48	\$ 199.36	\$ 703.12	\$ 850.65	\$ 493.90	\$ 2,047.67	\$ 2,047.67	33%	\$ 887.93	\$ 887.93	\$ 887.93	\$ 23.91	\$ 23.91		
RW Services	25-674	Multi-Family	\$ 2,959.77	\$ 252.00	\$ 359.50	\$ 331.25	\$ 199.90	\$ 890.65	\$ 890.65	30%	\$ 4,229.10	\$ 4,229.10	\$ 4,229.10	\$ 2,099.60	\$ 2,099.60		
Wasatch Col	25-657	Multi-Family	\$ 14,096.99	\$ -	\$ 1,828.55	\$ 2,418.65	\$ 2,081.50	\$ 6,328.70	\$ 6,328.70	45%	\$ 4,615.90	\$ 4,615.90	\$ 4,615.90	\$ 37.84	\$ 37.84		
Wasatch Col	25-656	Multi-Family	\$ 15,386.32	\$ -	\$ 2,020.40	\$ 2,653.85	\$ 2,257.90	\$ 6,932.15	\$ 6,932.15	45%	\$ 4,615.90	\$ 4,615.90	\$ 4,615.90	\$ 37.57	\$ 37.57		
Jake Hulet	25-095 (C)	Residential	\$ 1,236.58	\$ -	\$ 105.60	\$ 164.65	\$ 82.30	\$ 352.55	\$ 352.55	29%	\$ 1,012.66	\$ 1,012.66	\$ 1,012.66	\$ 40.96	\$ 40.96		
Roy Talmag	25-073 (C)	Residential	\$ 3,375.52	\$ -	\$ 382.68	\$ 292.05	\$ 141.10	\$ 815.83	\$ 815.83	24%	\$ 524.57	\$ 524.57	\$ 524.57	\$ 21.54	\$ 21.54		
Jake Hulet c	25-064 (C)	Residential	\$ 1,748.58	\$ -	\$ 169.16	\$ 184.25	\$ 82.30	\$ 435.71	\$ 435.71	25%	\$ 467.72	\$ 467.72	\$ 467.72	\$ 31.41	\$ 31.41		
D R Horton	25-040 (C)	Residential	\$ 1,377.49	\$ -	\$ 122.79	\$ 174.45	\$ 92.10	\$ 389.34	\$ 389.34	28%	\$ 413.25	\$ 413.25	\$ 413.25	\$ 88.86	\$ 88.86		
Joe Burgess	25-027 (C)	Residential	\$ 1,582.16	\$ -	\$ 147.54	\$ 194.05	\$ 92.10	\$ 433.69	\$ 433.69	27%	\$ 474.65	\$ 474.65	\$ 474.65	\$ 21.54	\$ 21.54		
Carter Enter	25-1096	Residential	\$ 3,142.17	\$ -	\$ 360.56	\$ 390.05	\$ 170.50	\$ 921.11	\$ 921.11	29%	\$ 942.65	\$ 942.65	\$ 942.65	\$ 37.84	\$ 37.84		
2CC Contral	25-028 (C)	Residential	\$ 2,019.15	\$ -	\$ 292.20	\$ 223.45	\$ 121.50	\$ 637.15	\$ 637.15	32%	\$ 605.75	\$ 605.75	\$ 605.75	\$ 37.84	\$ 37.84		
MHP Homes	25-1028	Residential	\$ 1,559.07	\$ -	\$ 143.73	\$ 194.05	\$ 92.10	\$ 429.88	\$ 429.88	28%	\$ 466.22	\$ 466.22	\$ 466.22	\$ 23.91	\$ 23.91		
MHP Homes	25-1026	Residential	\$ 1,554.05	\$ -	\$ 142.50	\$ 194.05	\$ 92.10	\$ 428.65	\$ 428.65	28%	\$ 413.25	\$ 413.25	\$ 413.25	\$ 23.91	\$ 23.91		
D R Horton	25-169 (C)	Residential	\$ 1,377.49	\$ -	\$ 122.79	\$ 174.45	\$ 92.10	\$ 389.34	\$ 389.34	28%	\$ 413.25	\$ 413.25	\$ 413.25	\$ 15.37	\$ 15.37		
D R Horton	25-171 (C)	Residential	\$ 1,377.49	\$ -	\$ 122.79	\$ 174.45	\$ 92.10	\$ 389.34	\$ 389.34	28%	\$ 542.02	\$ 542.02	\$ 542.02	\$ 85.61	\$ 85.61		
NAIL AND H	25-143 (C)	Residential	\$ 1,806.73	\$ -	\$ 171.90	\$ 243.05	\$ 111.70	\$ 526.65	\$ 526.65	29%	\$ 538.06	\$ 538.06	\$ 538.06	\$ -	\$ -		
Premier Dev	25-065 (C)	Residential	\$ 1,793.54	\$ -	\$ 176.10	\$ 184.25	\$ 92.10	\$ 452.45	\$ 452.45	25%	\$ -	\$ -	\$ -	\$ -	\$ -		

Ponderosa (25-146 (C))	Residential	\$ 1,882.12	\$ -	\$ 178.40	\$ 194.05	\$ 101.90	\$ 474.35	25%	\$ 564.64	\$ 90.29
All Pro Const 25-288 (C)	Residential Rem	\$ 335.25	\$ -	\$ 111.03	\$ 105.85	\$ 33.30	\$ 250.18	75%	\$ 100.58	\$ (149.61)
Self 25-238	Residential Rem	\$ 411.95	\$ -	\$ 52.96	\$ 115.65	\$ -	\$ 168.61	41%	\$ 123.59	\$ (45.03)
Alex Meisner 25-374 (C)	Residential Rem	\$ 502.85	\$ -	\$ 63.60	\$ 145.05	\$ 43.10	\$ 251.75	50%	\$ 150.86	\$ (100.90)
JRK Hendy 25-296 (C)	Residential Rem	\$ 111.25	\$ -	\$ 28.20	\$ 86.25	\$ -	\$ 114.45	103%	\$ 33.38	\$ (81.08)
Peak Const 25-223	Townhome	\$ 1,756.65	\$ -	\$ 172.35	\$ 223.45	\$ 101.90	\$ 497.70	28%	\$ 527.00	\$ 29.30
Peak Const 25-224	Townhome	\$ 1,756.65	\$ -	\$ 172.35	\$ 223.45	\$ 101.90	\$ 497.70	28%	\$ 527.00	\$ 29.30
Desert Sage 25-186 (C)	Townhome	\$ 1,231.05	\$ -	\$ 95.40	\$ 164.65	\$ 92.10	\$ 352.15	29%	\$ 369.32	\$ 17.17
Desert Sage 25-185 (C)	Townhome	\$ 1,231.05	\$ -	\$ 95.40	\$ 164.65	\$ 92.10	\$ 352.15	29%	\$ 369.32	\$ 17.17
Mark 1 Deve 25-310 (C)	Townhome	\$ 1,463.33	\$ -	\$ 131.58	\$ 194.05	\$ 101.90	\$ 427.53	29%	\$ 439.00	\$ 11.47
Mark 1 Deve 25-309 (C)	Townhome	\$ 1,466.98	\$ -	\$ 131.92	\$ 194.05	\$ 101.90	\$ 427.87	29%	\$ 440.09	\$ 12.22
Alliance Dev 25-249	Townhome	\$ 1,211.36	\$ -	\$ 107.89	\$ 184.25	\$ 92.10	\$ 384.24	32%	\$ 363.41	\$ (20.83)
Alliance Dev 25-248	Townhome	\$ 1,211.36	\$ -	\$ 107.89	\$ 184.25	\$ 92.10	\$ 384.24	32%	\$ 363.41	\$ (20.83)
D R Horton 25-408 (C)	Townhome	\$ 1,653.18	\$ -	\$ 170.05	\$ 194.05	\$ 101.90	\$ 466.00	28%	\$ 495.95	\$ 29.95
D R Horton 25-540 (C)	Townhome	\$ 1,653.18	\$ -	\$ 170.05	\$ 194.05	\$ 101.90	\$ 466.00	28%	\$ 495.95	\$ 29.95
Tried and Tr 25-324 (C)	Townhome	\$ 1,288.47	\$ -	\$ 108.28	\$ 203.85	\$ 101.90	\$ 414.03	32%	\$ 386.54	\$ (27.49)
Tried and Tr 25-327 (C)	Townhome	\$ 1,546.73	\$ -	\$ 137.63	\$ 203.85	\$ 101.90	\$ 443.38	29%	\$ 464.02	\$ 20.64
	Total for 2025	\$ 1,448,589.09	\$ 9,108.06	\$ 166,873.16	\$ 160,763.30	\$ 86,869.13	\$ 414,505.59	27%	\$ 434,576.73	\$ 20,071.14

CEDAR CITY COUNCIL  
AGENDA ITEMS - 11  
DECISION PAPER

**TO:** Mayor and City Council

**FROM:** City Manager

**DATE:** May 4, 2026

**SUBJECT:** Consider entering into a settlement agreement with the Armbrust family.

In 2013 there was a lawsuit filed by the Armbrust family against Cedar City. In 2015 there was a settlement agreement between Cedar City and the Armbrust family. The final uncomplete term in that settlement agreement was that when the Armbrust Family's developments reached a defined number of roof tops, Cedar City would build a recreational amenity in the Cross Hollow storm water detention pond. The Armbrust family's developments have exceeded the threshold number of rooftops that would require Cedar City to construct the recreational amenities as per the 2015 agreement.

Both the Armbrust family and Cedar City no longer prefer the recreational amenities in the detention pond. In order to compromise and complete the last remaining item in the 2015 settlement agreement Cedar City agrees to pay the Armbrust Family \$500,000.00. In exchange the Armbrust family will release Cedar City from its obligation to construct a recreational amenity in the Cross Hollow detention pond. Below is the settlement and release agreement, it has been signed by the Armbrust Family. Funding for the payment has been included in the FY 26-27 budget proposal. If you have any questions, please let me know. Please consider approving the settlement agreement. Thank you.

**SETTLEMENT AND RELEASE OF CLAIMS**

This settlement and release of claims is entered into on the 22 day of April, 2026, by and between Cedar City Corporation, a Utah political subdivision and municipal corporation, hereinafter referred to as "City"; and Art and Vada Armbrust Family Properties, LLC, an Illinois Limited Liability Company, hereinafter referred to as "Armbrust".

**WHEREAS**, On or about December 16, 2013, Armbrust filed suit against City, said suit was filed in the 5<sup>th</sup> District Court in and for the State of Utah under civil case number 130500183.

**WHEREAS**, on or about January 11, 2016, Armbrust and City entered a settlement of claims agreement, (See Exhibit "A": 2016 Settlement Agreement) and the litigation was subsequently dismissed; and

**WHEREAS**, consideration for the settlement agreement included City constructing specified flood control improvements and petitioning FEMA to change flood designations on Armbrust's property; Armbrust provided certain easements to City, and City paid Armbrust fifty thousand dollars (\$50,000); and

**WHEREAS**, one outstanding matter in the settlement agreement remains. City promised to develop the detention pond referenced in the settlement agreement so that it contained a recreational use component. The recreational component was to be funded and constructed after Armbrust pulled its 300<sup>th</sup> building permit for residential construction on Armbrust's property; and

**WHEREAS**, Armbrust and City stipulate and agree that Armbrust has pulled in excess of 300 residential building permits for construction on Armbrust's land; and that City has not constructed the recreational facilities; and

**WHEREAS**, both Armbrust and City agree that the recreational facilities in the detention pond are no longer preferred and in order to compromise and settle the final uncompleted provision of the above-referenced settlement agreement, Armbrust and City enter this settlement and release of claims.

**NOW THEREFORE** the following provisions are hereby agreed to by Armbrust and City:

**THE RECITALS ARE INCORPORATED BY THIS REFERENCE AND EXPRESSLY MADE A PART OF THIS AGREEMENT**

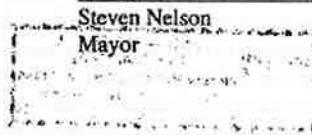
- •       In exchange for Armbrust releasing City from any further obligations to construct a park in the detention basin, or any and all other obligations related to the above- referenced settlement agreement, City will make a payment to Armbrust in the sum and amount of five hundred thousand dollars (\$500,000.00). Except as expressly stated herein, no other rights, duties, easements, maintenance obligations, and flood-control obligations, are modified, released, or waived.
- •       Payment shall be made by check payable to Art and Vada Family Properties, LLC, sent by certified mail, return receipt requested, to Art and Vada Family Properties, LLC, 909<sup>th</sup> Deerpath Court, Wheaton, IL, 60189. Payment shall be mailed by July 15, 2026. If City fails to make the full payment required under this Agreement on or before July 15, 2026, the unpaid amount shall accrue interest at the rate of twelve percent (12%) per annum from July 16, 2026, until paid in full. In any action or proceeding to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorney fees, court costs, expert fees, and collection costs.
- •       In exchange for the five hundred thousand dollar (\$500,000.00) payment,

without offset, Armbrust does hereby and for its heirs, personal representatives, successors and assigns forever mutually release, discharge and acquit City, its agents administrators, directors, officers, officials, elected officials, executors, employees, trustees, beneficiaries, successors and assigns, from any and all claims, including claims for general damages, breach of contract, attorney fees, costs, expenses, actions and causes of action, past and future, whether or not now known, suspected, or claimed, liquidated or unliquidated, fixed or contingent, direct or indirect, which they ever had, now have, claim to have had or ever could have, based upon, or related to any way the claims made or the terms of the settlement of the litigation referenced herein. Notwithstanding anything herein to the contrary, the releases, waivers, acknowledgments, and agreements by Armbrust set forth in this Agreement shall not become effective unless and until Armbrust has received the full settlement payment of Five Hundred Thousand Dollars (\$500,000.00) in immediately available funds. If City fails to timely make the full payment required herein, Armbrust's releases and waivers shall be null and void, and Armbrust shall retain all rights and remedies available under the prior settlement agreement, this Agreement, and applicable law

- • Armbrust further agrees that all improvements included in the above-referenced settlement have been satisfactorily completed or waived herein, and, therefore, the dismissal in case number 130500183 is deemed with prejudice.
- • Armbrust represents and warrants that no other person or entity has or has had any interest in the claims, demands, obligations, or causes of action referred to in this settlement and release of claims except as otherwise set forth herein, and that they have the sole right and exclusive authority to execute this document, compromise all claims, and receive the payment contemplated herein.
- • The people signing this settlement and release of claims have the proper authority to enter into agreements and bind the respective parties, their heirs, assigns, personal representatives, successors, and any interested party to this matter. City represents and warrants that this Agreement has been duly approved by the Cedar City Council in accordance with applicable law, that the Mayor and City Recorder are authorized to execute this Agreement on behalf of City, that the settlement funds have been lawfully budgeted, appropriated, and/or otherwise made available for payment, and that no further approval, appropriation, consent, or action is required for City to fully perform its obligations under this Agreement.
- • This settlement and release of claims is subject to the laws of the State of Utah. In the event of a dispute both parties agree that jurisdiction is vested in the Utah District Courts and venue is vested in the 5<sup>th</sup> district court in and for Iron County, State of Utah.
- • Armbrust and City have had the opportunity to have this settlement and release of claims reviewed by legal counsel of their choice.
- • This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior or contemporaneous discussions, negotiations, representations, or agreements concerning the matters resolved herein, except for those provisions of the prior settlement agreement that are expressly preserved by this Agreement. This Agreement may be amended only by a written instrument signed by both parties. This Agreement may be executed in counterparts and by electronic or facsimile signature, each of which shall be deemed an original.

Remainder of page intentionally left blank.

Dated this 22 day of April, 2026.



[Seal]  
Attest:

\_\_\_\_\_  
Renon Savage  
Cedar City Recorder

STATE OF UTAH     )  
                                  :ss.  
COUNTY OF IRON    )

This is to certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2026, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared Steven Nelson, known to me to be the Mayor of Cedar City Corporation, and Renon Savage, known to me to be the City Recorder of Cedar City Corporation, and acknowledged to me that he the said Steven Nelson and she the said Renon Savage executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

Art and Vada Armbrust Family Properties, LLC

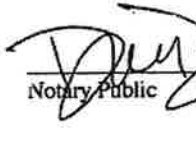
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(signature)

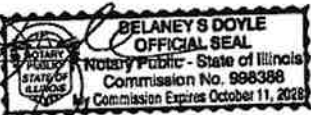
STEVEN ARMBRUST MANAGER

(print name and title)

State of Illinois     )  
                                  :ss  
County of DuPage    )

On this 22 day of April, 2026, before me, a notary public in and for the State of Illinois, personally appeared before me Belaney Doyle of the Art and Vada Armbrust Family Properties, LLC, known to me to be the person who executed the Settlement and Release of Claims herein on behalf of Art and Vada Armbrust Family Properties, LLC, and acknowledged to me that he/she executed the same for the purposes therein stated.

  
Notary Public







CEDAR CITY COUNCIL  
AGENDA ITEMS - 12  
DECISION PAPER

**TO:** Mayor and City Council  
**FROM:** City Manager  
**DATE:** May 4, 2026  
**SUBJECT:** Consider entering into an agreement with Torus.

Torus is a company that created a process where they can help larger industrial customers and utility providers save money on their electricity bill, have a steadier power supply, have some back up power capability per facility, and have a positive impact on the local power grid. They install a flywheel and battery storage on property next to the relevant facility. The fly wheel and battery storage take power from the grid at low demand times. The Torus product also evens out the distribution to the location to avoid power surges. More detailed information related to Torus can be found at their website, [www.torus.co](http://www.torus.co). They are the only company that we know about with this technology.

We have done an analysis of Cedar City's power-consuming business activities. Of all the facilities Cedar City operates and maintains the largest power consumers are the Wastewater Treatment Plant and water wells. For purposes of this proposed agreement, we are looking at locating 2 Torus products at the wastewater treatment plant, and 4 Torus products at individual well locations in the Quichapa well field. Torus works with Rocky Mountain Power to secure grant money to cover the installation of their product on our property. Each installation is estimated to cost \$530,000. For all six product installations the estimated capital cost is \$3,180,000.00. This is the cost to be covered by the Rocky Mountain Power grant.

After the product is installed, Cedar City would pay Torus to operate and maintain the systems. Based on their other operations and observed power cost savings after we pay Torus for their operation and maintenance of the systems, Torus estimates Cedar City will see net savings between \$630 and \$1,230 over a five (5) year period. The savings is one advantage of the program. The Torus system will provide a limited battery backup for each property and even out the power flow to the properties. There is also a benefit to the local power grid.

Below is the proposed agreement from Torus. Please note that if Cedar City chooses to terminate this agreement after the Torus product is installed we will have to reimburse Rocky Mountain Power for the Watsmart grant money they spent to install the Torus product (see paragraph 2.d). Please consider approving the agreement with Torus. If you have questions, please give me a call. Thank you.



EQUIPMENT LEASE AND MANAGED SERVICES AGREEMENT

<b>SERVICE PROVIDER:</b> Torus Hardware LLC ("Torus") 5552 West 700 South Salt Lake City, UT 84118	<b>CUSTOMER:</b> Cedar City Corp ("Customer") 10 N Main St Cedar City, UT 84720
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1. **HARDWARE LEASE**

- a. **Lease Terms.** Customer agrees to lease the Hardware listed in the Order Form, contingent on enrollment and continued participation in Rocky Mountain Power's ("RMP") incentive program (the "Program").
- b. **Delivery.** Torus delivers Hardware FAS (Incoterms 2020) to the Delivery Point in the Order Form.
- c. **Title.** Torus retains title to all Hardware unless purchased by Customer as provided below. Customer may not pledge, encumber, or transfer any interest in the Hardware.
- d. **Risk of Loss.** Torus bears risk of loss after installation is complete and through Agreement expiration or termination unless Customer purchases Hardware as provided below.

2. **DEMAND RESPONSE PROGRAM**

- a. **Participation.** Customer must enroll in and remain an active participant in the Program for the Initial Term, including maintaining good standing with RMP. Customer must sign the Offer Letter to be provided separately and the attached Wattsmart Terms and Conditions (Exhibit A).
- b. **Incentive Assignment.** Customer must assign all Program incentive payments to Torus as a condition of receiving Hardware. Customer shall retain rights to bill credits that may be available to Customer, unless otherwise specified.
- c. **No Guarantee.** Torus is not liable if: (i) incentives are less than estimated, (ii) bill savings are not realized, or (iii) if Customer withdraws from the Program early.
- d. **Failure to Participate. Before installation:** Either party may terminate if enrollment is not feasible or Customer fails qualification requirements. **After installation, Before Year 1:** Customer shall pay (i) RMP penalties (as defined by RMP's Wattsmart Battery program: see rockymountainpower.net/wattsmart-battery-program), and (ii) full retail value of the Hardware within 60 days if Customer withdraws from the Program or fails enrollment due to its own actions. **After Year 1:** Customer pays RMP penalties and either: (i) purchases Hardware at depreciated value, or (ii) removes Hardware per Section 9.c.

3. **SERVICES**

- a. **Installation.** Torus installs Hardware per Order Form specifications and obtains required permits. Torus may terminate without penalty if unforeseen site conditions arise and shall make all reasonable efforts to restore the Site to its original condition. Customer warrants that the Site is free of hazardous materials and is solely responsible for any removal or remediation required. Torus may suspend work until remediation is complete. Torus confirms that Customer is not required to own the property at which the Hardware is to be installed. However, Customer is solely responsible for independently determining, in consultation with Customer's landlord or property owner, whether such installation is permitted under Customer's lease agreement. Customer represents and warrants that Customer has obtained, or will obtain prior to installation, all necessary consents and approvals from Customer's landlord or property owner as required by Customer's lease agreement. Customer shall not be responsible for any installation or interconnection costs under any circumstances.
- b. **Operations & Maintenance, Security.** Customer agrees that Torus shall operate, maintain, and secure the Project and provide energy management services (the "Services") to Customer as described in Exhibit B.
- c. **Personnel.** Torus provides qualified personnel and may use subcontractors but is fully responsible for their acts. Customer shall be responsible for providing and paying for any wages or fees for any non-Torus personnel that Customer requires to be on Site.

4. **START-UP, COMMISSIONING, AND OPERATING REQUIREMENTS**

- a. **Commissioning.** Hardware may require start-up and commissioning, including inspections, to ensure the Hardware is installed in accordance with regulatory and Program requirements. Torus shall have sole responsibility to ensure the Hardware is installed, commissioned, interconnected, operated and maintained properly and that the Hardware complies with all applicable Federal, state, local and regulated use restrictions and requirement for the Term.
- b. **Access to Site.** Customer shall provide reasonable site access to Torus for installation, commissioning, interconnection, maintenance, inspections, and emergency entry. Customer shall furnish to Torus, at no additional cost, suitable working space, storage space, light, ventilation, regulated electric power, and outlets for testing purposes (if applicable). Customer shall provide the means to shut off and secure electric power and shall ensure that Customer and Customer's personnel cooperate and provide all necessary assistance to Torus. Customer shall retain access to the Site but may not modify or alter the Hardware unless expressly directed by Torus.
- c. **Delays.** Customer shall reimburse Torus for documented costs from Customer-caused delays within 30 days.

5. **FEEES & PAYMENT**



- a. **Fees.** Customer shall pay the Fees as set forth on the Order Form.
- b. **Billing.** Upon completion of the project, Torus shall send Customer an invoice for the initial payment. The invoice shall state the start date of the Services ("Service Billing Date") which is the date on which RMP grants Permission to Operate ("PTO") and Overwatch's acceptance has been achieved. Torus shall invoice Customer annually thereafter on or about the Service Billing Date. Payment due within 30 days of receipt of the invoice.
- c. **Price Escalation.** Service Fees increase 5% at each Renewal Term.
- d. **Changes.** Torus may modify the Order Form at any time prior to completion of installation. If Fees increase by more than 10%, Customer may accept the new Order Form or terminate without penalty.
- e. **Late Payment.** Unpaid Fees accrue interest at Prime Rate plus 4% or the maximum legal rate after 30 days.

#### 6. TAXES

Customer shall remain liable for all real property taxes assessed on the Site and Customer shall provide tax exemption certificates acceptable to the taxing authority upon request. Unless expressly stated in the Order Form, Torus shall be responsible for any other taxes that may be required with respect to the installation or operation of the Hardware

#### 7. USAGE DATA LICENSE

Customer grants Torus a non-exclusive, royalty-free license to access and analyze Customer's EMS Usage Data for business purposes, including performance improvements. Torus may share Usage Data with RMP as required. Only anonymized/aggregated data shall be disclosed publicly without Customer's express written consent.

#### 8. INSURANCE

Each party maintains in full force policies of insurance issued by insurers of recognized responsibility insuring each party and its properties and business against such losses and risks as acceptable for the nature and extent of such business and its resources. Parties provide certificates naming the other as additional insured with 30 days' notice of cancellation. Insurance must be primary and noncontributory with waiver of subrogation.

#### 9. TERM & TERMINATION

- a. **Term.** This Agreement is effective as of the date of signature below ("Effective Date") and continues for 5 years from Service Billing Date ("Initial Term"), automatically renewing for up to three 5-year periods (each, a "Renewal Term") (collectively "Term"), unless either party gives 30 days' notice before expiration of the Initial Term or a Renewal Term.
- b. **Termination for Default.**
  - i. **Customer Default:** Torus may terminate if Customer: (a) breaches material terms (30 days to cure); (b) fails to make payment (5 business days to cure); (c) ceases operations or loses Site occupancy; or (d) files or faces bankruptcy (60 days to dismiss if involuntary).
  - ii. **Torus Default:** Customer may terminate if Torus (a) breaches material terms (30 days to cure); (b) ceases operations, or (c) Files/faces bankruptcy (60 days to dismiss if involuntary).
  - iii. **Remedies:** Non-defaulting party may pursue legal remedies; all payment obligations become immediately due; Torus may suspend performance.
- c. **Hardware Return.** Unless Customer exercises their purchase option pursuant to section 9.d upon expiration of the Term, Torus shall bear all costs of Hardware removal. If Customer terminates this Agreement or any Order Form prior to the expiration of the Term, Customer shall pay all costs and expenses associated with the removal, packaging, and transportation of the Hardware, including but not limited to labor, materials, and shipping costs.
- d. **Purchase Option.** Customer may purchase Hardware at Fair Market Value with 180 days' written notice before Term expiration. If parties cannot agree on value, an independent appraiser shall determine it (costs of engagement split equally between Torus and Customer).

#### 10. INDEMNIFICATION

- a. **Torus Indemnifies Customer** for third-party claims for third party intellectual property infringement, personal injury, death, or property damage caused by Torus or Torus' subcontractors, except that coverage may be reduced for Customer's gross negligence and fraud.
- b. **Customer Indemnifies Torus** for: (i) material breach of Agreement or law, (ii) property damage caused by Customer, and (iii) hazardous materials at Site except as introduced by Torus.

#### 11. LIMITATION OF LIABILITY

- a. **LIABILITY; NO CONSEQUENTIAL DAMAGES.** TORUS' LIABILITY ON ANY CLAIM OF ANY KIND, INCLUDING CLAIMS FOR NEGLIGENCE, OR FOR ANY LOSS OR DAMAGE OR CONNECTED WITH THE USE AND OPERATION OF THE HARDWARE SHALL BE LIMITED TO THOSE CLAIMS ARISING SOLELY FROM THE ACTS OF TORUS. NEITHER PARTY LIABLE FOR INDIRECT, CONSEQUENTIAL, PUNITIVE, OR SPECIAL DAMAGES (INCLUDING LOST PROFITS/REVENUE). CUSTOMER EXPRESSLY ACKNOWLEDGES AND AGREES THAT TORUS HAS SET ITS PRICES IN RELIANCE UPON THE LIMITATION OF LIABILITY AND OTHER TERMS AND CONDITIONS SPECIFIED HEREIN.
- b. **LIABILITY CAPS.** Total liability capped at total Order Form Fees, except for: (i) willful misconduct, (ii) indemnity obligations, (iii) unpaid fees and interest. Torus' indemnity claims capped at insurance coverage to the extent permitted

by law. Torus' liability for nonperformance not to exceed the annual fees paid during the year in which the nonperformance occurred.

- c. **TAX CREDIT DISCLAIMER.** TORUS IS NOT LIABLE FOR LOSS OF TAX CREDITS OR BENEFITS. CUSTOMER SHALL NOT CLAIM TAX INCENTIVES ASSOCIATED WITH HARDWARE.

**12. CONFIDENTIAL INFORMATION**

- a. **Definition.** Confidential Information includes business and technical information, pricing, customer and vendor data, Agreement terms, and trade secrets, excluding public information and independently developed information.
- b. **Protection.** Confidential Information shall be protected with reasonable care, used only for Agreement purposes.
- c. **Legal Disclosure.** If legally required to disclose, receiving party shall provide prompt notice to the other party, as permitted by law.
- d. **Remedies.** Parties may seek injunctive relief for breaches of this Agreement.
- e. **Survival.** Confidentiality obligations survive 3 years after termination and indefinitely for trade secrets.

**13. PUBLICITY**

Customer grants Torus a world-wide, royalty-free license to use Customer's name and logo in press releases, websites, and other marketing materials to identify Customer as Program participant. This license terminates with Agreement.

**14. GOVERNING LAW**

The rights and obligations of the parties with respect to this Agreement shall be governed in all respects by Utah law.

**15. ASSIGNMENT**

Torus may assign with 5 days' notice. Customer may assign for financing party assignments, with Torus' express written consent, not to be unreasonably withheld and upon 5 days' notice.

**IN WITNESS WHEREOF**, the parties have executed this Agreement through their duly authorized officers as of the last date signed below.

**TORUS HARDWARE LLC**

**CEDAR CITY CORP**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Nate Walkingshaw

Name:

Title: Chief Executive Officer

Title:

Date:

Date:



**W-9 SUBMISSION ADDENDUM**

This Addendum is part of the Equipment Lease and Managed Services Agreement between Torus Hardware LLC ("Torus") and Customer. Customer has assigned all Rocky Mountain Power Wattsmart Battery incentive payments to Torus and the parties agree that Torus's W-9 form shall be submitted during Wattsmart enrollment in lieu of Customer's W-9.

**IN WITNESS WHEREOF**, the parties have executed this Addendum as of the date last signed below.

**TORUS HARDWARE LLC**

**CEDAR CITY CORP**

By: \_\_\_\_\_  
Name: Nate Walkingshaw  
Title: Chief Executive Officer  
Date:

By: \_\_\_\_\_  
Name:  
Title:  
Date:

# ORDER FORM

DATE: April \_\_, 2026

PROJECT(S): 348217082, 348230259, 348220920, 348220921, 348217080, 348217050

SERVICE PROVIDER:	CUSTOMER:
Torus Hardware LLC 855 West 2400 South, South Salt Lake, UT 84119	Cedar City Corp 10 N Main St Cedar City, UT 84720

This Order Form is issued pursuant to and subject to the terms and conditions of the Equipment Lease and Managed Services Agreement, dated as of April \_\_, 2026, (the "Lease") by and between Torus (as Lessor) and Customer (as Lessee).

## DELIVERY

### Delivery Point:

Meter Number	Address
348217082	8100 W 1700 S, Well #3, Cedar City, UT 84720
348230259	2950 S 7900 W, Cedar City, UT 84720
348220920	7218 N 2300 W, Cedar City, UT 84720
348220921	7218 N 2300 W, Cedar City, UT 84720
348217080	7700 W 800 S #6, Cedar City, UT 84720
348217050	7821 W Highway 56, Cedar City, UT 84720

## HARDWARE AND PRICING

### Hardware Fees:

Meter Number	Hardware Type/SKU	Hardware Fees
348217082	Nova 400 Series (288 kwh)	\$530,000.00
348230259	Nova 400 Series (288 kwh)	\$530,000.00
348220920	Nova 400 Series (288 kwh)	\$530,000.00
348220921	Nova 400 Series (288 kwh)	\$530,000.00
348217080	Nova 400 Series (288 kwh)	\$530,000.00
348217050	Nova 400 Series (288 kwh)	\$530,000.00
<b>TOTAL HARDWARE FEES:</b>		<b>\$3,180,000.00</b>

**Technical Specifications of the Hardware:** See Schedule I attached hereto.

### Service Fees:

Meter Number	Services	Service Fees
348217082	Advanced Plan	\$18,000.00
348230259	Advanced Plan	\$18,000.00
348220920	Advanced Plan	\$18,000.00
348220921	Advanced Plan	\$18,000.00
348217080	Advanced Plan	\$18,000.00
348217050	Advanced Plan	\$18,000.00
<b>TOTAL SERVICE FEES:</b>		<b>\$108,000.00</b>

# ORDER FORM

<b>TOTAL CONTRACT VALUE:</b>	<b>\$3,288,000.00</b>
<i>Credit for participation in utility incentive program</i>	<i>- \$3,180,000.00</i>
<i>Credit for Service Fees (Year 1)</i>	<i>- \$21,600.00</i>
<b>TOTAL FEES DUE</b>	<b>\$86,400.00</b>
<i>*Fees are paid in equal annual installments</i>	
<b>ANNUAL PAYMENT (Beginning Year 2)</b>	<b>\$21,600.00</b>

## Term

**Initial Term:** Five Years

**Renewal Term(s):** Upon expiration of the Initial Term, this Order Form shall automatically renew for successive five-year renewal terms (each, a "**Renewal Term**") unless either Party provides written notice of its intent not to renew at least thirty (30) days prior to the expiration of the then-current term. During each Renewal Term, the Service Fees shall be increased by 5% per Renewal Term.

Service Provider and Customer agree that, upon execution by both parties below, this Order Form shall become legally binding on the parties as of the date first set forth above.

## **SERVICE PROVIDER**

Torus Hardware LLC

## **CUSTOMER**

Cedar City Corp

\_\_\_\_\_  
By:

Printed Name: Nate Walkingshaw

Title: Chief Executive Officer

\_\_\_\_\_  
By:

Printed Name:

Title:



**EXHIBIT A**  
**RMP WATTSMART BATTERY TERMS AND CONDITIONS**  
**EXHIBIT B**  
**SERVICES**

