

RESOLUTION NO. 2018-_____

A RESOLUTION OF THE CITY OF SOUTH SALT LAKE CITY COUNCIL APPROVING THE FIRST AMENDMENT TO THE CENTRAL VALLEY WATER RECLAMATION FACILITY AMENDED AND RESTATED INTERLOCAL COOPERATION AGREEMENT AND AUTHORIZATION FOR THE CITY'S REPRESENTATIVE TO VOTE IN FAVOR OF THE PROPOSED POLICY AMENDMENT.

WHEREAS, the City of South Salt Lake is a member entity of the Central Valley Water Reclamation Facility ("The Facility"), an interlocal entity created by the Utah Interlocal Cooperation Act, Utah Code Ann. §§ 11-13-101 *et seq* (the "Cooperation Act"); and

WHEREAS, each of the member entities of the Facility desire greater flexibility for the payment of assessments to the Facility to cover operating costs and expenses and to allow it to collect and hold revenue generated by it as a cash reserve; and

WHEREAS, the member entities of the Facility have proposed an amendment to the Amended and Restated Interlocal Cooperation Agreement which is attached hereto as "Exhibit A" ("The Amendment"); and

WHEREAS, the member entities of the Facility have proposed an amendment to the Facility's internal policies which is attached hereto as "Exhibit B" ("The Policy Amendment") to detail the changes proposed in the Amendment.

BE IT RESOLVED, therefore, by the City Council of the City of South Salt Lake that the proposed Amendment to the Amended and Restated Interlocal Cooperation Agreement of the Central Valley Water Reclamation Facility, is hereby approved by the City Council and that the Mayor is authorized to execute the same and that the Amendment will become effective as stated in the Interlocal Agreement. Furthermore, that the City of South Salt Lake's Representative Central Valley Water Reclamation Facility Board Member is authorized to vote in favor of the proposed Policy Amendment. The council directs that a copy of the executed agreement be filed with the Office of the City Recorder.

(signatures appear on separate page)

APPROVED AND ADOPTED by the City Council of the City of South Salt Lake, Utah, on this _____ day of _____, 2018.

BY THE CITY COUNCIL:

Ben B. Pender, Council Chair

Council vote as recorded:

Bynum	_____
Kindred	_____
deWolfe	_____
Mila	_____
Pender	_____
Thomas	_____
Siwik	_____

ATTEST:

Craig D. Burton, City Recorder

EXHIBIT A
**Proposed 1st Amendment to the Amended and Restated Interlocal
Cooperation Agreement**

**CENTRAL VALLEY WATER RECLAMATION FACILITY
FIRST AMENDMENT TO AMENDED AND RESTATED INTERLOCAL AGREEMENT**

This First Amendment to the Central Valley Water Reclamation Facility Amended and Restated Interlocal Agreement (“**Amendment**”) is entered into effective this _____ day of _____, 2018 by and between the Cottonwood Improvement District (“**Cottonwood**”); Mt. Olympus Improvement District (“**Mt. Olympus**”); Granger-Hunter Improvement District (“**Granger-Hunter**”); Kearns Improvement District (“**Kearns**”); Murray City (“**Murray**”); City of South Salt Lake (“**South Salt Lake**”); and Taylorsville-Bennion Improvement District (“**Taylorsville-Bennion**”). Collectively Cottonwood, Mt. Olympus, Granger-Hunter, Kearns, Murray, South Salt Lake, and Taylorsville-Bennion may be referred to as the **Member Entities** or individually as a **Member Entity**.

WHEREAS, the Member Entities are each a party to the Central Valley Water Reclamation Facility Amended and Restated Interlocal Agreement (“**Interlocal Agreement**”) entered into and deemed effective January 1, 2017.

WHEREAS, under the Interlocal Agreement the Member Entities contracted to create a Utah interlocal entity known as the Central Valley Water Reclamation Facility (“**Central Valley**”).

WHEREAS, the Member Entities enter into this Amendment to revise Section V. paragraphs D and E of the Interlocal Agreement to create greater flexibility for the payment of assessments to Central Valley, to cover operating costs and expenses, and to allow Central Valley to collect and hold revenue generated by Central Valley operations as a cash reserve.

NOW, THEREFORE, the Member Entities agree that Section V paragraphs D and E of the Interlocal Agreement are deleted and replaced with the following new paragraphs D and E:

D. Allocation of Revenues from Operations. Revenues generated by Central Valley from operations other than Member Entity assessments (“**Non-Member Entity Revenue**”) will be retained by Central Valley to increase its cash account (“**Cash Account**”) or be used to offset operating costs. The Cash Account shall be maintained at a maximum amount to be determined by the Board. The Board’s determination of the amount to be maintained shall be reviewed by the Board at least annually. Funds deposited to the Cash Account shall be reported on an annual basis based upon the Member Entities’ Post 2016 Ownership Percentages. Alternatively, Non-Member Entity Revenue may be allocated to offset the operating costs of Central Valley, thereby reducing the operating contribution required by each Member Entity. Remaining operational costs will continue to be allocated to Member Entities pursuant to the Interlocal Agreement. When the Cash Account reaches the Board approved maximum, any amount in excess of the maximum shall be allocated to offset the operating costs of Central Valley, thereby reducing the operating contribution required from each Member Entity in proportion to each Member Entity’s Post 2016 Ownership Percentage.

E. Terms of Payment of Member Entity Assessments. Central Valley will make a main assessment to Member Entities on or before the 10th day of each month (“**Main Assessment**”). The Main Assessment will include costs and expenses for operations, capital, and debt service. Additional assessments to Member Entities may be made on an as-needed basis. All assessments are due and payable within fifteen (15) days from the date the assessment is issued. Any assessments not paid on or before the due date shall be charged interest at a rate to be determined by the Board. Any assessment plus interest not paid within twenty (20) days of the date the written assessment is issued must be presented to the Board and a plan for payment of the assessment plus interest must be approved by the Board. If the Board so determines, the

delinquent Member Entity may lose its voting privilege until the assessment and any interest due are paid.

This Amendment is not intended to and does not modify any other term of the Interlocal Agreement. As required by the Interlocal Cooperation Act, Title 11, Chapter 13 of the Utah Code (the "Interlocal Act"), this Amendment shall be effective upon the last to occur of the following:

- (a) This Amendment shall be approved by a resolution adopted by the governing body of each Member Entity, pursuant to Section 11-13-202.5 of the Interlocal Act and Section IX of the Interlocal Agreement;
- (b) This Amendment shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Member Entity, pursuant to Section 11-13-202.5 of the Interlocal Act;
- (c) A duly executed counterpart of the Amendment shall be filed with the keeper of records of each Member Entity, pursuant to Section 11-13-209 of the Interlocal Act;

IN WITNESS WHEREOF, the Member Entities have caused this Amendment to be executed by and through their duly authorized representatives.

COTTONWOOD IMPROVEMENT DISTRICT

ATTEST:

Clerk

By: _____
Its: Chairman, Board of Trustees

Approved as to form and its compatibility
with the laws of the State of Utah:

By: _____

ATTEST:

MT OLYMPUS IMPROVEMENT DISTRICT

Clerk

Approved as to form and its compatibility
with the laws of the State of Utah:

By: _____
Its: Chairman, Board of Trustees

By: _____

ATTEST:

GRANGER-HUNTER IMPROVEMENT
DISTRICT

Clerk

Approved as to form and its compatibility
with the laws of the State of Utah:

By: _____
Its: Chairman,
Board of Trustees

By: _____

ATTEST:

KEARNS IMPROVEMENT DISTRICT

Clerk

Approved as to form and its compatibility
with the laws of the State of Utah:

By: _____
Its: Chairman,
Board of Trustees

By: _____

ATTEST:

MURRAY CITY

City Recorder

Approved as to form and its compatibility
with the laws of the State of Utah:

By: _____
Its: Mayor

By: _____

ATTEST:

SOUTH SALT LAKE

City Recorder

Approved as to form and its compatibility
with the laws of the State of Utah:

By: _____
Its: Mayor

By: _____

ATTEST:

TAYLORSVILLE-BENNION
IMPROVEMENT DISTRICT

Clerk

Approved as to form and its compatibility
with the laws of the State of Utah:

By: _____
Its: Chairman,
Board of Trustees

By: _____

EXHIBIT B
Proposed Policy Amendment

PROPOSED CENTRAL VALLEY POLICY AMENDMENT

Chapter 4

4.6 CASH ACCOUNT

CVWRF shall maintain a Cash Account to address cash-flow demand fluctuations arising from operational expenses. The Cash Account balance will not be more than a maximum of 90 days of operating expenses. The example below shows how the Cash Account maximum will be calculated annually based on the prior year's annual approved budget numbers:

Current Cash Balance	
Cash & cash equivalents	\$ 973,784
Accounts payable	(1,003,571)
Member entity A/R	1,141,137
Month End Bond Draw Down	200,000
<hr/>	
Current Cash Balance	\$ 1,311,350
<hr/>	
Adopted Budget	
Operations	\$ 11,318,166
Administration	4,279,598
Lab	1,103,844
Engineering	1,757,026
Pretreatment	1,014,054
Board	53,020
Interceptor monitor	11,000
<hr/>	
Total Operating Expenses	\$ 19,536,708
<hr/>	
Daily operating expense	\$ 53,525
<hr/>	
Maximum cash balance (90 days of cash)	\$ 4,817,250

The transactions made against the Cash Account must be approved by the General Manager consistent with the approved annual budget. Use of the Cash Account shall be replenished from Member Entity assessments and Non-Member Entity Revenues as set forth in the Amended and Restated Interlocal Agreement. The Cash Account will be reviewed annually during the budget process and presented to the Board. In the event the Cash Account is below the computed maximum amount, revenues will be withheld until the balance is reached. Once the maximum amount has been reached, reimbursement of revenue to the Member Entities will resume.