

**AGREEMENT FOR THE PURCHASE
AND SALE OF POWER
DRAFT – February 23, 2026**

THIS AGREEMENT FOR THE PURCHASE AND SALE OF POWER (this “AGREEMENT”) is made effective the 1st day of August, 2026, by and between STRAWBERRY WATER USERS ASSOCIATION, a Utah non-profit corporation (the “Association”) and PAYSON CITY, a municipal corporation of the State of Utah (City) (collectively, “Parties”).

PURPOSES

The Association operates and maintains certain features of the Strawberry Valley Project (SVP), including the Spanish Fork Upper and Lower Power Plants, as well as the Payson Power Plant (SVP Power Plants). From April 1986 to the present, the Association has sold power generated at those power plants to South Valley Electric Service District (SESD). SESD has purchased the power to supply electricity to residential, industrial and agricultural customers in South Utah Valley. An Agreement between the Association and SESD expires at the end of July 2026 and will be replaced by this Agreement.

TERMS

The Parties hereby agree as follows:

1. Sale of Power: The Association agrees to make available and sell to the City, and the City agrees to purchase and pay for, the output of such power plants. The Association agrees to deliver and meter power generated at the Upper Power Plant and the Lower Power Plant at 46 kV at the Spanish Fork Substation, and deliver and meter power generated at the Payson Power Plant at 4.16 kV at the plant in Payson Canyon, delivered to the SESD facilities. The City will make arrangements with SESD to wheel such power to the City at a location mutually convenient to SESD and the City.
2. Power Purchase Price: The City shall pay the Association the sum of \$0.0625 per kilowatt hour (\$0.0625/kWh) measured at the Spanish Fork Substation (both Upper and Lower Power Plants). In addition, the City shall pay the Association the sum of \$0.0625 per kilowatt hour (\$0.0625/kWh) measured at the Payson Power Plant, less the wheeling cost that SESD charges to deliver the power to the Payson power system. These power rates shall be effective for the term of this Agreement, without escalation.
3. Operations: The Association will notify the City at least 48 hours in advance of planned shutdowns and will notify the City as quickly as possible of unplanned shutdowns. The City shall have the right to verify all metering data and audit generation records upon reasonable notice. Discrepancies shall be corrected and reconciled within thirty (30) days.

4. No Warranties or Representation: The Association makes no representation or warranties as to the output of any of the power plants.
5. Renewable Energy: The City will receive all renewable energy attributes and credits for power received from the Association.
6. Term: This Agreement shall commence on the date first written above and shall remain in effect for a period of five (5) years thereafter; provided, however, that in the event either title to any of the SVP Power plants, or the operation and maintenance responsibility with respect thereto is transferred or assigned to another party or parties, such transferees or assignees may elect to terminate this Agreement by giving the City at least 30 days prior written notice of such termination. This Agreement may also terminate prior to the five (5) year term by written agreement executed by the Parties.
7. Invoices: The Association shall invoice the City on a monthly basis. The City shall pay to the Association the invoiced amounts in full within thirty (30) days of receiving the invoice. Amounts due and owing to the Association after such thirty (30) days shall earn interest at 10% per annum, compounded annually. If the City disputes any portion of the invoiced amount, the City shall pay the undisputed amount timely, and present a detailed written description of the nature and basis of the dispute within thirty (30) days of receiving the invoice. If a disputed amount is credited back in City's favor, City will also be entitled to receive any interest paid in addition to the coverage amount. If a disputed amount is determined to be owed to the Association, the Association will be entitled to interest at the rate of 10% per annum.
8. Reclamation Approval: This Agreement requires the approval of terms and conditions and rates by the United States Department of the Interior, Bureau of Reclamation (Reclamation). The Parties shall cooperate as reasonable and necessary to obtain such approval. Pending approval, the rates described above and the terms of payment shall apply.
9. General:
 - a. Modification of Agreement: This Agreement can only be modified by the Parties hereto by a written supplemental agreement, executed by all Parties and approved in writing by Reclamation.
 - b. Binding: This Agreement is for the benefit of and is binding upon the Parties hereto, their successors and assigns.
 - c. Notices: Any notice, request, instruction, report or other document to be given to the Parties shall be in writing and delivered personally or sent by certified mail or postage prepaid. Notices shall be presumed

delivered on the third day after mailing, if sent by certified mail and sender receives notice from Post Office that the notice was signed for.

- d. Force Majeure: Neither Party shall be liable for any default or delay in the performance of its obligations hereunder if and to the extent such default or delay is caused by fire, drought, flood, earthquake, elements of nature, acts of God, acts of war, terrorism, riots, civil disorders, or similar events.
- e. Remedies: If either Party claims there has been a default by the other Party, the other Party shall be given a detailed written notice of the claimed default and thirty (30) days to cure the claimed before an action may be filed. Under no circumstances shall either Party be liable for consequential damages. In any action to enforce or interpret this Agreement, the prevailing Party shall be entitled to an award of costs and expenses, including reasonable attorneys' and expert fees, incurred by the prevailing Party in such action.
- f. Entire Agreement: This Agreement contains the entire agreement of the Parties and supersedes all prior agreements, negotiations, and understandings regarding the purchase and sale of power and wheeling power between the Parties.
- g. Governing Law: This Agreement shall be governed by and construed under the laws of the State of Utah.
- h. Severability: If any provision is determined invalid or unenforceable, the remainder shall survive and be enforceable.
- i. Assignment: The City shall not assign this Agreement to any other party. The Association may assign this Agreement to another party after providing the City thirty (30) days prior written notice and obtaining approval in writing by Reclamation.
- j. Sovereign Immunity: Nothing in this Agreement shall be construed as a waiver of any rights, defenses, or limitations of liability available to the City under the Utah Governmental Immunity Act or other applicable law.

DATED the day and date first written above.

Association:

STRAWBERRY WATER USERS
ASSOCIATION

City:

PAYSON CITY

Brent Money, President

Bill Wright, Mayor

Date: _____

Date: _____

APPROVED:

United States Bureau of Reclamation

Wayne Pullan, Regional Director

Regional Solicitor's Office

Date: _____