



**AGENDA FOR THE WORK / STUDY MEETING  
OF THE CITY COUNCIL  
OF THE CITY OF SPRINGVILLE, UTAH  
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET  
OCTOBER 15, 2013 – 5:15 P.M.**

**MAYOR AND COUNCIL DINNER – 4:45 P.M.**

*The Mayor and Council will meet in the Council Work Room for informal discussion and dinner. No action will be taken on any items.*

**CALL TO ORDER- 5:15 P.M.**

**COUNCIL BUSINESS**

- 1) Minutes
- 2) Calendar
  - November 5 – Election Day
  - November 11 – Veterans Day, City Offices Closed
  - November 12 – Work/Study Meeting 5:15 p.m.
  - November 19 – Work/Study Meeting 5:15 p.m., City Council Meeting 7:00 p.m.
  - November 28-29 – Thanksgiving Holiday, City Offices Closed
  - December 3 – Work/Study Meeting 5:15 p.m., City Council Meeting 7:00 p.m.
- 3) Discussion on this evening's Regular Meeting agenda items
  - a) Invocation – Cl. Olsen
  - b) Pledge of Allegiance – Cl. Child
  - c) Consent Agenda
    1. Approval of all City purchase orders properly signed (Springville City Code §2-10-110(5))
    2. Consideration of an Interlocal Agreement with Spanish Fork regarding a water inter-connection – John Penrod, Assistant City Administrator/City Attorney
    3. Consideration of an agreement with the Utah Local Governments Trust – John Penrod, Assistant City Administrator/City Attorney
- 4) **DISCUSSIONS/PRESENTATIONS**
  - a) Streets
  - b) Wastewater
  - c) Agenda Policy

This meeting was noticed in compliance with Utah Code 52-4-202 on October 10, 2013. Agendas and minutes are accessible through the Springville City website at [www.springville.org/agendasminutes](http://www.springville.org/agendasminutes). Council Meeting agendas are available through the Utah Public Meeting Notice website at <http://www.utah.gov/pmn/index.html>. Email subscriptions to Utah Public Meeting Notices are available through their website.

In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.

THIS AGENDA IS SUBJECT TO CHANGE WITH A MINIMUM OF 24-HOURS NOTICE

**5) MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

- a) Power Advisory Board
- b) South Utah Valley Animal Special Services District

**6) CLOSED SESSION – TO BE ANNOUNCED IN MOTION**

*The Springville City Council may temporarily recess the meeting and convene in a closed session to discuss pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205*

**ADJOURNMENT**

This meeting was noticed in compliance with Utah Code 52-4-202 on October 10, 2013. Agendas and minutes are accessible through the Springville City website at [www.springville.org/agendasminutes](http://www.springville.org/agendasminutes). Council Meeting agendas are available through the Utah Public Meeting Notice website at <http://www.utah.gov/pmn/index.html>. Email subscriptions to Utah Public Meeting Notices are available through their website.

In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.



**AGENDA FOR THE REGULAR MEETING  
OF THE CITY COUNCIL  
OF THE CITY OF SPRINGVILLE, UTAH  
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET  
OCTOBER 15, 2013 – 7:00 P.M.**

**CALL TO ORDER**

**INVOCATION AND PLEDGE**

**APPROVAL OF THE MEETING'S AGENDA**

**APPROVAL OF THE MINUTES**

**MAYOR'S COMMENTS**

**PUBLIC COMMENT:** *Audience members may bring any item not on the agenda to the Mayor and Council's attention. Please complete and submit a "Request to Speak" form. Comments will be limited to two or three minutes, at the discretion of the Mayor. State Law prohibits the Council from acting on items that do not appear on the agenda.*

**CONSENT AGENDA\***

1. Approval of all City purchase orders properly signed (Springville City Code §2-10-110(5))
2. Consideration of an Interlocal Agreement with Spanish Fork regarding a water inter-connection – John Penrod, Assistant City Administrator/City Attorney
3. Consideration of an agreement with the Utah Local Governments Trust – John Penrod, Assistant City Administrator/City Attorney

**REGULAR AGENDA**

4. Report by the ASAP Committee and Utah County Health Department on the success of the Strengthening Families Program
5. Consideration of an agreement for new electric services in Hobble Creek Canyon – John Penrod, Assistant City Administrator/City Attorney

**MAYOR, COUNCIL AND ADMINISTRATIVE REPORTS**

This meeting was noticed in compliance with Utah Code 52-4-202 on October 10, 2013. Agendas and minutes are accessible through the Springville City website at [www.springville.org/agendasminutes](http://www.springville.org/agendasminutes). Council Meeting agendas are available through the Utah Public Meeting Notice website at <http://www.utah.gov/pmn/index.html>. Email subscriptions to Utah Public Meeting Notices are available through their website.

- Venla Gubler, City Recorder

The next regular Council Meeting will be held on November 19, 2013 at 7:00 p.m. in the Civic Center Council Chambers, 110 South Main Street, Springville, unless otherwise noticed. In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.

\*The Consent Agenda consists of items that are administrative actions where no additional discussion is needed. When approved, the recommendations in the staff reports become the action of the Council. The Agenda provides an opportunity for public comment. If after the public comment the Council removes an item from the consent agenda for discussion, the item will keep its agenda number and will be added to the regular agenda for discussion, unless placed otherwise by the Council.

## **CLOSED SESSION**

6. *The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205*

## **ADJOURNMENT**

This meeting was noticed in compliance with Utah Code 52-4-202 on October 10, 2013. Agendas and minutes are accessible through the Springville City website at [www.springville.org/agendasminutes](http://www.springville.org/agendasminutes). Council Meeting agendas are available through the Utah Public Meeting Notice website at <http://www.utah.gov/pmn/index.html>. Email subscriptions to Utah Public Meeting Notices are available through their website.

- Venla Gubler, City Recorder

The next regular Council Meeting will be held on November 19, 2013 at 7:00 p.m. in the Civic Center Council Chambers, 110 South Main Street, Springville, unless otherwise noticed. In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.

\*The Consent Agenda consists of items that are administrative actions where no additional discussion is needed. When approved, the recommendations in the staff reports become the action of the Council. The Agenda provides an opportunity for public comment. If after the public comment the Council removes an item from the consent agenda for discussion, the item will keep its agenda number and will be added to the regular agenda for discussion, unless placed otherwise by the Council.



**MINUTES FOR THE REGULAR MEETING  
OF THE CITY COUNCIL  
OF THE CITY OF SPRINGVILLE, UTAH  
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET  
SEPTEMBER 17, 2013 – 7:00 P.M.**

8           The following are the minutes of the Regular Meeting of the Springville City Council.  
The meeting was held on **Tuesday, September 17, 2013 at 7:00 p.m.** in the Springville City  
10 Civic Center Council Chambers, 110 South Main Street, Springville, Utah. Adequate notice of  
this meeting, as required by law, was posted in the Civic Center and on the City’s website, and  
12 delivered to members of the Council, media, and interested citizens.

14           Mayor Wilford W. Clyde presided. In addition to Mayor Clyde, the following were  
present: Councilmember Dean Olsen, Councilmember Richard Child, Councilmember Benjamin  
16 Jolley, Councilmember Chris Creer, Councilmember Mark Packard, City Manager Troy  
Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Assistant City  
18 Administrator/Finance Director Bruce Riddle, and Administrative Assistant Jackie Nostrom.  
Also present were: Administrative Services Manager Rod Oldroyd, Public Safety Director Scott  
20 Finlayson, Public Works Director Brad Stapley, Power Director Leon Fredrickson, and  
Community Development Director Fred Aegerter.

22

**CALL TO ORDER**

24           Mayor Clyde called the meeting to order at 7:00 p.m.

26 **INVOCATION AND PLEDGE**

City Administrator Troy Fitzgerald offered the invocation. Mr. Troy Hicken, a boy scout  
28 from Troop #685, led the Pledge of Allegiance.

30 **APPROVAL OF THE MEETING’S AGENDA**

COUNCILMEMBER PACKARD MOVED TO APPROVE THE AGENDA AS  
32 WRITTEN. COUNCILMEMBER CHILD SECONDED THE MOTION, AND ALL VOTED  
AYE.

34

**APPROVAL OF THE MINUTES**

36           COUNCILMEMBER CHILD MOVED TO APPROVE THE MINUTES OF MAY 21,  
2013 AND SEPTEMBER 3, 2013 AS WRITTEN. COUNCILMEMBER OLSEN SECONDED  
38 THE MOTION, AND ALL VOTED AYE.

40 **MAYOR’S COMMENTS**

Mayor Clyde recognized scouts from Troops #685 and #925. He described the process  
42 for public comment.

**PUBLIC COMMENT**

2 There was no public comment.

**CONSENT AGENDA\***

4 1. **Approval of all City purchase orders properly signed** (Springville City Code §2-10-110(5))

6 2. **Approval of a bid award and contract for the construction of the Phase II Runway Extension Project to the lowest responsible bidder, Goran LLC, in the amount of \$2,103,098.37** – Cris Child, Airport Manager

8 COUNCILMEMBER OLSEN MOVED TO APPROVE THE CONSENT AGENDA AS  
10 WRITTEN. COUNCILMEMBER JOLLEY SECONDED THE MOTION, AND ALL VOTED  
12 AYE.

**REGULAR AGENDA**

14 3. **Consideration of a boundary line agreement between Springville City and Nebo School District for property east of Child Park** – John Penrod, Assistant City Administrator/City Attorney

16 Assistant City Administrator/City Attorney John Penrod informed the Council that Nebo  
18 School District is in the process of subdividing the property located east of Child Park. He explained that as part of the process, the School District is required to clean up boundary line issues. The agreement provides for each party to acquire an equal amount of the gap as shown in the Utah County records. City Attorney Penrod informed the Council that Building and Grounds Director Alex Roylance has observed the proposed boundary line and is confident the requested property line is reasonable.

24 COUNCILMEMBER PACKARD MOVED TO APPROVE THE EXECUTION OF A BOUNDARY LINE AGREEMENT AND QUIT CLAIM DEED BETWEEN SPRINGVILLE  
26 CITY AND THE NEBO SCHOOL DISTRICT THAT ESTABLISHES THE BOUNDARY LINE BETWEEN THE TWO ENTITIES’ PROPERTIES ON THE EAST/SIDE OF CHILD  
28 PARK. COUNCILMEMBER CHILD SECONDED THE MATION, AND ALL VOTED AYE.

30 4. **Presentation and update on Springville Emergency Operations Plan** – Scott Finlayson, Public Safety Director (Emergency Operations Center)

32 Public Safety Director Scott Finlayson gave a brief overview of the Springville Emergency Operations Plan and command center. He noted that the Multipurpose Room is the City’s emergency command center. He informed the Council that the Police Chief may activate the Emergency Operations Center; however, the Mayor will preside and declare the emergency based on severity. Director Finlayson outlined the chain of command based on the severity of the emergency and the necessity for additional resources.

38 Director Finlayson notified the Council that the Emergency Operations Center policy making group was comprised of the Mayor, City Council, City Administration, City Attorney, and the City Recorder. The Command Center Staff consists of the communications group, resources group, and a support group. He observed that community assistance is imperative, and he relayed his concern with getting updates to citizens in a time of need. Mayor Clyde asked if Springville City has software to send information to a mass of individuals. Director Finlayson

2 responded no. City Administrator Troy Fitzgerald added that funds have been allocated for this  
purpose. Mayor Clyde agreed an alternative communication method is necessary if the event  
caused power or phone outages.

4 Director Finlayson informed the Council that Springville City's firefighters and  
ambulance employees have been trained to handle hazardous materials. He also explain that  
6 Springville has over 500 citizens trained as Community Emergency Response Team (CERT),  
which educates people about disaster preparedness that may impact their area and trains them in  
8 response skills. Members are encouraged to support emergency response agencies by taking a  
more active role in emergency preparedness projects in their community. Mayor Clyde  
10 commented on the order of importance after disaster strikes are: secure yourself, your family,  
and then your community.

### 12 **MAYOR, COUNCIL AND ADMINISTRATIVE REPORTS**

14 Councilmember Child informed the Council that the Southern Utah Valley Water  
Association conducted a ground water feasibility study and will hold a meeting at Mapleton City  
16 Hall on October 10, 2013 @ 6:00 p.m. He requested the Council to review the study and attend  
the meeting.

18 Mayor Clyde expressed his concern of roads being closed for extended periods of time.  
He requested a plan to be developed outlining the allocated time of road closures indicating that  
20 impact to the public should be kept to a minimum.

### 22 **CLOSED SESSION**

24 5. *The Springville City Council may temporarily recess the regular meeting and  
convene in a closed session to discuss pending or reasonably imminent litigation, and the  
purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205*

26 COUNCILMEMBER PACKARD MOVED TO TEMPORARILY ADJOURN AT 7:54  
P.M. AND CONVENE IN A CLOSED SESSION AS PROVIDED BY U.C.A. §52-4-205 FOR  
28 THE PURPOSE OF DISCUSSING THE PURCHASE, EXCHANGE, OR LEASE OF REAL  
PROPERTY. COUNCILMEMBER CHILD SECONDED THE MOTION. THE VOTE IS  
30 RECORDED AS FOLLOWS: COUNCILMEMBER CHILD – AYE; COUNCILMEMBER  
JOLLEY – AYE; COUNCILMEMBER PACKARD – AYE; COUNCILMEMBER OLSEN –  
32 AYE; COUNCILMEMBER CREER – AYE. THE MOTION CARRIED UNANIMOUSLY.

THE REGULAR SESSION WAS RECONVENED BY CONSENSUS AT 8:06 P.M.

### 34 **ADJOURNMENT**

36 COUNCILMEMBER JOLLEY MOVED TO ADJOURN THE CITY COUNCIL  
MEETING AT 8:07 P.M. COUNCILMEMBER CREER SECONDED THE MOTION, AND  
38 ALL VOTED AYE.



## STAFF REPORT

**DATE:** October 7, 2013

**TO:** The Honorable Mayor and City Council

**FROM:** John Penrod, City Attorney

**SUBJECT: CONSIDERATION OF ENTERING INTO AN INTERLOCAL AGREEMENT WITH SPANISH FORK FOR THE JOINT USE OF AN INTERCONNECTION BETWEEN THE CITIES' WATER SYSTEMS IN EMERGENCY SITUATIONS.**

### RECOMMENDED ACTION

Motion to Approve the execution of an interlocal agreement with Spanish Fork for the joint use of an interconnection between the cities' water systems in emergency situations.

### GOALS, OBJECTIVES AND STRATEGIES AT ISSUE

General Plan Goal – To provide functionally effective community facilities and services to support a safe, healthy, and vibrant community life.

Objective 5 – Provide a water system that is safe, economical, and meets the needs of Springville City now and in the future.

5H – Continue to retain and pursue water resources.

### BACKGROUND

In June of this year, the City and Spanish Fork City worked together to connect the two cities' water systems at the location of 2987 South 2000 West in Springville, Utah. This interconnection between the two cities water systems was done for the sole purpose of providing the two cities with a water resource to utilize in emergency situations. The attached proposed interlocal agreement governs the use of the water interconnection.

The proposed interlocal agreement contains the following provisions:

1. Duration. The Agreement will run for a period of 50 years or when it is terminated by either party, whichever comes first. Either party may terminate the agreement by giving the other party a one-year written notice.
2. Administration. The Agreement will be administered by the cities' public work directors or their designees.

### CITY COUNCIL AGENDA

3. Water Connection Use. The water connection shall only be used when the following conditions are met:
  - a. The city supplying the water through the Water Connection has a sufficient amount of water to meet its own needs and supply water to the other city,
  - b. The water is needed for an emergency purpose, and
  - c. The use of the water will be for a temporary duration.

The cities' public works directors must agree that the above conditions are met before the water connection is opened. An emergency could include fire protection needs, system maintenance issues, loss of a water resource, drought, etc.

4. Maintenance. Both cities will share equally in maintenance and repair costs associated with normal wear and tear. If a city damages the water connection beyond normal wear and tear, that city will pay for the repair costs.
5. Water Costs. When a city uses water through the water connection, that city will pay the rate of \$1.09 per 1,000 gallons. The billing rate may be adjusted by the mutual agreement of the parties.
6. Miscellaneous. In addition to the above provisions, the Agreement contains several miscellaneous contract provisions, including, but not limited to, indemnification, default, cost of enforcement, and governing law provisions.

The water connection was budgeted for and approved prior to being installed. The public works director and water superintendent are in favor of the Agreement.

## **FISCAL IMPACT**

Cost of making the interconnection between the two water systems, which amount was approximately \$15,000. In addition, the City will incur maintenance costs, and if the City elects to use water from Spanish Fork, the City will pay for the water used.

Attachments: Proposed Interlocal Agreement

## INTERLOCAL AGREEMENT

This Interlocal Agreement is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2013, by and between Spanish Fork City, a municipality of the State of Utah, located at 40 South Main Street, Spanish Fork, Utah 84660, and Springville City, a municipality of the State of Utah, located at 110 South Main, City, Utah 84663.

### RECITALS

A. Springville and Spanish Fork have made an interconnection between the two cities' water systems, which connection is located at approximately 2987 South 2000 West in Springville, Utah and approximately 3049 North 350 East in Spanish Fork, Utah (the "Water Connection"). A set of plans for the Water Connection is attached as Exhibit "A."

B. The cities installed the Water Connection to be used on a temporary basis for emergency purposes.

C. Springville and Spanish Fork acting pursuant to Sections 11-13-101, *et seq.*, of the Utah Code Annotated elect to approve this Interlocal Agreement for the purpose outlining how the Water Connection will be utilized and maintained between the two cities.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and terms as more fully set forth below, Spanish Fork and Springville agree to the following:

#### **Section 1. Purpose.**

This Agreement has been established and entered into between Spanish Fork City and Springville City for the purpose of agreeing to the terms under which the two cities will utilize the Water Connection.

#### **Section 2. Effective Date and Duration.**

a. The governing body of each party shall approve this Agreement as required by the Interlocal Cooperation Act. This Agreement shall become effective on the date that both parties approve, execute and file it with the person who keeps the records of each party.

b. This Agreement shall be for a period of 50 years or for as long as the Water Connection is utilized by the parties, whichever is shorter. This Agreement may only be terminated by either (1) the mutual agreement of the parties, or (2) one party providing the other party with a one-year written notice of termination.

c. This Agreement shall be reviewed as to proper form and compliance with applicable law by an attorney for each of the parties.

**Section 3. Administration of Interlocal Cooperation Agreement.**

The parties to this Agreement do not contemplate nor intend to establish a separate legal or administrative entity under the terms of this Agreement. The parties agree that, pursuant to Section 11-13-207 of the Utah Code Annotated, the parties' Public Works Directors, or their designees, shall act as the administrators responsible for the administration of this Agreement. The parties further agree that this Agreement does not anticipate nor provide for any organizational change in the parties.

**Section 4. Water Connection Use.**

The parties agree that the Water Connection shall only be used when the following conditions are met:

- a. The party supplying the water through the Water Connection has a sufficient amount of water to meet its own needs and supply water to the other party,
- b. The water is needed for an emergency purpose, and
- c. The use of the water will be for a temporary duration.

Each of the parties' Public Works Directors must agree that the above conditions are met before the Water Connection is opened.

**Section 5. Maintenance.**

Both parties shall be equally responsible for all maintenance and repair costs associated with normal wear and tear to the Water Connection. In the event that either party damages the Water Connection beyond normal wear and tear, the party causing the damage shall be responsible for the repair costs.

**Section 6. Payments.**

The parties agree that water that passes through the Water Connection shall be billed at the rate of \$1.09 per 1,000 gallons to the party using the water. The billing rate may be adjusted by the mutual agreement of the parties. The party being billed shall have thirty (30) days to make payment on the bill.

The meter is equipped with an automatic meter reading system that Spanish Fork is equipped to read. When the Water Connection is opened, Spanish Fork shall read the system and provide all readings to Springville. The party that provides water shall be responsible to send a bill for payment to the other party.

**Section 7. Manner of Holding, Acquiring or Disposing of Property**

Each party shall be equally responsible for the risk of loss, including, but not limited to, the destruction or damage, caused to, by, or associated with the Water Connection. If this Agreement is terminated, the Water Connection shall remain closed, and/or the connection shall be severed and the meters removed so that water cannot physically pass from one system to the other system.

**Section 8. Indemnification**

Both parties to this Agreement agree to defend, indemnify and save harmless the other party for damages, claims, suits, and actions arising out of the negligent acts or omissions of its own officers or agents in connection with this Agreement.

**Section 9. Filing of Agreement**

A copy of this Agreement shall be placed on file in the Office of the City Recorder of each party and shall remain on file for public inspection during the term of this Agreement.

**Section 10. Notice of Default; Corrective Action**

The failure of either party to comply with each and every term and condition of this Agreement shall constitute a breach of this Agreement. Either party shall have thirty (30) days after receipt of written notice from the other of any breach to correct the conditions specified in the notice, or if the corrections cannot be made within the thirty (30) day period, within a reasonable time if corrective action is commenced within ten (10) days after receipt of the notice.

**Section 11. Rights and Remedies**

In the event of any breach hereunder and after the lapse of the cure period as per Section 10 of this Agreement, the non-breaching party shall have all the rights and remedies available under the laws of the State of Utah then in effect. The rights and remedies of the parties hereto shall not be mutually exclusive, but shall be cumulative in all effects. The respective rights and obligations of the parties hereunder shall be enforceable in equity as well as at law or otherwise.

**Section 12. Governing Law, Jurisdiction, and Venue**

All questions with respect to the construction of this Agreement and all rights and liability of the parties hereto shall be governed by the laws of the State of Utah. Jurisdiction and venue for the enforcement of this Agreement shall be found in the courts of Utah County, State of Utah.

**Section 13. Costs of Enforcement**

In the event of a breach of this Agreement, the non-breaching party shall be entitled to recover from the breaching party all of the non-breaching party's costs (including, but not

limited to, court fees and expert witness costs) and attorneys' fees associated with the enforcement of this Agreement.

#### **Section 14. Notice**

Any written notice which must or may be given relating to this Agreement shall be sufficient if mailed postage prepaid, certified mail, in the United States mail addressed to a party at the address given above. Notice shall be mailed to the attention of each City's Manager or Administrator at the above addresses. Either party may notify the other to designate a different address for mailing.

#### **Section 15. Miscellaneous**

a. **Severability.** In the event that any condition, covenant, or other provision herein contained is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other covenant or condition herein contained. If such condition, covenant, or other provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

b. **Entire Agreement.** This Agreement contains the entire agreement between the parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by the parties. All prior understandings, negotiations, or agreements are merged herein and superseded hereby.

c. **Amendments.** This Agreement may be modified only by a writing signed by each of the parties hereto.

d. **Not Assignable.** This Agreement is specific to the parties hereto and is therefore not assignable.

e. **Captions.** The captions to the various Sections of this Agreement are for convenience and ease of reference only and do not define, limit, augment, or describe the scope, content, or intent of this Agreement or any part or parts of this Agreement.

f. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

g. **Gender and Number.** The singular number includes the plural whenever the context so indicates. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes corporation, limited liability company, partnership, or other legal entity when the context so requires.

h. **Waiver or Forbearance.** No delay or omission in the exercise of any right or remedy by any party hereto shall impair such right or remedy or be construed as a waiver. Any waiver of any breach must be in writing and shall not be a waiver of any other breach concerning the same or any other provision of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers.

**SPRINGVILLE CITY**

By: \_\_\_\_\_  
Wilford W. Clyde, Mayor

Attest:

By: \_\_\_\_\_ (Springville City Seal)  
Venla Gubler, Springville City Recorder

APPROVED AS TO FORM

By \_\_\_\_\_  
John Penrod, Springville City Attorney

**SPANISH FORK CITY**

By: \_\_\_\_\_  
G. Wayne Andersen, Mayor

Attest:

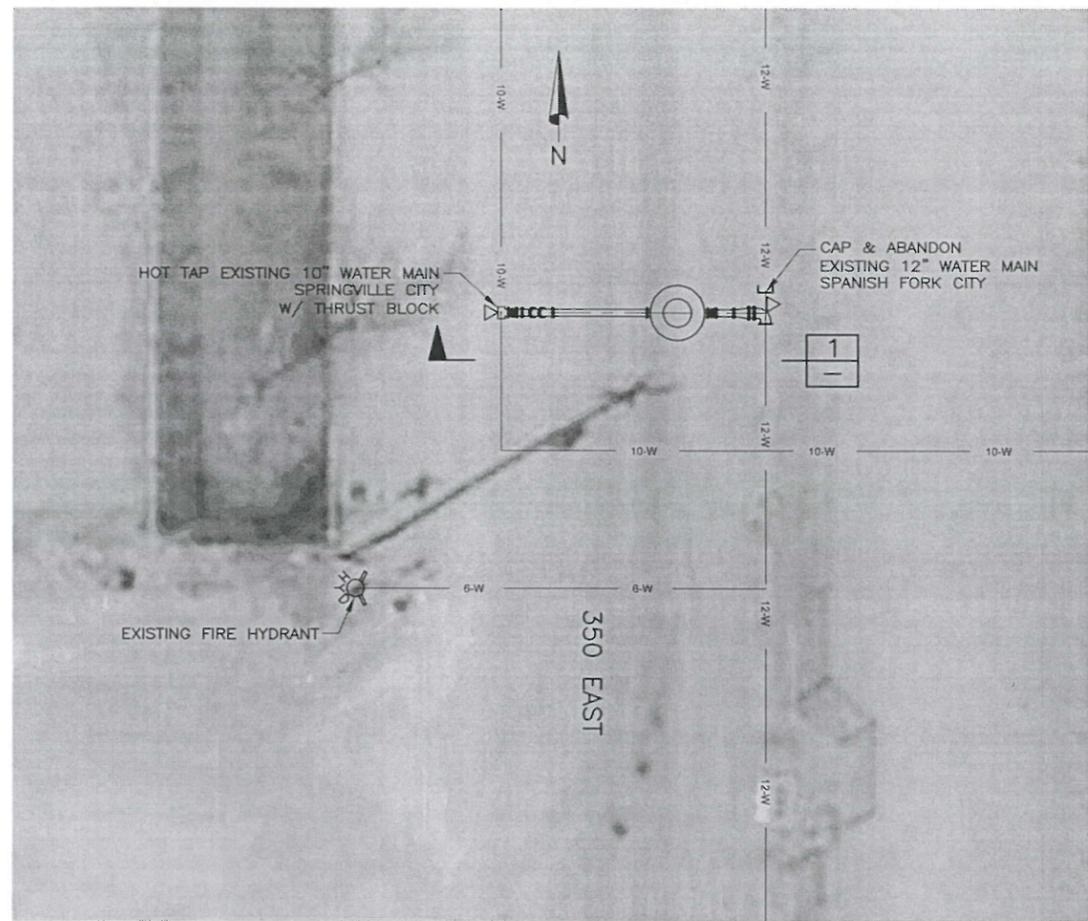
\_\_\_\_\_ (Spanish Fork City Seal)  
Kent R. Clark, Spanish Fork City Recorder

APPROVED AS TO FORM

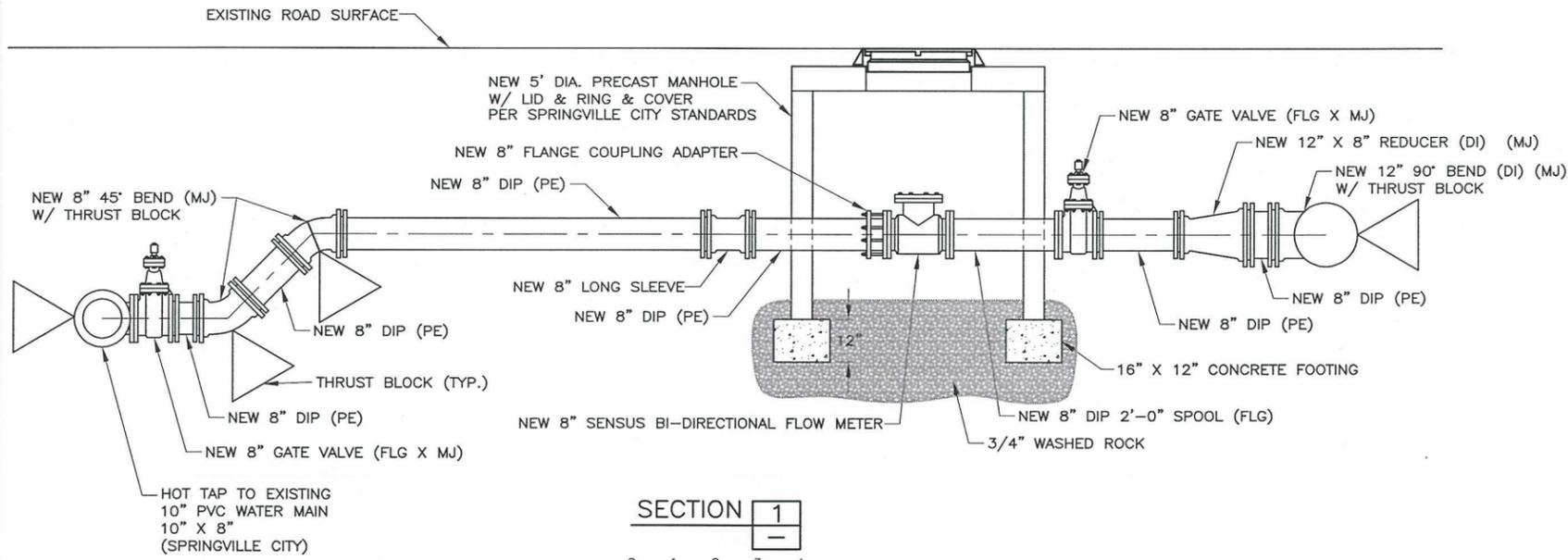
By: \_\_\_\_\_  
S. Junior Baker, Spanish Fork City Attorney

# Exhibit “A”

FILE NAME: PROJECTS\260 - SPRINGVILLE CITY\06.100 - 08 MISCELLANEOUS CONSULTING\SPRINGVILLE-SPANISH FORK PIPE INTERCONNECT\CAD\SPRINGVILLE-SPANISH FORK CONNECTION DETAIL.DWG  
FILE DATE: 5.10.2013 09:57:33 (JVH)



PLAN  
SCALE IN FEET



SECTION 1  
SCALE IN FEET

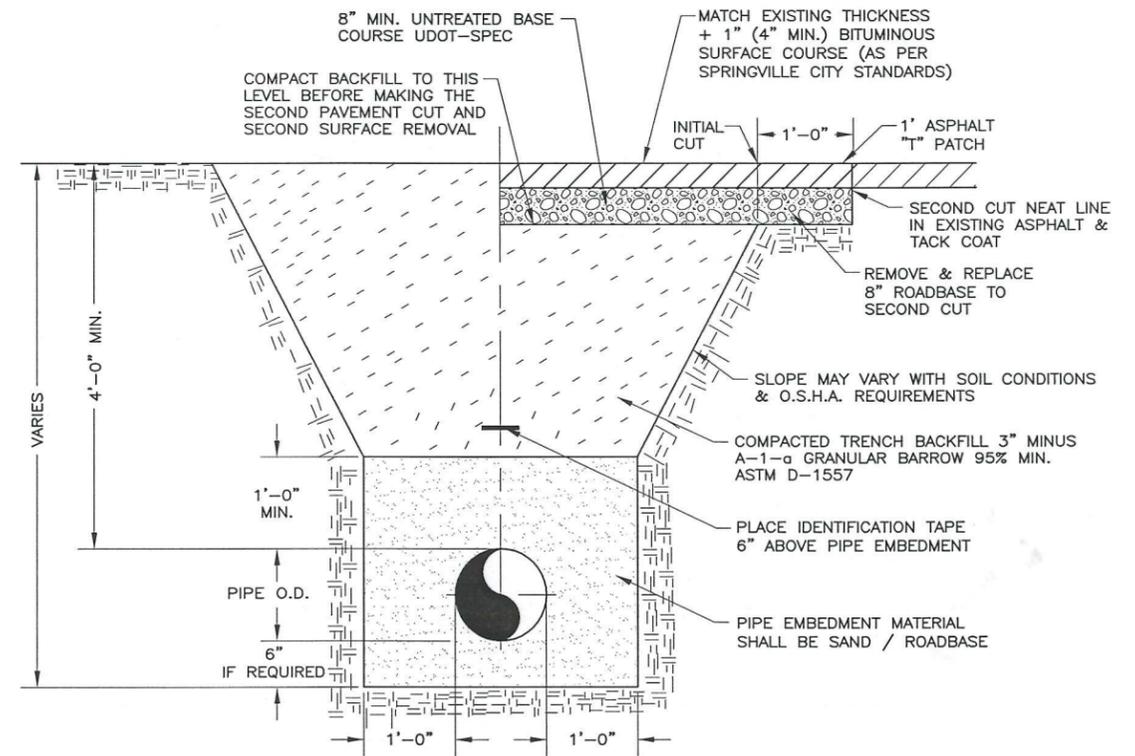
NOTES

GENERAL NOTES:

1. THE CONTRACTOR SHALL MEET ALL UTAH STATE DEPARTMENT OF ENVIRONMENTAL QUALITY AND U.S. EPA REQUIREMENTS WITH RESPECT TO THEIR MINIMUM RULES AND REGULATIONS. ALL MATERIALS THAT MAY CONTACT DRINKING WATER, INCLUDING PIPES, GASKETS, LUBRICANTS, O-RINGS, SHALL BE ANSI/NSF 61 DRINKING WATER SYSTEM COMPONENTS - HEALTH EFFECTS AND BE APPROPRIATELY STAMPED WITH THE NSF LOGO.
2. CONSTRUCTION OPERATIONS SHALL BE CONDUCTED AND SIGNS, BARRICADES, AND FLASHERS SHALL BE PLACED SO AS TO COMPLY WITH OSHA, UTAH STATE INDUSTRIAL COMMISSION, LOCAL SAFETY STANDARDS, AND UDOT'S MANUAL ON UNIFORM TRAFFIC CONTROL.
3. UTILITIES ARE SHOWN IN APPROXIMATE LOCATIONS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR LOCATING ALL UNDERGROUND UTILITIES, INCLUDING WATER LINES, IRRIGATION DRAIN LINES, GAS LINES, TELEPHONE CABLES, ETC. AND ANY OTHER OBSTRUCTION DURING THE COURSE OF CONSTRUCTION AND INSTALLATION OF THE PIPELINES. CONTRACTOR SHALL CALL BLUE STAKES (1-800-662-4111) BEFORE BEGINNING CONSTRUCTION. SAID UTILITIES SHALL BE RESTORED TO A CONDITION AT LEAST EQUAL TO THEIR ORIGINAL CONDITION.
4. THE CONTRACTOR SHALL BE RESPONSIBLE TO OBTAIN RIGHT OF INGRESS AND EGRESS SHOULD HE VENTURE ONTO PRIVATE PROPERTY WHICH IS NOT INCLUDED IN CITY ACQUIRED RIGHTS-OF-WAY AND EASEMENTS.
5. UNLESS DETAILED, SPECIFIED OR INDICATED OTHERWISE, CONSTRUCTION SHALL BE AS INDICATED IN THE APPLICABLE TYPICAL DETAILS AND GENERAL NOTES. TYPICAL DETAILS ARE MEANT TO APPLY EVEN THOUGH NOT REFERENCED AT SPECIFIC LOCATIONS OR IN SPECIFIC DRAWINGS.
6. THE CONTRACTOR SHALL BE RESPONSIBLE TO PROTECT ALL EXISTING IMPROVEMENTS DURING CONSTRUCTION AND SHALL REPLACE OR RESTORE ANY IMPROVEMENTS DAMAGED AS A RESULT OF THE CONSTRUCTION ACTIVITY, AS DIRECTED BY THE ENGINEER.
7. THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS BEFORE STARTING WORK AND SHALL IMMEDIATELY NOTIFY THE ENGINEER OF ANY DISCREPANCIES.

WATER PIPELINE NOTES

1. CONTACT SPRINGVILLE CITY AND SPANISH FORK CITY AT LEAST 72 HOURS IN ADVANCE OF ALL WATER SHUTDOWNS.
2. ALL DUCTILE OR CAST IRON PIPE AND ALL COMPRESSION COUPLINGS, MECHANICAL JOINTS, FLANGED JOINTS, VALVES AND FITTINGS INCLUDING TEES, WYES, ELBOWS, PLUGS, ETC. EXPOSED TO SOIL SHALL BE WRAPPED WITH 8 MIL THICK POLYETHYLENE FILM TUBE. ALL FITTINGS, VALVES AND EXPOSED NUTS & BOLTS SHALL BE LIBERALLY COATED WITH FM GREASE PRIOR TO WRAPPING. THE FILM SHALL BE HELD IN PLACE BY 2-INCH WIDE PLASTIC BACKED ADHESIVE TAPE EQUAL TO POLYKEN NO. 900 OR SCOTCHRAP NO. 50. THE TAPE SHALL BE INSTALLED TO TIGHTLY SECURE THE FILM TO THE PIPE. ENOUGH FILM SHALL BE USED TO OVERLAP ADJOINING SECTIONS OF FILM A MINIMUM OF ONE (1) FOOT.
3. VALVES SHALL BE WRAPPED BY BRINGING THE WRAP ON THE ADJACENT PIPE OVER THE BELLS OR FLANGES OF THE VALVE AND SEALING WITH THE ADHESIVE TAPE. THE VALVE BODIES ARE THEN WRAPPED WITH A FLAT SHEET OF THE FILM PASSED UNDER THE VALVE BOTTOM AND BROUGHT UP AROUND THE BODY TO THE STEM AND FASTENED IN PLACE WITH THE ADHESIVE TAPE.
4. ALL FITTINGS THAT REQUIRE CONCRETE BLOCKING SHOULD BE COMPLETELY WRAPPED PRIOR TO THE POURING OF THE CONCRETE THRUSTING BLOCK.
5. POLYETHYLENE WRAP SHALL BE PROTECTED FROM THE SUN AND WEATHERING PRIOR TO USE. CARE SHALL BE EXERCISED DURING BACK FILLING OF THE PROTECTED AREAS TO PREVENT PUNCTURING OF THE FILM.
6. UNLESS OTHERWISE NOTED, ALL FITTINGS FOR PRESSURIZED WATER PIPING SHALL BE PROPERLY RESTRAINED BY THRUST BLOCKING, AND MEGALUG. THRUST BLOCKS SHALL COMPLY WITH CITY STANDARD PS01.
7. MINIMUM COVER OVER TOP OF PIPE SHALL BE 4- FEET.
8. CONTRACTOR TO PROVIDE TEMPORARY BLOW OFF VALVES & FITTINGS TO FLUSH & DISINFECT NEW PIPELINES IN ACCORDANCE WITH AWWA C651. PROVIDE PLAN TO CITY FOR APPROVAL BEFORE BEGINNING CONSTRUCTION. TEMPORARY BLOWOFF & FITTINGS SHALL BE REMOVED PRIOR TO PUTTING NEW LINE INTO SERVICE.
9. ALL PIPE SHALL BE DUCTILE IRON PIPE PRESSURE CLASS 350 INSTALLED AND PRESSURE TESTED IN ACCORDANCE WITH AWWA C600.
10. PROVIDE CONCRETE COLLARS ON ALL BURIED VALVES.



TYPICAL TRENCH DETAIL  
N.T.S.

NOTE:  
FOR ALL EXCAVATIONS WITHIN THIRTY (30) INCHES OF ANY STRUCTURE, CONCRETE, OR EDGE OF EXISTING PAVEMENT SURFACE; CONTRACTOR SHALL REMOVE AND REPLACE EXISTING PAVEMENT SURFACE TO THE CONCRETE, STRUCTURE, OR EDGE OF EXISTING PAVEMENT SURFACE.

**HANSEN ALLEN & LUCE**  
ENGINEERS

PROFESSIONAL ENGINEER  
MARVINE ALLEN  
NO. 151898

DESIGNED	TBT	3			
DRAFTED	JVH	2			
CHECKED	MEA	1			
DATE	MAY 2013	NO.		DATE	
REVISIONS					
BY	APVD.				

SCALE  
AS SHOWN

**SPRINGVILLE CITY**  
50 SOUTH MAIN  
SPRINGVILLE, UTAH 84663

SPRINGVILLE-SPANISH FORK PIPE INTERCONNECT  
CIVIL  
3049 NORTH 350 EAST CONNECTION

SHEET  
1  
260.06.100



## STAFF REPORT

**DATE:** October 7, 2013

**TO:** The Honorable Mayor and City Council

**FROM:** John Penrod, City Attorney

**SUBJECT: CONSIDERATION OF ENTERING INTO AN INTERLOCAL AGREEMENT WITH THE UTAH LOCAL GOVERNMENTS TRUST.**

### RECOMMENDED ACTION

Motion to Approve the execution of an Interlocal Agreement with Utah Local Governments Trust that governs the relationship between the Trust and its members.

### GOALS, OBJECTIVES AND STRATEGIES AT ISSUE

To provide a comprehensive risk management and insurance program for the safety and health of participants in City functions and City employees, as well as protecting the City's physical and financial assets.

### BACKGROUND

In July of this year, the City switched from being insured through the Utah Risk Management Mutual Association to the Utah Local Governments Trust. The decision to make the change was based on responses by several different types of insurance carriers and months of research and review. In the end, the Trust could provide a comprehensive risk management and insurance program for the lowest cost.

As part of the City's membership with the Trust, the Trust has asked the City to enter into an interlocal agreement that establishes how the Trust is governed with all of its members. The Trust's membership includes over 400 cities, counties and special service districts.

The proposed interlocal agreement contains provisions that govern the following:

1. Duration of the Agreement. The Agreement runs for 50 years and may be extended by agreement of its members. Members may withdraw from the Trust at any time.
2. Trust Funds. All funds received and held by the Trust remain the property and assets of the units of government within the Trust. Each member has an unrestricted right to withdraw its proportionate share of income derived from the investments and operations of the Trust so long as such funds are not tied to ongoing Trust functions.

3. Insurance Policies. The Trust purchases liability and workers compensation insurance policies from licensed insurance carriers. The Trust may act as the policy holder for personal insurance programs, such as workers compensation programs. The Trust Board holds funds in separate insurance accounts for insurance programs and maintains appropriate fund levels in reserve and operating accounts. The Trust Board may and has developed policies regarding dividends to members.
4. Administrative Board. The Trust is governed and administered by an administrative board composed of 7 to 15 members. Membership is as follows:
  - a. Up to four elected officials from member cities or towns,
  - b. Up to three elected officials from member counties,
  - c. Up to three elected or appointed officials from special districts, and
  - d. Up to 1/3 of the board may be appointed by the elected officials of the Board.

The Board has the following powers and duties, to:

- a. exercise all rights or privileges as a policyholder as allowed by an insurance carrier,
- b. interpret the interlocal agreement,
- c. use legal remedies to collect insurance premiums from members,
- d. transact all the Trust's business,
- e. receive compensation,
- f. promulgate rules and regulations for the efficient administration of the Trust, and
- g. delegate powers to an executive director and employ persons necessary to administer the Trust.

The Agreement also sets meeting, voting and other requirements for the Board .

5. Termination of Trust. The Agreement provides the procedure for terminating the Trust. The Trust may be terminated by two-thirds majority vote of either the members or the Board. If terminated, the Agreement requires that all Trust obligations be paid and assets distributed, including each member receiving a proportionate share of the remaining assets based upon the ratio of the member's contribution.
6. Amendment. The Agreement may be amended by a two-thirds majority vote of the members or the Board.

The Agreement does contain additional provisions besides those outlined above. This report attempts to highlight the main provisions.

The Agreement does state that a member does not have to enter into the Agreement to participate in the Trust. However, if a member decides not to enter into the Agreement, that member must pass a resolution, ordinance or enter into another contract that establishes participation in the Trust. The Trust has verbally disclosed that all members have elected to sign the interlocal agreement.

**FISCAL IMPACT**

Cost of premiums for insurance provided through the Trust.

Attachments: Proposed Interlocal Agreement

AMENDED AND RESTATED INTERLOCAL AGREEMENT CREATING THE  
UTAH LOCAL GOVERNMENTS TRUST

ARTICLE I  
NAME

1.1. The name of the governmental entity created pursuant to this Interlocal Agreement is the Utah Local Governments Trust (hereinafter “the Trust”).

ARTICLE II  
PURPOSES

2.1. The purposes of this Agreement and the entity created pursuant thereto are:

2.1.1. PERSONAL BENEFITS. To enable Utah cities, towns, counties, and other special districts of local governments to form a governmental entity to provide a comprehensive and complete program of hospital, medical, dental, disability, life, and other personal benefit plans and programs for units of local governments within the State of Utah.

2.1.2. CASUALTY-PROPERTY. To enable units of local governments to provide a comprehensive and complete program of casualty, property, marine, liability, and other insurance plans or programs required or desirable to protect local governments’ property and assets and elected and appointed officials and employees from personal liability.

2.1.3. FUNDS. To create funds from revenues, premiums, and monies which funds shall at all times belong to the participating units of local governments to pay claims of the local units of government according to any plan, program, or contract between the Trust and the participating unit of local government or to purchase the insurance requested by the participating unit of local government.

2.1.4. GENERAL POWERS. To administer, insure, reinsure, fund or self fund, indemnify, or perform any other act necessary to provide or administer any plan or program necessary or desirable to give effect to this Agreement.

2.1.5. SINGLE ENTITY. To enable local governments to act as a single entity to provide personal, casualty, property, marine, liability, or other insurance to participating units of local government.

2.1.6. ADVISOR TO LOCAL GOVERNMENTS. To act as an advisor and counsel to units of local government regarding their insurance needs, obligations, risks, and benefit plans.

2.2. TRUST NOT REQUIRED TO PROVIDE COVERAGES. Nothing in this Agreement shall require the Trust to offer or provide any or all of the plans or programs authorized by this Agreement.

2.3. AUTHORITY. The Trust hereby is granted and authorized to perform and do all acts necessary or convenient and to render all services contemplated and engage in such governmental and proprietary functions, as are authorized or contemplated by Sections 11-13-101 et seq., 10-3-1103, and 63-30d-801 et seq., Utah Code Annotated 1953, to carry out the purposes and intent of this Agreement.

### ARTICLE III DEFINITIONS

3.1. As used in this Interlocal Cooperation Agreement:

3.1.1. LOCAL GOVERNMENTS. "Local governments" means public agency as used in the Interlocal Cooperation Act and includes any county, city, town, special district, or combination thereof; it specifically includes any agency or entity created pursuant to the Utah Interlocal Cooperation Act, Section 11-13-101 et seq., Utah Code Annotated 1953, as amended.

3.1.2. PROPERTY INSURANCE. The definition of "property insurance" set forth in Section 31A-1-301, Utah Code Annotated 1953, is hereby incorporated by reference.

3.1.3. BOND. "Bond" means a faithful performance bond or indemnification bond or any other bond required by any Utah law.

3.1.4. INLAND MARINE. The definition of "inland marine" insurance set forth in Section 31A-1-301, Utah Code Annotated 1953, is hereby incorporated by reference.

3.1.5. WORKERS' COMPENSATION. "Workers' compensation" means any form of workers' compensation permitted or required by the laws of the State of Utah or the laws of the United States.

3.1.6. UNEMPLOYMENT COMPENSATION. "Unemployment compensation" means any form of unemployment compensation permitted or required by the laws of the State of Utah or the laws of the United States.

3.1.7. VEHICLE LIABILITY INSURANCE. The definition of "vehicle liability insurance" set forth in Section 31A-1-301, Utah Code Annotated 1953, is hereby incorporated by reference.

3.1.8. SURETY INSURANCE. The definition of "surety insurance" set forth in Section 31A-1-301, Utah Code Annotated 1953 is hereby incorporated by reference.

3.1.9. ADMINISTRATIVE BOARD. "Administrative board" means the administering body created by this Agreement to operate and administer the Trust and the insurance programs offered by the Trust.

3.1.10. MEMBER. "Member" means any city, county, town, or other unit of local government that participates in one or more plans or programs offered by the Trust. A unit of

local government need not have executed this Interlocal Agreement or Resolution to be a member. Any unit of local government that stops participating in the plans or programs offered by the Trust, shall not be a member.

3.1.11. CASUALTY INSURANCE. The definition of “casualty insurance” (liability insurance) set forth in Section 31A-1-301, Utah Code Annotated 1953, is hereby incorporated by reference.

3.1.12. UNIT OF LOCAL GOVERNMENT. “Unit of local government” means any city, county, town, special district, or any other entity which is a political subdivision of the State of Utah.

3.1.13. PERSONAL INSURANCE OR PERSONAL BENEFITS. “Personal insurance” or “personal benefits” means life, disability, hospital, medical and dental insurance or benefits, unemployment or workers’ compensation.

3.1.14. PERSON. “Person” means any individual, company, partnership, corporation, municipal corporation, or any business entity.

3.1.15 INSURANCE. “Insurance” means casualty liability and personal insurance.

#### ARTICLE IV DURATION

4.1. EXTENSION. This Agreement shall be for a period of 50 years, but may be extended by the members.

4.2. WITHDRAWAL. Nothing in this Article shall prevent any local government from withdrawing from the Trust.

4.3. TERMINATION IF VOID. This Agreement shall terminate if it is found to exist entirely in violation of the law.

#### ARTICLE V TRUST FUNDS

5.1. FUNDS PROPERTY OF UNITS OF GOVERNMENTS. All premiums, payments, and funds received, held, or administered by the Trust as herein provided shall be and remain the property and assets of the units of local government which create or participate in the Trust program or programs according to the terms of this Agreement, except that the funds of the Trust shall become the property of the person to whom the funds are paid when paid according to this Agreement, benefit or insurance plans, and programs authorized by the administrative board.

5.2. INTERNAL REVENUE CODE COMPLIANCE. In accordance with Section 115 of the Internal Revenue Code of 1954, as amended, any income derived from the investments or operations of the Trust shall accrue to the units of local government participating

in the Trust. None of the assets, property, funds, or revenues held by the Trust shall ever be deemed to or become the property of the Trust.

5.3. UNRESTRICTED RIGHT TO PROPORTIONATE SHARE OF INCOME. Each unit of local government participating in the Trust shall have the unrestricted right to withdraw its proportionate share (as defined in Section 12.3.) of the income derived from the investments or operations of the Trust. However, to the extent the income so derived is needed to provide reserves for potential claims against programs that the Trust has elected to reinsure or self-insure (under authority of Article VI), participating units of local governments agree to defer the withdrawal of that portion of the income so needed until such time as the administrative board determines using actuarially sound insurance accounting principles that such withdrawal will not jeopardize the financial stability of Trust programs.

5.4. FUNDS TO BE USED TO PURCHASE OR PROVIDE COVERAGE. The local governments hereby authorize and direct the administrative board to do all things necessary and proper and to use the payments or contributions received by the Trust to purchase and maintain in force such policy or policies of insurance as they in their sole discretion shall determine to be in the best interest of the members and the employees of the members; or on an actuarially sound basis, to use such funds to establish a program or programs of self-insurance, reinsurance, or co-insurance.

ARTICLE VI  
MANAGEMENT AND ALLOCATION OF FUNDS,  
PURCHASE OF INSURANCE, BONDS, REINSURANCE, SELF-FUNDING

6.1. LICENSED CARRIER REQUIRED. If casualty insurance or personal insurance policies are purchased, it shall be from a licensed insurance carrier. Policies may be purchased for one or more of the casualty insurance or personal insurance programs offered by the Trust from one or several carriers; or the Trust may reinsure or self-insure one or more of the programs and purchase the casualty insurance or personal insurance from a carrier for the remaining programs. Where the Trust purchases insurance or personal insurance from a carrier, the Trust shall be the policyholder. The amount of casualty insurance, personal insurance, and benefits shall be such as the administrative board may determine subject to securing a policy or policies from one or more carriers or bond companies able to provide the benefits from the premium paid.

6.2. TRUST TO ACT AS POLICYHOLDER. The administrative board may apply for such insurance policies or group insurance or personal insurance or group personal insurance in its name as policyholder or in the names of the participating members and may use the fund to pay for and accept and hold as part of the fund the policy or policies insured to the Trust in its name as policyholder.

6.3. TERMS OF POLICY. The administrative board may agree with an insurer of any policy or policies issued for the purposes of this Agreement on waiting period, definitions of full-time employment and all other necessary or desirable provisions, including the eligibility of

employees; or, in the case of self-insurance, the local government and administrative board may provide specifically such terms and conditions.

6.4. SEPARATE ACCOUNT REQUIRED. The Trust Board shall create separate funds and accounts for each of the following:

- A. Hospital, medical, and dental;
- B. Disability;
- C. Life (except where part of the hospital and medical plan) whether or not dental is included;
- D. Fidelity and fiduciary;
- E. Casualty, marine, property, and liability.

The assets of each fund shall not be co-mingled with those of another fund, nor shall it be subject to attachment, claims, or payment of damages in any other fund. Where a participating unit of local government elects to participate in Groups A, B, and C, or any combination of these groups, the Trust may treat the account as participating in the fund for which a majority of the premium is paid. One fund may make loans to another.

6.5. FUND MANAGEMENT. With respect to each fund, the administrative board shall use and apply each fund:

6.5.1. GENERAL ADMINISTRATION. To pay or provide for the payment of all reasonable and necessary expenses of collecting the local governments' contributions and administering the affairs of each fund, including, but without limitation, all expenses which may be incurred in connection with each fund, the employment of such administrative, legal, expert, and clerical assistance, the leasing of such premises and the purchase or lease of such materials, supplies, and equipment as the administrative board, in its discretion, finds necessary or appropriate in the performance of its duties.

6.5.2. PAYMENT OF PREMIUMS. To pay or provide for the payment of premiums due from local governments on the policy or policies, when such premiums shall become due; but the administrative board shall not use the fund to maintain in force any insurance for the account of any local government that is in default of payment of contributions to the fund.

6.5.3. RESERVES. To establish and accumulate as part of the fund an adequate reserve which the administrative board shall deem advisable to carry out the purposes of this Agreement.

6.5.4. REFUNDS. To refund premiums, payments, or contributions from local governments for which insurance may not be purchased for any reason, but if a unit of local

government withdraws from the Trust for any reason, the Trust shall be under no obligation to refund any premium, payment, or contribution of the local government if insurance has been purchased for the local government.

6.6. GENERAL OPERATING ACCOUNT. The administrative board may establish a general operating account or fund and may transfer to that account or fund a specified percentage of revenues received in each separate fund for the purpose of establishing a general operating fund or account to administer the general provision of the Agreement.

6.7. DEPOSITORIES-INVESTMENTS. All premiums, contributions, and monies received by the Trust hereunder as part of the fund or funds shall be deposited by it in such bank or banks as the administrative board may designate for that purpose, and all withdrawals of monies from such bank or banks shall be made only by check signed by a person or persons authorized by the administrative board to sign and countersign but no bank shall be elected as a depository of the funds of the Trust that is not a member of the Federal Deposit Insurance Corporation or is not supervised and insured by an instrumentality of the United States Government.

6.8. BOND REQUIRED. All officers and employees of the Trust who are authorized to sign or countersign checks or who otherwise may handle monies or other property of the Trust shall be bonded.

6.9. DIVIDENDS, EXPERIENCE RATING. Anything contained in this Agreement to the contrary notwithstanding, the administrative board may agree with the insurer or insurers for the combination of financial experiences, for dividend purposes, of policies issued to the administrative board pursuant to this Agreement and of policies not so issued with insured employees of local governments that are insured under this Agreement. The administrative board may agree with the insurers and to provide for a centralized administration of all policies or may administer the programs themselves in any manner deemed advisable by the administrative board.

## ARTICLE VII LOCAL GOVERNMENT CONTRIBUTIONS TO THE TRUST

7.1. PERSONAL INSURANCE OR BENEFITS. On application and acceptance by the administrative board or the Executive Director, each local government shall pay to the Trust a sum determined by the administrative board to participate in any personal insurance or self-funded benefit program offered by the Trust. Each local government shall pay to the Trust on such day of each month as determined by the administrative board for all the local governments, such member's contributions for personal insurance when and as the administrative board shall deem necessary to pay the premium due, together with that member's fair share of expenses on account of the personal insurance purchased for such local governments but all local government payments shall be credited against premiums and shares of expenses due from local governments.

7.2. CASUALTY AND LIABILITY INSURANCE. On application and acceptance by the administrative board or the Executive Director, each local government shall pay to the Trust a sum determined by the administrative board to participate in any casualty or liability insurance or self-funded casualty or liability program offered by the Trust. Each local government shall pay to the Trust on such day of each month as determined by the administrative board for the local governments, such member's contributions for insurance when and as the administrative board shall deem necessary to pay the premium due, together with that member's fair share of expenses on account of the insurance purchased for such local governments but all local government payments shall be credited against premiums and shares of expenses due from local governments.

ARTICLE VIII  
PARTICIPATION OF LOCAL GOVERNMENTS  
IN THE ASSOCIATION

8.1. PERSONAL INSURANCE. The employees of a unit of local government that make application to the administrative board shall, on approval of the application and payment of the premium established by the administrative board, become insured by the Trust under the policy or policies of the Trust and shall participate in the Trust for such personal insurance, provided the employee satisfies the requirements for participation in such personal insurance as may be established by the personal insurance carrier or carriers of the policy or policies under which such insurance is offered; or, under such requirements as the administrative board may establish for participation in any self-funded personal benefit plan or program. A local government's participation in the Trust personal insurance program shall commence on the date set by the Board. The personal insurance carrier of the policy or policies, if any, shall at all times be kept informed by the administrative board of the local governments that participate in the Trust personal insurance, as well as the names of their employees. A local government may participate in the personal insurance program on approval of the application and payment of the premium. The local government need not execute this Agreement to participate, but must subscribe to the personal insurance or benefits to be provided pursuant to this Agreement by resolution, ordinance, or contract.

8.2. CASUALTY AND LIABILITY INSURANCE. A unit of local government that makes application to the administrative board shall, on approval of the application and payment of the premium established by the administrative board, become insured by the Trust under the policy or policies of the Trust and shall participate in the Trust for such insurance, provided the unit of local government satisfies the requirements for participation in such casualty insurance as may be established by the insurance carrier or carriers of the policy or policies under which such insurance is offered; or, under such requirements as the administrative board may establish for participation in any self-funded casualty program. A local government's participation in the Trust insurance program shall commence on the date set by the administrative board. The insurance carrier of the policy or policies, if any, shall at all times be kept informed by the administrative board of the local governments that participate in the Trust insurance. A local government may participate in the casualty or liability insurance program on approval of the application and payment of the premium. The local government need not

execute this Agreement to participate, but must subscribe to the insurance or benefits to be provided pursuant to this Agreement by resolution, ordinance, or contract.

8.3. TERMINATION OF QUALIFICATIONS. A local government shall cease to qualify for participation in the Trust for any insurance or benefit plan when it fails to make its contribution as provided in Article VII for the insurance on the date when due or within the period of time allowed by the administrative board for the payment thereof; or if a local government shall cease to qualify under or by reason of any state or federal law; or when the local government fails to comply with the rules and regulations made by the administrative board from time to time with respect to the administration of the insurance Trust fund or funds; including, but without limiting the generality of the foregoing, the method and accuracy of local government's reports, the effective date of insurance of its employees, the discontinuance of insurance of its employees, premiums due, or any and all other facts which the administrative board deems advisable to assure a sound administration of the insurance programs offered by the Trust.

8.4. TERMINATION OF PARTICIPATION. When in accordance with the provisions of this Article VIII, a local government ceases to qualify for participation in the Trust for the insurance provided under the policy or policies, the administrative board shall, if insured by a carrier, forthwith give notice thereof to the insurance carrier of the policy or policies under which such insurance is provided, and such policy or policies and participation of the local government in the Trust shall terminate to such extent and at such time as the insurance terminates. In such event the Trust shall have no further liability to local government or its employees whose participation and insurance have terminated.

ARTICLE IX  
RETURN OF MONIES RECEIVED FROM PERSONS  
NOT QUALIFYING AS A LOCAL GOVERNMENT AS  
DEFINED IN THIS AGREEMENT

9.1. Should any monies be received by the Trust for the purpose specified in Article II of this Agreement from any local government failing to satisfy the requirements for participation in the Trust, or from any local government whose employees do not become insured under the policy or policies, such monies shall be returned, and there shall be no further obligations whatsoever in connection therewith.

ARTICLE X  
ADMINISTRATION OF THE TRUST

10.1. ADMINISTRATIVE BOARD. The Trust shall be governed and administered by an administrative board composed of at least seven officials representing participating Members. The administrative board may from time to time, on a two-thirds vote of the administrative board, increase the number of members on the administrative board without amending this Agreement, but the number shall not exceed 15.

10.1.1. CITIES AND TOWNS. Up to four members of the administrative board shall be elected officials from participating cities and towns unless the number of participating cities and towns is less than four, in which case the minimum number of elected officials from cities and towns on the administrative board shall be reduced to the number of participating cities and towns. The terms of the municipal administrative board members shall be four years, but the terms shall be staggered so that one position is filled each year. If a municipal member of the administrative board ceases to be an elected official, the remaining municipal members shall appoint a person to serve until the next election. At the next election a municipal elected official shall be elected to fill the remainder of the term.

10.1.2. COUNTIES. Up to three members of the administrative board shall be elected officials from participating counties unless the number of participating counties is less than three, in which case the minimum number of elected officials from counties on the administrative board shall be reduced to the number of participating counties. The terms of the county administrative board members shall be four years, but the terms shall be staggered so that one position is filled each year. If a county member of the administrative board ceases to be an elected official, the remaining county members shall appoint a person to serve until the next election. At the next election a county elected official shall be elected to fill the remainder of the term.

10.1.3. SPECIAL DISTRICTS. Up to three members of the administrative board shall be elected or appointed officials from participating special districts unless the number of participating special district is less than three, in which case the minimum number of officials from special districts on the administrative board shall be reduced to the number of participating special districts. The terms of the special district administrative board members shall be four years, but the terms shall be staggered so that one position is filled each year. If a special district member of the administrative board ceases to be an official of a district, the remaining special district members shall appoint a person to serve until the next election. At the next election a special district elected or appointed official shall be elected to fill the remainder of the term.

10.1.4 APPOINTED OFFICIALS. The elected officials of the administrative board may appoint additional members to serve on the board, but the number of appointed board members shall not exceed one third of the total board membership. Any vacancy in the appointed member positions shall be filled by the remaining board members. Terms may be staggered as the board deems appropriate.

10.2. RESIGNATION. A member of the administrative board may resign and become and remain fully discharged from all further duty or responsibility hereunder upon giving 30 days notice in writing to the remaining members, or such shorter notice as the remaining members may accept as sufficient, in which notice there shall be stated a date and such resignation shall take effect on the date specified in the notice, unless a successor member shall effect immediately upon the appointment of such successor member.

ARTICLE XI  
POWERS OF ADMINISTRATIVE BOARD

11.1. AS POLICYHOLDER. The administrative board may exercise all rights or privileges granted to it as policyholder by provisions of each policy or allowed by the insurance carrier of such policy, and may agree with such insurance carrier to any alteration, modification, or amendment of such policy, and may take any action respecting such policy or the insurance provided thereunder which may be necessary or advisable, and such insurance carrier shall not be required to inquire into the authority of the administrative board with regard to any dealings in connection with such policy.

11.2. CONSTRUE THIS AGREEMENT. The administrative board shall have power to construe the provisions of this Agreement and the terms used herein, and any reasonable construction adopted by the administrative board in good faith shall be binding upon the local governments and employees.

11.3. LIABILITY OF MEMBER. Notwithstanding anything contained herein to the contrary, each local government shall be liable to The Utah Local Governments Trust for the premium for its insurance and the insurance of its employees under the policy or policies for any period during which such insurance is in force and the administrative board shall enforce such liability for such premiums to the extent necessary to pay premiums due under any such policy or policies. In the event any such policy or policies are terminated and premium due thereunder is not paid by the administrative board to the insurance carrier issuing the policy or to the Trust on the date the premium is due thereunder, such insurance carrier, if it shall so elect, shall immediately be subrogated to the right of the Trust to enforce the liability of any local government under this Agreement and may apply any sums collected first toward its expense of suit including costs and counsel fees and then toward the discharge of the premium obligation under the policy or policies. Any such election by the insurer may be exercised at any time and shall not constitute a waiver of its right to collect any deficiencies in premium from the Trust.

11.4. ADMINISTRATIVE BOARD - GENERAL MANAGEMENT MEETINGS. The administrative board shall have the general management, control, and direction of all the business activities and affairs of the Trust, with full power to transact all its business, including the making of deposits in and disbursements from the funds. The administrative board shall meet at least bi-annually.

11.5. COMPENSATION. The members of the administrative board shall receive compensation for their duties and shall be reimbursed for all reasonable and necessary expenses which they may incur in the performance of their duties. Provision may be made to compensate one or more members of the administrative board for special executive or administrative services performed in connection with the direction, administration, or operation of the Trust.

11.6. RULES AND REGULATIONS. The administrative board may promulgate such rules and regulations as may, in its discretion, be proper or necessary for the sound and efficient administration of the Trust; but such rules shall not take effect until a copy or copies

thereof have been mailed to the carrier of such policy or policies which may be affected by such rules and regulations.

11.7. GENERAL ADMINISTRATION. The administrative board may delegate its administrative and ministerial powers and duties to an Executive Director. The Trust may employ such persons as it deems necessary on such terms and conditions as the administrative board shall deem appropriate.

11.8. RECORDS - AUDITS - REPORTS. The Trust shall keep true and accurate books of account and records of all its transactions, which shall be audited annually or more often by a public accountant and furnish to participating local governments from time to time reports respecting the status of the Trust and the status of each fund and the status of the bond, policy or policies, and the benefits paid thereunder, but the administrative board shall not be required to furnish such reports more often than annually.

11.9. MEETINGS. Any action by the administrative board pursuant to this Agreement may be taken either at a meeting, a meeting at which all or several members participate by electronic means, or in writing without a meeting. A meeting may be called at any time by the chairman or any two members, giving at least five days written notice to the other members. Notice of any meeting may be dispensed with if all the members in writing waive the notice. Notice shall be deemed waived by any member that appears at a meeting, unless such appearance is solely for the purpose of objecting to the failure to give the notice required by this section.

11.10. MAJORITY REQUIRED. Any action taken by the administrative board pursuant to this Agreement, except as otherwise provided, shall be by at least a majority of a quorum of the members. A quorum is a majority of the total number of the members of the administrative board.

11.11. NO LIABILITY OF BOARD. The administrative board shall not have any liability with respect to the nonpayment of local government contributions. All suits and proceedings to enforce or protect any other right, demand, or claim on behalf of the administrative board or Trust, may be instituted and prosecuted on behalf of the Trust and the administrative board.

11.12. NO LIABILITY - EXCEPTIONS. The members of the administrative board personally and individually, whether severally or jointly, shall not be liable in any matter or transaction or for any omission relating to the conduct of the business of the Trust nor their respective activities and performance of their duties with respect thereto. No member shall be liable for errors in judgment of himself or of the other members nor for any act, judgment, or exercise of discretion of the administrative board's agents or employees, in the conduct of the Trust and each shall be liable only for his own willful misconduct or wrongdoing in respect thereto.

11.13. FULL FAITH AND CREDIT. The administrative board shall honor and be bound by all agreements made by their predecessors, successors, assigns, or assignors.

ARTICLE XII  
TERMINATION-DISTRIBUTION OF ASSETS

12.1. PROCEDURE. This Agreement may be terminated:

12.1.1. BY MEMBERS. On a two-thirds majority vote of all members at a meeting called for that purpose after written notice of such meeting stating the time, purpose, and place of the meeting is given to all members at least 30 days prior to this meeting.

12.1.2. BY ADMINISTRATIVE BOARD. By a two-thirds majority vote of all of the members of the administrative board at a meeting called for that purpose after written notice of such meeting stating the time, purpose, and place of the meeting is given to all members of the board and of the Trust at least 30 days prior to the meeting. The Trust board may not terminate this Agreement if more than 25 percent of the members appear at the meeting to object to terminating this Agreement.

12.2. PAYMENT OF OBLIGATIONS. On termination of this Agreement, the entity and administrative board shall continue in existence for the purpose of winding down the affairs of the Trust. The Trust shall make provision, so far as reasonably possible, for the orderly transfer of all policies held in the name of the Trust and to protect members and their employees. The Trust shall, to the extent it has revenues, pay all obligations of the Trust from each fund for which the fund is obligated.

12.3. DISTRIBUTION OF ASSETS. After paying or making provision for paying all claims, whether reported or unreported, the Trust shall pay to the member participants, including those that may have ceased to be members, their proportionate share of the assets from each fund according to the member's ratio of contribution to the fund to the total contribution of all members divided by the unencumbered assets of the fund. Notwithstanding the foregoing, the decision of the Trust board as to the distribution of the assets of the Trust within each fund to participating members and former members shall be final and binding unless the distribution is arbitrary, unreasonable, and capricious under the construction given by the administrative board.

ARTICLE XIII  
AMENDMENTS

13.1. BY MEMBER. The members of the Trust may amend the provisions of this Agreement except Sections 5.1., 5.3 12.3., and 13.5. on a two-thirds vote of those attending any meeting called for that purpose by at least ten members or by the administrative board, on giving at least 30 days written notice of the time, purpose, and place of the meeting. The written notice must include the specific language of the proposed amendment.

13.2. BY BOARD. The administrative board may amend the provisions of the Agreement, except Sections 5.1., 5.3 12.3., and 13.5. by a two-thirds vote, at any meeting called for that purpose if at least 30 days written notice of the time, purpose, and place of the meeting is provided to all members and members of the board. The written notice must include the specific language of the proposed amendment and advise the members about their right to object to the

proposed amendment and the method by which such right may be exercised. The amendment shall not be effective if more than 50 percent of the members appear personally or provide written objection to the proposed amendment prior to the time of the meeting.

13.3. RESTRICTIONS ON RIGHT TO AMEND. Sections 5.1, 5.3., 12.3., and 13.5. shall not be amended except with the unanimous concurrence of all members and local governments entitled to the funds of or refunds or payments from the Trust.

13.4. NOTICE OF AMENDMENT. After an amendment has been approved by the members or Trust board, notice shall be given to all members of the amendment together with a statement of the effective date of the amendment which shall be at least 30 days after the date of the meeting at which the amendment was approved.

13.5. MEMBERS SUBJECT TO CONTINGENT ASSESSMENT. (Reserved.)

13.6. CONSENT REQUIRED FOR OTHER ASSESSMENT. (Reserved.)

#### ARTICLE XIV MISCELLANEOUS PROVISIONS

14.1. RECORDS OF LOCAL GOVERNMENT TO BE FURNISHED. Local governments shall furnish to the administrative board such records and any other information as the administrative board or the insurance carrier of the policy or policies may require in connection with the administration of the Trust. The insurance carrier shall have the right to audit all records of the Trust or local governments pertaining to the insurance provided by the carrier.

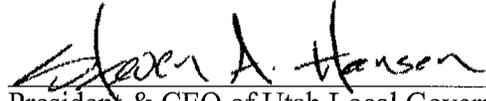
14.2. THIRD PARTY CLAIMS AGAINST TRUST FUNDS. Unless otherwise specifically provided in a written agreement between a unit of local government and the Trust, no local government nor any other person claiming by or through such employee by reason of having been named a beneficiary in a certificate or otherwise, shall have any claim against the monies or properties of the Trust, and the interests of such employees, beneficiaries, and other persons claiming through them shall be limited to those specified in the policy or policies.

14.3. SPECIAL PROVISIONS RELATING TO WORKERS' COMPENSATION COVERAGE. For each member that chooses to participate in the Workers' Compensation insurance program through the Trust, the Trust shall pay any workers' compensation liabilities incurred during the period of participation and membership. The member's bankruptcy insolvency or withdrawal from the Trust shall not relieve the Trust of such workers' compensation liability, nor shall bankruptcy, insolvency or cessation of the Trust relieve the member of its ultimate liability to pay the worker's compensation claims of the member's employees.

14.4. SUPERSEDES PRIOR AGREEMENT. This Agreement supersedes and replaces all previous Interlocal Agreements creating or establishing the Utah Local Governments Trust.

DATED as of and made effective \_\_\_\_\_, 20\_\_\_\_.

UTAH LOCAL GOVERNMENTS TRUST



\_\_\_\_\_  
President & CEO of Utah Local Governments Trust

\_\_\_\_\_  
Name of Public Agency

\_\_\_\_\_  
Signature of Person Authorized to Bind This Agreement

\_\_\_\_\_  
Date

Approved as to form

\_\_\_\_\_  
Attorney

RESOLUTION

A RESOLUTION APPROVING AND ENTERING INTO AN AMENDED AND RESTATED AGREEMENT CREATING THE UTAH LOCAL GOVERNMENTS TRUST.

WHEREAS, \_\_\_\_\_ and other Utah cities, towns, counties, and other governmental entities created and established a political subdivisions and entity known as the Utah Local Governments Trust; and

WHEREAS, \_\_\_\_\_ desired to participate in creating and establishing an entity to provide assistance, advice, counsel, and casualty, property and liability insurance, and benefits related to the purposes of the Utah Local Governments Trust; and

WHEREAS, \_\_\_\_\_ has appointed \_\_\_\_\_ as its attorney to review and approve the form of the amended and restated agreement.

NOW THEREFORE, the attached Interlocal Agreement Amending and Restating the Interlocal Agreement creating Utah Local Governments Trust is hereby entered into, approved, ratified, accepted, and made effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

PUBLIC AGENCY

\_\_\_\_\_

By \_\_\_\_\_

ATTEST

\_\_\_\_\_

\_\_\_\_\_ Date



## STAFF REPORT

**DATE:** October 7, 2013

**TO:** The Honorable Mayor and City Council

**FROM:** John Penrod, City Attorney

**SUBJECT: CONSIDERATION OF APPROVING A CONTRACT WITH ROCKY MOUNTAIN POWER TO ALLOW SPRINGVILLE CITY'S POWER DEPARTMENT TO PROVIDE POWER TO NEW CUSTOMERS OUTSIDE CITY BOUNDARIES.**

### RECOMMENDED ACTION

Motion to Approve the execution of the Agreement for Electric Service by Municipality to Additional Customer(s) After June 15, 2013 Outside of Municipal Boundary for two Canyon service connections and give authority to execute the Agreement for all future service connections outside of Springville's municipal boundaries.

### GOALS, OBJECTIVES AND STRATEGIES AT ISSUE

General Plan Goal - To provide functionally effective community facilities and services to support a safe, healthy, and vibrant community life.

Objective 8 – An electric system that has the facilities necessary to deliver the resources needed to meet the capacity and energy demands in a safe, reliable and economical manner to the customers connected.

The City's power department has serviced canyon users for decades. Adding additional customers helps increase revenues, making the system more economical for all customers.

### BACKGROUND

In this past State Legislative Session, Senate Bill 180 (the "Bill") was passed. The Bill amended Section 10-8-14 of the Utah Code Annotated regarding municipalities providing electric service outside municipal boundaries and applies to Springville City's canyon users. The Bill requires the City to enter into an agreement with Rocky Mountain Power ("RMP") to provide new service connections to canyon customers after June 15, 2013. The agreement entered into between RMP and Springville must be approved by both entities and the Public Service Commission of Utah. Pursuant to Utah Code, the Commission may take as long as 120 days to approve an agreement for a new customer. As such, the entire process to add a new canyon customer may take a lengthy amount of time.

### CITY COUNCIL AGENDA

In order to shorten the process, the recommended motion asks for authority to allow staff to enter into the proposed agreement attached to this report for all future canyon customers. The proposed agreement contains the following provisions.

1. Customers. The Agreement grants the City the ability to service new canyon customers and any subsequent owners of new customers residences as long as the rate schedule and load capacity of the new customer and subsequent customers does not change. One of the reasons for SB 180 is that some municipalities have agreed to provide power outside of municipal boundaries when the customer is a high load, high rate paying customer but has elected to reject other customers. Under the Bill, RMP has the ability to service future customers that may be financially attractive to RMP. The Utah Code allows RMP to do this, but RMP has to first buyout Springville's facilities.
2. Term. The Agreement runs from the date it is executed to the date RMP elects to provide power services to canyon customers or the City elects to annex the canyon.
3. Termination. If the Agreement is terminated, the parties shall follow Utah Code, which requires RMP to buyout the City's canyon facilities.
4. Application Process. Once the City signs the Agreement, RMP has 45 days to file the Agreement with the Commission. The Commission then has 120 days to approve the Agreement.
5. Cooperation. The Agreement requires the City to cooperate with RMP and the Commission by providing non-confidential documentation and other information required by the Commission in its decision to approve the Agreement.
6. Miscellaneous. The Miscellaneous section of the Agreement has standard provisions, except for a waiver of jury trial and limitation on damage provision. Normally, the City would not want to waive a jury trial and limit damages. However, in this situation, where the City's function of providing power to canyon users does not change agreeing to this provision should be a low risk provision and possibly give the City a little protection.

The Agreement does contain additional provisions besides those outlined above. This report attempts to highlight the main provisions.

## **FISCAL IMPACT**

None. City personnel may be required to participate in Commission hearings.

Attachments: Proposed Agreement

**AGREEMENT FOR ELECTRIC SERVICE BY MUNICIPALITY  
TO ADDITIONAL CUSTOMER(S) AFTER JUNE 15, 2013 OUTSIDE OF  
MUNICIPAL BOUNDARY**

This Agreement for Electric Service by Municipality to Additional Customer(s) After June 15, 2013 Outside of Municipal Boundary (“Agreement”) is made and entered into between Springville City, Utah, a municipal corporation organized under the laws of the state of Utah (the “Municipality”), and PacifiCorp, an Oregon corporation d/b/a in Utah as Rocky Mountain Power (“Rocky Mountain Power”). The Municipality and Rocky Mountain Power each may be referred to as a “Party” or collectively as the “Parties.”

**RECITALS**

A. The Legislature of the State of Utah passed Senate Bill 180 (the “Bill”) during the 2013 General Session of the Legislature amending Utah Code Ann. § 10-8-14 regarding electric service by a municipal utility outside of its municipal boundaries. The Bill became law on May 13, 2013.

B. The Municipality owns and operates a local electric utility system that provides electric service to customers located within its municipal boundary and desires to provide electric service to certain Additional Customer(s) outside its municipal boundary (as further defined below, (the “Additional Customer(s)”).

C. Rocky Mountain Power is a public utility and an electrical corporation in the state of Utah authorized by a certificate of public convenience and necessity issued by the Public Service Commission of Utah (“Commission”) to provide electric service to customers, inclusive of the Additional Customer(s), in areas outside the municipal boundary of the Municipality.

D. The Parties enter into this Agreement, subject to the Commission’s approval, in compliance with Utah Code Ann. §§ 10-8-14 and 54-4-40 to provide terms and conditions for the Municipality to provide electric service to Additional Customer(s) in accordance with, the terms and conditions of this Agreement.

**TERMS AND CONDITIONS**

In consideration of the following agreements and conditions, the Parties agree as follows:

1. **Service to Additional Customer(s).** As provided in Utah Code Ann. § 10-8-14(5), the Municipality has submitted to Rocky Mountain Power a request to provide electric service to the Additional Customer(s) identified more particularly in Exhibit A attached hereto and Rocky Mountain Power has agreed to allow the Municipality to serve the Additional Customers(s) and subsequent customers at the same service location so long as such service is provided under the same rate schedule, and the load demand of the subsequent customer remains the same to the Additional Customers(s), subject to the approval of this Agreement by the Utah Public Service Commission and in accordance with the terms of this Agreement.

2. **Term; Transfer of Additional Customer(s).** Unless otherwise agreed by the Parties in writing:

a. This Agreement shall commence as of the date of approval of this Agreement by the Utah Public Service Commission (the “Effective Date”) and shall terminate on the date from and after which Rocky Mountain Power provides notice to the Municipality in accordance with Utah Code Ann. § 10-8-14(5) that it will provide service to the Additional Customer(s) and confirming that it has installed the facilities from which it can provide electric service to the Additional Customer(s). It is understood that Rocky Mountain Power shall provide six-months written notice of its intent to provide service to the Additional Customers(s).

b. Upon termination of this Agreement for any of the reasons set forth above or otherwise, the Municipality shall transfer to Rocky Mountain Power electric service to the Additional Customer(s), together with the facilities used by the Municipality to serve the Additional Customer(s), all in accordance with the provisions of Utah Code Ann. §§ 10-20-421(3) – (9), as the same may be amended.

c. Notwithstanding the foregoing, as provided in Utah Code Ann. § 10-8-14(8) the Municipality is relieved of any obligation under this paragraph 2 to transfer an Additional Customer(s), and the facilities used by the Municipality to serve the Additional Customer(s), if the Municipality annexes and incorporates the area within which the Additional Customer(s) is being served. It is understood that the Municipality will provide six-months written notice of its intent to annex and incorporated the area within which the Additional Customers are being served.

3. **Application; Effective Date.**

a. Within 45 days of execution of this Agreement or such longer time as the Parties may mutually agree, Rocky Mountain Power shall file an application (“Application”) with the Commission pursuant to Utah Code Ann. § 54-4-40 seeking the Commission’s approval of this Agreement. Rocky Mountain Power shall, and upon request by Rocky Mountain Power the Municipality shall, support approval of the Application before the Commission, including responding to discovery requests, providing written and oral testimony and other evidence, and providing written and oral argument. Neither Party shall directly or indirectly oppose the Application or support any petition for review, rehearing or reconsideration in the Commission of an order of the Commission approving the Application (“Order”) or any petition for review in court of the Order.

b. This Agreement shall be effective from and after the date the Commission approves the Application (the “Effective Date”). In the event, however, that the Commission issues an order disapproving the Application, this Agreement shall terminate and be of no further force or effect.

4. **Cooperation.** In providing material written information to any third party or government entity or in obtaining any approval of any government entity in connection with

this Agreement, the Parties agree to mutually support each other in obtaining regulatory approvals of the Agreement and in gaining any required franchise, providing information to regulators and parties in regulatory proceedings and to other government entities required to issue franchises, and cooperating in responding to parties that may oppose approval of the Agreement or issuance of any required franchises. Notwithstanding the foregoing, neither Party shall be required to disclose to the other Party information that is privileged or is competitively sensitive and confidential, including internal analyses, even if the Party is required to disclose the information subject to the terms of a protective order or rule to another government entity or third party.

5. **Miscellaneous.**

a. **General Representations and Warranties.** Each of the Parties represents and warrants to the other Party that the Party has the power and authority to enter into this Agreement and to perform its obligations under this Agreement and that the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement have been duly authorized by the governing body of the Party, and no other actions or proceedings on the part of the Party are necessary to authorize this Agreement and the transactions contemplated by this Agreement.

b. **Each Party to Bear Own Expenses.** Except as otherwise expressly provided in this Agreement, all expenses incurred by or on behalf of the Parties in connection with the authorization, preparation, execution and consummation of this Agreement, including, without limitation, all fees and expenses of agents, representatives, counsel, and accountants employed by the Parties, shall be borne solely by the Party that incurred the expenses.

c. **Waiver of Jury Trial and Limitation on Damages.** THE PARTIES EXPRESSLY WAIVE THEIR RIGHT TO TRIAL BY JURY ON ANY CLAIM ARISING UNDER THIS AGREEMENT AND AGREE THAT ANY SUCH CLAIM MAY NOT BE JOINED OR CONSOLIDATED IN ANOTHER ACTION BEING TRIED TO A JURY. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, PROVIDED BY STATUTE, OR IN TORT OR CONTRACT.

d. **Notices.**

i. **Permitted Methods of Notice.** Any notice, or other communication required under this Agreement shall be in writing, shall be delivered as per the contact information provided below, and shall be deemed properly given: (1) upon delivery if delivered in person; (2) three days after deposit in the mail, if sent by registered first class United States mail, postage prepaid; or (3) upon delivery if delivered by a commercial courier service

ii. **Contact Information.**

Municipality

Mr. Leon Fredrickson  
Power Director  
110 South Main Street  
Springville City, Utah 84663

cc: Mr. John Penrod  
City Attorney  
110 South Main Street  
Springville City, Utah 84663

Rocky Mountain Power:

Service Area Manager  
Rocky Mountain Power  
201 South Main Street, 23rd Floor  
Salt Lake City, UT 84111-4904

cc: Office of the General Counsel  
Rocky Mountain Power  
201 South Main Street, 24th Floor  
Salt Lake City, UT 84111-4904

iii. **Change of Contact Information.** Either Party may change its contact person or address specified above by giving the other Party notice of the change in accordance with subparagraph 6.d.i, above.

e. **Assignments.** Except as otherwise provided below, neither Party may, without the other Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, assign, pledge, or transfer all or any part of this Agreement or any right or obligation under this Agreement, whether voluntarily or by operation of law; provided, however, that either Party may, without the other Party's consent, assign its rights and obligations under this Agreement to an entity with which the Party is merged or consolidated, so long as the assignor consents in writing to be bound by all obligations of the assignee under this Agreement.

f. **Binding on Successors.** This Agreement shall inure to the benefit of the Parties hereto, their respective successors and permitted assigns, and shall be binding upon the successors and permitted assigns of each.

g. **Waivers.** Any waiver of a Party's rights with respect to any breach of this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute a waiver with respect to any other breach or matter

arising in connection with this Agreement. All waivers must be in writing and signed by an authorized representative of the Party granting the waiver.

h. **Governing Law.** This Agreement is made under and will be governed by and construed in accordance with the internal laws of the State of Utah.

i. **Headings and Construction.** The headings and subtitles in this Agreement are for the convenience of the Parties and are not to be used for its construction or interpretation. Any use of the singular in this Agreement also includes the plural, and any use of the plural also includes the singular.

j. **Not Construed Against Either Party.** This Agreement was entered into by the Parties after consultation with counsel, and shall be considered to have been drafted by both Parties. The language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against either of the Parties.

k. **Severability.** If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

l. **Counterparts.** This Agreement may be executed in counterparts which, taken together, shall constitute one and the same Agreement and shall not be effective unless and until the Commission approves the Application in accordance with the provisions of paragraph 2.

m. **Entire Agreement.** This Agreement, including the recitals stated above and the appendices attached hereto which are incorporate herein by this reference, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior negotiations and agreements, whether written or oral. This Agreement may not be altered or amended except by an instrument in writing executed by both Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates indicated below.

**Springville City, Utah, a municipal corporation organized under the laws of the State of Utah**

**PACIFICORP, an Oregon corporation doing business in Utah as ROCKY MOUNTAIN POWER**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: Mark C. Moench

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

Title: Senior Vice President and General Counsel

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

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

ATTEST:

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

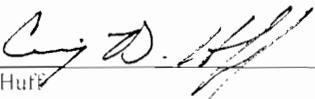
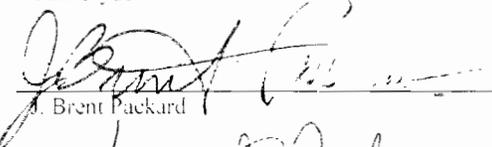
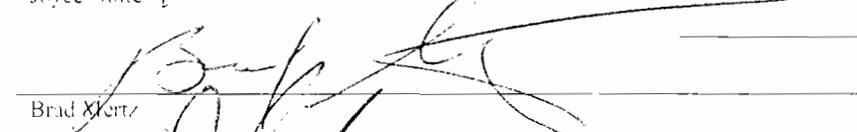
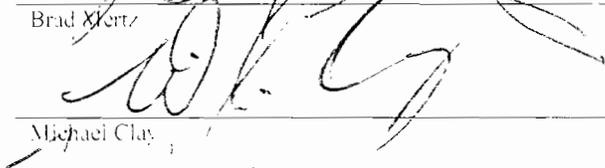
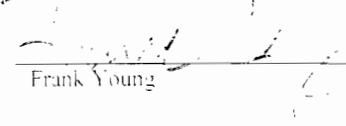
**EXHIBIT 1**

**IDENTIFICATION OF ADDITIONAL CUSTOMER(S) LOCATED OUTSIDE THE MUNICIPAL BOUNDARY OF THE MUNICIPALITY THAT THE MUNICIPALITY PROVIDES ELECTRIC SERVICE TO PURSUANT TO PARAGRAPH 1 (THE “ADDITIONAL CUSTOMER(S)”)**

<b>Customer Name</b>	<b>Customer Rate Schedule</b>	<b>Customer Site Address</b>	<b>Customer Mailing Address</b>
Bob Ferguson	Residential Rate	82 North Meadow Drive, Springville City, UT	82 North Meadow Drive, Springville City, UT 84663
Charles Gasser	Residential Rate	266 South Meadow Drive, Springville City, UT	266 South Meadow Drive, Springville City, Utah 84663



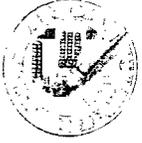
Planning Commission Signatures:

	YES	NO	ABSTAIN
 Craig Huff			
 Carl Clyde			
 Brent Packard	✓		
 Joyce Nolte			
 Brad Kertz			
 Michael Clay	✓		
 Frank Young	✓		

APPROVE \_\_\_\_\_ DENY \_\_\_\_\_ ABSTAIN \_\_\_\_\_

  
Planning Commission Secretary

September 24, 2013  
Date



# Springville City Planning Commission

## Letter of Recommendation to City Council

<b>Applicant:</b> Jim DeGraffenried, J. E. DeGraffenried Construction Co. HBH – 1060 N. Spring Creek Place Springville UT 84663		<b>Request:</b> Jim DeGraffenried, representing HBH, seeking amended site plan approval located at 1060 North Spring Creek Place in the BP – Business Park zone.	<b>Date of Meeting:</b> September 24, 2013	
<b>Zone Classification:</b> BP – Business Park	<b>Total Acreage of Site:</b> 7.6 acres	<b>Number of Lots/Units:</b>		
<b>General Plan – Land Use Designation:</b> Commercial	<b>Previous Use of Property:</b>	<input checked="" type="checkbox"/> <b>Administrative Action</b> Public Hearing Required	<input type="checkbox"/> <b>Legislative Action</b> Planning Commission City Council	

Motion by: *Frank Young*      Second by: *Brent Packard*

PC RECOMMENDATION     APPROVE     DISAPPROVE     OTHER:

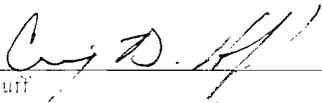
**CONDITIONS OF APPROVAL:**

Move to approve the amended site plan for HBH located at 1060 North Spring Creek Place in the BP – Business Park zone contingent upon:

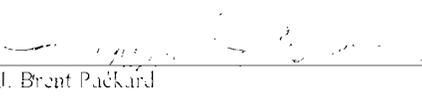
- 1. Addressing all DRC and post-DRC items.

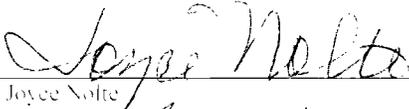
Planning Commission Signatures:

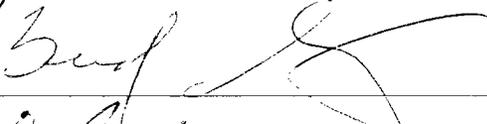
YES NO ABSTAIN

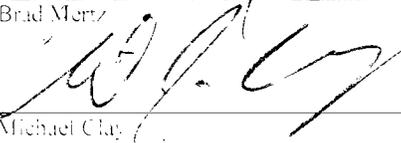
  
Craig Huff

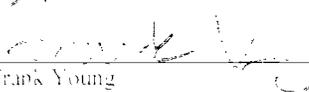
  
Carl Hyde

  
J. Brent Packard

  
Joyce Nolte

  
Brad Mertz

  
Michael Clay

  
Frank Young

APPROVE \_\_\_\_\_ DENY \_\_\_\_\_ ABSTAIN \_\_\_\_\_

  
Allene Gray  
Planning Commission Secretary

September 24, 2013  
Date