

NOTICE AND AGENDA
SANTA CLARA CITY COUNCIL MEETING
Wednesday, November 10, 2021
Time: 5:00 p.m.
AMENDED
AGENDA

NOTICE is hereby given that the Santa Clara City Council will hold a Regular Meeting on the 10th day of November 2021 in the City Council Chambers of the Town Hall at 2603 Santa Clara Drive, Santa Clara Utah. which meeting will begin at 5:00 PM. **The Meeting will be available to view live on the YouTube link:** https://www.youtube.com/channel/UCxLBLm30_XLqM1AEmhpcMA Council Chambers will be available to residents, but we will have limited availability and follow Covid-19 guidelines.

1. **Call to Order**

2. **Opening Ceremony:**

- Pledge of Allegiance: Ben Shakespeare
- Opening Comments: Ben Shakespeare

3. **Conflicts and Disclosures:**

4. **Working Agenda:**

A. Public Hearing(s) 5:00 p.m.

1. Public Hearing to receive Public Input regarding a Power Rate Increase.

B. Consent Agenda:

1. **Approval of Claims and Minutes**

- Oct. 27, 2021 Regular City Council Meeting Minutes
- Oct. 27, 2021 Executive Session Minutes
- Nov. 3 2021 City Council Work Meeting
- Claims through Nov. 10, 2021

2. **Calendar of Events**

- Nov. 24, 2021 Regular City Council Meeting Canceled
- Nov. 25, 2021 Thanksgiving Day (Offices Closed)
- Nov. 26, 2021 Day after Thanksgiving (Offices Closed)
- Dec. 1, 2021 City Council Work Meeting

C. General Business:

1. Election Canvass. Presented by Melanie Alplanalp, Washington Co. Election Clerk.
2. Consider approval of the UAMPS Risk Management Policy. Presented by Gary Hall, Power Director.
3. Consider Approval of a Mutual Aid Agreement between electrical utilities. Presented by Gary Hall, Power Director.

4. Consider Approval of Power Rate Increase and approve Resolution 2021-10.
Presented by Gary Hall, Power Director.
5. Consider Approving a Fiber Communication Service and Acquisition Contract with
UIA and Approve Resolution 2021-13R. Presented by Jarett Waite, Councilman.
6. Award bid for Hassell Substation upgrade and SCADA system to Eaton
Corporation for the amount of \$169,336.00. Presented by Gary Hall, Power
Director.

6. **Reports:**

- a. Mayor / Council Reports:

7. **Executive Session:**

8. **Adjournment:**

Note: In compliance with the Americans with Disabilities Act, individuals needing special accommodation during this meeting should notify the city no later than 24 hours in advance of the meeting by calling 435-673-6712. In accordance with State Statute and Council Policy, one or more Council Members may be connected via speakerphone or may by two-thirds vote to go into a closed meeting.

Zoom Meeting Participants: Participants on the Zoom call are limited to City Staff, Council Members, and applicants on the agenda. E-mail calendar invitations will be sent out in advance of the meeting. Instructions for each meeting will include the meeting link, ID, and password to join. When joining the meeting your screen name must show your Full Name. Each applicant will be accepted into the meeting when their item is up for discussion. Submissions from this form will be sent directly to the city. Please contact Chris Shelley at (435) 673-6712 Ext. 203 with any questions regarding public meetings.

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted within the Santa Clara City limits on this 4th day of Nov. 2021 at Santa Clara City Hall, on the City Hall Notice Board, at the Santa Clara Post Office, on the Utah State Public Notice Website, and on the City Website at <http://www.sccity.org>. The 2020 meeting schedule was also provided to the Spectrum on January 1, 2021.

Chris Shelley – City Recorder

**City of Santa Clara
Check Register
Checking 1889 - 11/03/2021 to 11/03/2021**

Payee Name	Reference Number	Invoice Number	Invoice Ledger Date	Payment Date	Amount	Description	Ledger Account
BEASLEY, SCOTT	69443	110221-SB	11/02/2021	11/03/2021	225.00	11/2/21 ELECTION POLL WORKER	104130-235 - ELECTIONS
					\$225.00		
BEAUMONT, DORIECE	69444	110221-DB	11/02/2021	11/03/2021	192.84	2021 ELECTION POLL WORKER	104130-235 - ELECTIONS
					\$192.84		
CheckFreePay	69445	99742807	11/01/2021	11/03/2021	71.00	CASE# 99742807 - RETURN FUNDS PD TO	103600-000 - MISCELLANEOUS R
					\$71.00		
CHILD SUPPORT SERVICES	69446	110321-873789	11/02/2021	11/03/2021	206.77	CASEY-C000873789 PAY PERIOD 11/03/202	102595-000 - GARNISMENTS PAY
					\$206.77		
CITY OF ST GEORGE - S	69447	OCT 2021-SEW	10/27/2021	11/03/2021	32,257.50	2805 SEWER CONNECTIONS @11.50 OCT	525210-945 - SEWER TREATMENT
					\$32,257.50		
DEERE CREDIT INC	69448	2566829	10/24/2021	11/03/2021	1,776.74	1T0310SLCHF321676 Lease Payment Backh	535310-825 - LEASE PAYMENTS
DEERE CREDIT INC	69448	2566829	10/24/2021	11/03/2021	1,776.76	1T0310SLCHF321676 Lease Payment Backh	104410-825 - LEASE PAYMENTS
DEERE CREDIT INC	69448	2566829	10/24/2021	11/03/2021	1,776.76	1T0310SLCHF321676 Lease Payment Backh	515110-825 - LEASE PAYMENTS
DEERE CREDIT INC	69448	2566829	10/24/2021	11/03/2021	1,776.76	1T0310SLCHF321676 Lease Payment Backh	525210-825 - LEASE PAYMENTS
DEERE CREDIT INC	69448	2566829	10/24/2021	11/03/2021	1,776.76	1T0310SLCHF321676 Lease Payment Backh	545410-825 - LEASE PAYMENTS
					\$8,883.78		
					\$8,883.78		
DR. ROBERT R. FOSTER, D.O. P.	69449	NOV 2021-MED	11/01/2021	11/03/2021	600.00	MEDICAL SERVICES DIRECTOR-EMS & FIR	104230-370 - PROFESSIONAL SE
DR. ROBERT R. FOSTER, D.O. P.	69449	NOV 2021-MED	11/01/2021	11/03/2021	600.00	MEDICAL SERVICES DIRECTOR-EMS & FIR	104235-370 - PROFESSIONAL SE
					\$1,200.00		
					\$1,200.00		
DUTCHMAN'S INVESTMENTS IN	69450	845511	09/23/2021	11/03/2021	451.20	COOKIES FOR 2021 SWISS DAYS DINNER	104610-010 - DINNER
					\$451.20		
ERIC GENTRY	69451	OCT 2021	11/01/2021	11/03/2021	1,500.00	PROFESSIONAL SERVICES	104120-330 - LEGAL SERVICES
					\$1,500.00		
FREEDOM MAILING SERVICES, I	69452	41573	10/26/2021	11/03/2021	1,819.23	BILL PROCESSING OCT 21 INV 41573	104130-370 - PROFESSIONAL SE
					\$1,819.23		
LAURA SQUIRES	69453	75-OCT CC MIN	10/29/2021	11/03/2021	550.00	Inv#75 CC MINUTES OCT 2021	104130-370 - PROFESSIONAL SE
					\$550.00		
LESA SANDBERG	69454	110221-LS	11/02/2021	11/03/2021	304.25	POLL MGR 11/02/21 ELECTION	104130-235 - ELECTIONS
					\$304.25		
MEHR'S GARAGE DOORS INC.	69455	53848	11/01/2021	11/03/2021	5,130.00	INV 53848 COMMERCIAL ROLLING STEEL	104410-410 - CRACK SEALING M&
					\$5,130.00		
PUBLIC EMPLOYEES LTD PROG	69456	OCT 2021-LTD	11/02/2021	11/03/2021	894.48	MONTHLY LTD PAYMENT OCT 21	102235-000 - DISABILITY PAYABLE
					\$894.48		

**City of Santa Clara
Check Register
Checking 1889 - 11/03/2021 to 11/03/2021**

<u>Payee Name</u>	<u>Reference Number</u>	<u>Invoice Number</u>	<u>Invoice Ledger Date</u>	<u>Payment Date</u>	<u>Amount</u>	<u>Description</u>	<u>Ledger Account</u>
SOUTHLAND ELECTRIC INC	69457	20251	10/27/2021	11/03/2021	213.94	INV 20251 PIONEER PARK RESTROOM RE	104510-260 - BUILDING MAINTEN
					\$213.94		
UTAH RETIREMENT SYSTEMS	69458	PR100621-444	10/07/2021	11/03/2021	646.45	State Retirement	102230-000 - RETIREMENT PAYAB
					\$646.45		
UTAH STATE TREASURER / FINE	69459	OCT 2021-COU	11/02/2021	11/03/2021	11,030.43	COURT SURCHARGES	104120-905 - STATE FINE COLLEC
					\$11,030.43		
WASH. CO. FLOOD CONTROL DI	69460	OCT 2021-FLOO	11/02/2021	11/03/2021	4,450.50	FLOOD CONTROL DISTRICT 53-330100000	545410-770 - FLOOD CONTROL DI
					\$4,450.50		
WASHINGTON COUNTY TREAS	69461	SC-PTAX-1 2021	11/01/2021	11/03/2021	2,924.38	SC-PTAX-1 - 2721 SANTA CLARA DR ACCT8	104130-510 - INSURANCE AND SU
WASHINGTON COUNTY TREAS	69461	SC-SCH-K-44	11/01/2021	11/03/2021	-2.36	SC-SCH-K-44 CREDIT ACCT 102031	104130-510 - INSURANCE AND SU
					\$2,922.02		
					\$2,922.02		
					\$72,949.39		

City of Santa Clara
Check Register
Checking 1889 - 11/10/2021 to 11/10/2021

Payee Name	Reference Number	Invoice Number	Invoice Ledger Date	Payment Date	Amount	Description	Ledger Account
AMERICAN LEGAL PUBLISHING	69462	11861	10/31/2021	11/10/2021	172.00	INV11861-SUPPLEMENT EDITING ORD 202	104130-371 - CODE CODIFICATIO
BIFFCO ENTERPRISES, LLC	69463	110921-LH	11/08/2021	11/10/2021	251.00	BI-ANNUAL VOLUNTEER FIRE/RESCUE STI	104230-115 - VOLUNTEER STIPEN
CITY OF ST GEORGE - UTILITIE	69464	110921-SC LINE	11/09/2021	11/10/2021	1,541.77	SNOW CANYON LINE OCT 21	515110-275 - SNOW CANYON OP
CITY OF ST GEORGE - UTILITIE	69464	110921-WELL 7	11/09/2021	11/10/2021	5,956.69	SNOW CANYON WELL #7 OCT 2021	515110-271 - WELLS UTILITY COS
CITY OF ST GEORGE - UTILITIE	69464	110921-WELL6	11/09/2021	11/10/2021	8,418.22	SNOW CANYON WELL #6 OCT 2021	515110-271 - WELLS UTILITY COS
CITY OF ST GEORGE - UTILITIE	69464	110921-WTR TA	11/09/2021	11/10/2021	9,121.32	WATER TANK OCT 2021	515110-275 - SNOW CANYON OP
COMPUTECH CONSULTING	69465	20754	08/13/2021	11/10/2021	5,125.00	Standard Management Suite Plus Remote up	104130-310 - DATA PROCESSING
GINO CHRISTIAN	69466	110921-GC	11/08/2021	11/10/2021	8.00	BI-ANNUAL VOLUNTEER FIRE/RESCUE STI	104230-115 - VOLUNTEER STIPEN
GLOBE LIFE LIBERTY NATIONA	69467	102321-LIFE NS	10/23/2021	11/10/2021	624.02	LIFE INSURANCE	102252-000 - ULGT LIFE PAYABLE
HEATHER HALLMAN	69468	110921-HH	11/08/2021	11/10/2021	15.00	BI-ANNUAL VOLUNTEER FIRE/RESCUE STI	104230-115 - VOLUNTEER STIPEN
ICPE, INC.	69469	063-029-0921	10/22/2021	11/10/2021	11,400.00	063-029-0921 IMPACT FEE UPDATE ENGIN	535310-320 - ENGINEERING SERV
JC CRANE CO.	69470	1807	11/01/2021	11/10/2021	360.00	INV1807 GENERATOR RADIATOR REMOVA	535310-630 - MISC EXPENSES FO
JOY MILES	69471	110221-JM	11/02/2021	11/10/2021	79.62	COURT INTERPRETER MULTIPLE CASES 1	104120-330 - LEGAL SERVICES
MARY JO HAFEN	69472	336488	10/31/2021	11/10/2021	255.00	BANQUET ROOM Coordinator OCT 2021	104510-487 - BANQUET ROOM - T
MOUNTAIN LOAN CENTERS, IN	69473	110321	11/01/2021	11/10/2021	238.67	C STRATTON CASE # 139404996	102595-000 - GARNISMENTS PAY
PITNEY BOWES/RESERVE ACC	69474	110521-POSTAG	11/05/2021	11/10/2021	400.00	POSTAGE METER REFILL	104130-245 - POSTAGE
RICHARD SCOTT GALBRAITH	69475	110921-RSG	11/08/2021	11/10/2021	283.00	BI-ANNUAL VOLUNTEER FIRE/RFESCUE S	104230-115 - VOLUNTEER STIPEN
ROBERT ALAN GREELY	69476	110921-RAG	11/08/2021	11/10/2021	77.00	BI-ANNUAL VOLUNTEER FIRE/RESCUE STI	104230-115 - VOLUNTEER STIPEN
ROBERT R. NICHOLSON	69477	NOV 2021	11/08/2021	11/10/2021	1,250.00	CITY PLANNER MONTHLY SERVICES	104240-370 - PROFESSIONAL SE
SCOTT N WHITEHEAD	69478	110921-SNW	11/08/2021	11/10/2021	109.00	BI-ANNUAL VOLUNTEER FIRE/RESCUE STI	104230-115 - VOLUNTEER STIPEN
SECURLYFT CORPORATION	69479	282	11/08/2021	11/10/2021	600.00	INV#282-MONTHLY SUBSCRIPTION OCT 2	104235-250 - OPERATING SUPPLI
SOUTHWEST SALES SERVICE &	69480	610915	10/01/2021	11/10/2021	7,167.07	INV 610915 CITY BUILDING PUMP	104240-260 - BUILDING MAINTEN
SUNRISE ENGINEERING, INC.	69481	121121	10/22/2021	11/10/2021	2,294.00	INV121121 STORM WATER MASTER PLAN	545410-730 - IMPROVEMENTS
TIFFANY MARTINEAU	69482	110921-TM	11/08/2021	11/10/2021	54.00	BI-ANNUAL VOLUNTEER FIRE/RESCUE STI	104230-115 - VOLUNTEER STIPEN
TOBI MORWOOD	69483	110921-TOBI M	11/08/2021	11/10/2021	186.00	BI-ANNUAL VOLUNTEER FIRE/RESCUE STI	104230-115 - VOLUNTEER STIPEN
WASH. COUNTY WATER CONSE	69484	16003	10/30/2021	11/10/2021	5,570.50	REGIONAL WATER SURCHARGE-SEP 2021	513714-000 - REGIONAL WATER S
WASH. COUNTY WATER CONSE	69484	16013	11/08/2021	11/10/2021	4,514.63	REG.PIPELINE BOND PAYMENT FOR DEC	515110-822 - DEBT PAYMENT TO
WASHINGTON COUNTY SOLID	69485	115890	09/30/2021	11/10/2021	10,425.72	2718 UNITS-GARBAGE @ 11.45 & 1842 BLU	103445-000 - RECYCLING CHARG
WASHINGTON COUNTY SOLID	69485	115890	09/30/2021	11/10/2021	31,121.10	2718 UNITS-GARBAGE @ 11.45 & 1842 BLU	104130-311 - SOLID WASTE DISP
WASHINGTON COUNTY SOLID	69485	116296	10/31/2021	11/10/2021	10,459.68	2718 UNITS-GARBAGE @ 11.45 & 1848 BLU	103445-000 - RECYCLING CHARG
WASHINGTON COUNTY SOLID	69485	116296	10/31/2021	11/10/2021	31,121.10	2718 UNITS-GARBAGE @ 11.45 & 1848 BLU	104130-311 - SOLID WASTE DISP
					\$149,199.11		
					\$149,199.11		

**SANTA CLARA CITY COUNCIL MEETING
WEDNESDAY, OCTOBER 27, 2021
MINUTES**

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Regular Meeting on Wednesday, October 27, 2021, at 5:00 p.m. in the City Council Chambers of the Town Hall at 2603 Santa Clara Drive, Santa Clara, Utah. Notice of the time, place and agenda of the meeting was provided to the Spectrum and to each member of the governing body by emailing a copy of the Notice and Agenda to the Spectrum and also, along with any packet information, to the mayor and each council member, at least two days before the meeting. **The Meeting will be available to view live on the YouTube link:** https://www.youtube.com/channel/UCxLBLm30_XLqM1AEmhpcMA. Council Chambers will be available to residents, but we will have limited availability and follow Covid-19 guidelines.

Present: Mayor Rick Rosenberg
Council Members: Jarett Waite, Ben Shakespeare, Wendell Gubler, Leina Mathis and Denny Drake
City Manager: Brock Jacobsen
City Recorder: Chris Shelley

Others Present: Scott Bannon, Assistant City Manager; Dustin Mouritsen, Public Works Director; Brad Hayes, Parks & Trails Director; Gary Hall, Power Director; Randy Hancey, Fire Chief; Matt Ence, City Attorney; Jim McNulty, City Planner; Kristelle Hill, Admin. Assistant; Cody Mitchell, Building Official; Carol Urdahl; Micah Carlson; Brian Reid; Rep. Lowry Snow (via Zoom); Senator Don Ipson

1. **Call to Order:** Mayor Rosenberg called the meeting to order at 5:01 p.m. He welcomed everyone and introduced the City Council members.

2. **Opening Ceremony:**

- Pledge of Allegiance: Wendell Gubler
- Opening Comments: Wendell Gubler

3. **Communications and Appearances:**

A. General Citizen Communications:

1. Brian Reid, 3604 Sagebrush Drive, said he is addressing the Council concerning a digital monument sign located on the Buck's Ace Hardware property that is along Rachel Drive and directed south toward the back of his home. He said it is his position that this sign was approved in error by the Planning Commission on May 13, 2021, and it is in conflict with the City's code of ordinances in multiple ways. He said as soon as he found out about the Planning Commission's approval of this sign, a month later he wrote an email and a follow-up email to all the Council and the Mayor regarding his opposition and included what he felt like was a perfectly reasonable compromise. About 2 months later on August 3 he got a response stating that Buck intended to install the sign as is which

prompted him to request a meeting with the mayor. He stated that in his meeting with the mayor, which also included Matt Ence (City Attorney), Brock Jacobsen (City Manager) and others, he felt that there was a good and productive discussion on the issue. He said that the mayor asked him to be patient and that there was a long process involved for any changes to be made. He stated that while he has been patiently waiting the sign has been installed on September 1 and has been turned on since October 1 unchanged from its original plan. He said it is his opinion that the Planning Commission decided to approve this sign too hastily and failed to make sure that these signs conform to the code. He said that during the meeting Mark Weston said that once it is a big sign it is a big sign, and he doesn't necessarily care what is on it or whether or not it is a message board or not. He stated that this indicated to him that Mr. Weston gave no consideration to the additional lighting issues related to these signs and at no time during this meeting was the code referenced in any way in regard to the lighting limitations specified for monument signs or planned development outdoor lighting requirements. He said that some of these requirements and limitations included in Chapter 17.44.110 under "Monument Signs", Item E, "Lighting shall be indirect." EMC signs also known as light emitting diode signs use direct lighting to display messages and are extremely bright so they can be visible in direct sunlight. The United States Sign Council Federation defines EMC signs as using direct illumination. He said that also in Chapter 17.68.40 under "Planned Development Standards and Requirements" it states, "All outdoor lighting shall not adversely impact surrounding residential uses. Lighting shall not be directed towards residential units and shall not include lighting that blinks, flashes, oscillates, or is of unusual brightness or intensity." He said that since EMC signs use direct illumination that means the sign coming from the Ace Sign on Rachel Drive is being directed toward his residence and at 10 ft high the advertising from the EMC sign is directly facing his home and is clearly and unavoidable visible from all rear facing windows in his backyard. The emanating light from this sign flashes, changes colors and blinks towards his home and yard all day and evening. Lights bright enough to be seen in direct sunlight, which he considers to be of unusual brightness. He said electronic message centers are specifically designed to catch your attention and they do this through the use of blinking and flashing animation that constantly change in brightness and color, and they also achieve this by being the brightest and most noticeable thing in your line of sight. He said there is a sign retailer, Egan Sign Company, that sell these signs and they state on their website, "Grab that attention. When it comes to attracting attention to your business few signs compare with the benefits offered by an electronic message center. Like falling into a YouTube, we simply can't help but see what will come next." He said they also claim that EMC signs attract 400% more attention than other signs. That is 400% more attention taken away from everything else. He said a 2006 study by MIT stated that it is likely that drivers find it nearly impossible to avoid a glance at digital signs during switches between advertisements. He said what makes these signs attractive to a business is also what makes them a nuisance to a residence. He stated that this sign is impossible to ignore. He said every time he looks out his window or is in his yard or anytime it is in his peripheral vision, he can't help but look at it. He said it is a completely unnecessary invasion of his home. He stated that in Chapter 17.44 under "Signs, General Requirements" it says, "The regulations set forth will eliminate excessive and confusing sign displays and safeguard and enhance property values." He said that in his opinion this sign is excessive. There is no need for a sign that is 10 ft tall on a residential road such as Rachel Drive. He said he

has not noticed any other businesses in Southern Utah with multiple EMC signs. He said a business with a similar situation as Ace is Boulevard Home Furnishings next to the mall. They have an EMC sign that is on North Mall Drive, but they don't have a sign on the smaller residential street that would face toward residences. He said he doesn't feel there is any need for Ace to have two of these signs. EMC signs also do nothing to enhance property values. He said he has talked to two different realtors and an appraiser who have told him that his property value has certainly decreased because of the sign. He said he feels he has addressed this issue as clearly and timely as possible and that the recommended compromise he gave was very reasonable and he is asking the City for a resolution that is acceptable to this issue.

- Wendell Gubler asked Mr. Reid if he had been in the store. He said he ought to try it. It is very nice.

- Matt Ence, City Attorney, asked about the last code that Mr. Reed quote, 17.44.

- Brian Reid said it is just the General Code for signs.

- Matt Ence said that Mr. Reed quoted to code accurately. That is what our code says. One of the discussions we have had about this is that a direct lighting sign is not defined in our ordinances. He mentioned the group that said these are direct lighting signs.

- Brian Reid said the group is the United States Sign Council Foundation.

- Matt Ence said that is not a definition that is in our ordinances. Our ordinances talk about direct lighting signs, but they do not talk about EMC signs. There is no definition that connects the two and that is part of the issue here. This is an interpretation of our ordinances, and this is an issue that we have discussed with the Council before. He said his perception of what has come out of these discussions is the Council chose not to take any action to change the decisions that had been made. The ordinances are there, and the Council has the right to interpret the ordinances and to apply them. Planning Commission has the right to approve or disapprove applications that are within their purview based on their interpretation of the ordinances and that's what has been done.

- Ben Shakespeare said in the agreement the sign was agreed to be turned off at night. Has it been turned off?

- Brian Reid said it wasn't at first, but it has been lately.

- Ben Shakespeare said the approval was based on the agreement that it would be shut off no later than 10:00 p.m. He said that in Mr. Reed's email he specifies that that time be moved up. Was that one of his recommendations that it gets turned off?

- Brian Reid said he doesn't believe that was his recommendation.

- Ben Shakespeare asked what his specific recommendations are.

- Brian Reid said his particular recommendation and ultimately what he believes is that the sign that is facing his home is the only one that impacts him, so his recommendation was to have the one EMC sign on Pioneer Parkway, which is the main road, but not on the residences and just have a normal Ace sign without the billboard on top. He gave that recommendation well in advance of that sign being installed.

- Wendell Gubler asked how long he has lived in his home.

- Brian Reid said for 18 years.

- Wendell Gubler asked if it was commercial property next to him at that time.

- Brian Reid said when he first moved into his home it was practically the end of the Heights. The first thing you saw was the Church building and then Ivins City after that. He said when he moved in there was a developer who was trying to put homes all around. Since then, he never really thought about what could be there.

- Wendell Gubler said if he knows there was commercial property it would make a difference because he doesn't know what is going to go in because it is commercial.
- Brian Reid said he feels there is nothing wrong with Ace coming in and, in the meetings, he was in support of the Ace and still is in general. He said Ace knew he was their neighbor. He said he put his business knowingly next to the homes in the neighborhood.
- Wendell Gubler said it is commercial property.
- Brian Reid said he goes back to "Planned Development Standards and Requirements" where it states, "All outdoor lighting shall not adversely impact surrounding residential uses. Lighting shall not be directed towards residential units and shall not include lighting that blinks, flashes, oscillates, or is of unusual brightness or intensity." He said with it being so tall and flashing and blinking you can't unsee it. It is always there, and it is an unnecessary sign.
- Mayor Rosenberg said the Mr. Reid has heard the decision from the Council that has been discussed previously so if he wants to meet with the City Manager and City Attorney and discuss it in more detail, he is welcome to.
- Brian Reid said he would be willing to discuss this in any capacity that would help.
- Mayor Rosenberg said that is what he would recommend going from here.
- Ben Shakespeare asked Mr. Reid if he has talked to Buck or reached out to him.
- Brian Reid said he took the Council's email to him as the communication on that matter. He has never talked to him or even seen him.
- Ben Shakespeare said specifically to this he thinks it would be good to discuss this with him.
- Brian Reid said he knows Buck said he wants to be a good neighbor and he said he knew he was next to a commercial property, and he knew what could possibly be there and he feels like this is an unnecessary sign that doesn't need to be there.
- Mayor Rosenberg said he would encourage Mr. Reid to meet with the City Manager and the City Attorney.
- Brian Reid said he would also be glad to talk to Buck.
- Ben Shakespeare said they are open to being good neighbors. He reminded Mr. Reid that the sign was approved, and Ace agreed to shut it off at night.
- Brian Reid said he understands that perspective, but he goes back to what does the code say and that is where he is sticking to that.
- Matt Ence said in fairness to Brian and for himself he is happy to meet with him again but unless we get some other direction from the Council or unless Buck agrees to do something different, there really isn't anything different to tell him.
- Mayor Rosenberg suggested, then, that we put it on a regularly scheduled meeting as an agenda item. Staff can get together and meet with Buck and come back with a recommendation and possible action from the Council and bring it back as a regularly scheduled agenda item.
- Brian Reid said he would be happy to come back.

4. Conflicts and Disclosures:

- Ben Shakespeare said that on Item C3 he needed to disclose that he will most likely be the contractor on those lots when homes are built.
- Mayor Rosenberg stated that on Item C3 he needed to disclose that his firm prepared

that final plat.

5. Working Agenda:

A. Public Hearing(s): None.

B. Consent Agenda:

1. Approval of Claims and Minutes
 - Oct. 13, 2021 Regular City Council Meeting Minutes
 - Oct. 13, 2021 Executive Session Minutes
 - Claims through Oct. 27, 2021
2. Calendar of Events
 - Nov. 3, 2021 City Council Work Meeting
 - Nov. 10, 2021 Regular City Council Meeting
 - Nov. 24, 2021 Regular City Council Meeting Canceled
3. Set a Public Hearing for November 10, 2021 at 5:00 p.m. to discuss and receive public input regarding a power rate increase.

Motion to Approve the Consent Agenda.

Motion by Ben Shakespeare, seconded by Jarett Waite.

Voting Aye: Leina Mathis, Jarett Waite, Denny Drake and Ben Shakespeare.

Voting Nay: None.

Motion Carried.

- Wendell Gubler was in the hallway and did not vote on this agenda item.

C. General Business:

1. Lowry Snow and Don Ipson presentation.
 - Representative Lowry Snow attended the meeting and participated virtually.
 - Mayor Rosenberg said we invited our representatives from the Legislature to participate in a Council meeting several months ago and wanted to take a few minutes prior to the session before it begins officially and asked them to inform the Council a little bit on what they anticipate will happen this year during the session and anything they can give a heads-up on and also give the Council an opportunity to give some input on the things we are concerned about that is going to be happening in the Legislature this year.
 - Senator Don Ipson said he would like to hear what the Council's concerns are.
 - Wendell Gubler said he is concerned about COVID mandates that President Biden is coming down with. He wants to know if the State is going to go along with that or are they going to go against President Biden to say we don't give mandates to our people in the State of Utah.
 - Senator Ipson said he couldn't agree with Wendell more and he thinks the Legislature agrees with him too. The Biden Administration is blackmailing us a little bit. They sent a letter that dealt with OSHA. In the State of Utah OSHA is dealt with here instead of by

the Federal OSHA people. It is dealt with by the Department of Labor, the Labor Commission, in the State of Utah and what we get from that is a lot more favorable investigations and outcomes and the Administration sent a letter to us and two other States and said if we go through with this, they are going to revoke our authority to do that and they will come back and take OSHA back. He said he first thought that they haven't got the manpower to do that but as a practical matter they would make an example and send the manpower here.

- Wendell Gubler asked if there were a coalition of States that would buck this type of a mandate.

- Senator Ipson said he doesn't like blackmail but that is what is happening, and it could take some of our authority away from us. He said they are set at the Legislature to not let this get stuffed down our throats.

- Rep. Snow said he agrees with on and there is no one in our caucus in either House that likes what President Biden is trying to do with the mandate. We do have the issue of whether and how we can interrupt Federal law with respect to State law but that isn't standing in the way of us examining all those issues including how bringing in the Attorney General's office and Legislative Counsel to see how far we can go to address this issue. In fact, we have had many, many meetings, hours, on this issue within our own caucus. The Conservative and the Republican caucus are leading those discussions. We have to figure out and be smart about how we pass legislation to do with this issue and the other issue is if President Biden's mandate, the way it is being characterized right now, would affect a business having 100 employees or more in Utah so we have to put ourselves in the position the business owner. If someone with 150 employees with the mandate that would affect his ability to keep his employees that are unvaccinated or refuse to test. Let's assume that we pass a bill or a law that says to that owner that they don't have to obey the mandate. Then that employer has to decide and when they look at the Federal mandate, they are looking at some horrendous penalties and fines. We have to approach it in a way that pushes back on the Executive Branch and President Biden, but we also have to do it in a way that protects peoples' rights but also doesn't jeopardize our Utah businesses who might otherwise be affected.

- Senator Ipson said we also have to be careful we don't take away the businesses right to mandate if they want to.

- Wendell Gubler asked if Utah can appeal this to the Supreme Court and let them know we don't think this is justified to do that.

- Rep. Snow said we are looking at taking judicial action. He said we are looking at joining with other States. He said the President hasn't actually issued the mandates and may be waiting until after the holidays and he may be posturing right now which is a bad way to try and affect policy. We are not taking this laying down and are actively watching to see what our options are.

- Wendell Gubler said that when Council was at the League of Cities and Towns meeting a month ago in Salt Lake there was a big meeting concerning water and our problems with water in Utah and they discussed the possibility of mandates there in the State that they would put out mandates saying a person can't use more than a certain amount of water and there has to be a second meter for the outside and homes and yards have to be set up in a certain way. He said he doesn't like mandates either from the Federal Government or the State.

- Senator Ipson said he doesn't think that goes any place. He said with some of the

Federal money we received we are going to put some money to meter secondary water systems but that probably isn't a mandate, but it will be available. He said the usage is shown to drop considerably to those water systems they have metered.

- Wendell Gubler said the Washington County Water Conservative District came to Council about a month ago and talked about doing a mandate and xeriscaping and getting rid of grass. He said he is not sure he agrees with all of that.

- Senator Ipson said he is not sure he does either. There is a happy medium here that deals with that.

- Mayor Rosenberg asked if there were any potential bills in the Legislature that would impact communities.

- Rep. Snow said he doesn't know about any potential bills, and he isn't aware of any mandates like Wendell suggested. He told the Council about the legislation passed last session establishing the Colorado River Authority of Utah. Water is the primary concern in the State. The Colorado River services about 60% of our population. Utah has vested rights in the Colorado River that if we don't protect them and do everything, we can to protect them up and down the State we are in jeopardy so we passed legislation that created the Authority and funded it and the reason is we are a little bit behind the 8-ball in terms of taking a more active approach in terms of protecting the most important natural resource to our State and our citizens. The water in the Colorado is absolutely essential to provide life and economic vitality to our State. This is a 6-person Board and it's vested with authority to actively, and aggressively, protect our rights. It has direct relevance to our situation in Washington County and we have to be aware of our need to develop resource water from the Colorado. We are in the middle of a drought, and we really need to move forward, and the creation of this authority was an important step and he spoke to it and Senator Ipson supported it as well.

- Wendell Gubler asked if we have anyone from Southern Utah on that Board.

- Senator Ipson said that Board was created to help Southern Utah. He doesn't know how the Board is made up. He said Utah went along with the Colorado River Commission to get along and we got behind. Nevada has spent millions of dollars putting in place stopgaps to stop the Lake Powell Pipeline and we were asleep and now Governor Cox has since appointed a person to head that, and he is aggressive and knows what he is doing, and we need to work that back. He said he is not concerned about that. This was generated to help the pipeline and to help the pipeline project. They are changing our point of diversion from Flaming Gorge to Lake Powell. They are in the middle of doing that. We just have to be more aggressive and fight for our rights on that lower Colorado. They want to stall it until it gets the way they want it, but we are not going to sit back and let that happen. That is an aggressive piece of legislation that was put in place to get us our water rights where they need to be.

- Rep. Snow said he couldn't agree more. He said the Colorado River Authority of Utah was created to specifically address our rights that we are ready to use down here, and we are trying to do it in a much more aggressive way.

- Denny Drake said one of the funding sources for Southern Utah comes from the Tourism Recreation (TRC) and the Legislature has established that 60% goes to advertising and 40% to brick and mortar and Southern Utah has been discovered. We are well known and getting the tourism whether we want it or not. What is the chance of amending that to allow the County Commission the right to use the money as they see fit?

- Senator Ipson said they are working on a bill to get that accomplished.

- Denny Drake said one of the things we have in Santa Clara is the fact that we maintain and take care of everything to the Arizona line so our Search and Rescue and ambulances take care of everything on Hwy 91 clear to the Arizona line and the only funding we get back is if they transport so we are spending about \$200,000 with no recourse and things could be funded in a different way.
- Rep. Snow said we are not the only county looking at this so this legislation we are trying to pass tries to narrowly allow some exemptions for our County that wouldn't be allowed in other counties. One of the challenges is that once you open the floodgates the people that are really concerned and need that for travel promotion are afraid that if one county gets exemptions others will as well. But Washington County, given all our natural wonders and the National Parks and so many people using our recreation lands, we are trying to figure out a way to craft language that would create these exemptions for our County. He said he thinks we have a rational basis for doing that. He said they had this same discussion with our County Commissioners about 3 weeks ago.
- Denny Drake said what they are talking about is being able to tweak this for each individual county in some way and legislate the ability for the counties to determine where the money is spent rather than the 60% and 40%. Being able to allow the Commissioners to use it in sensible ways that would benefit their county would be an excellent way to do it. He said he appreciates what Senator Ipson and Rep. Snow do and how they do it and we are grateful for their representation.
- Jarett Waite asked about the name change process for Dixie State. Will it be a bill that gets run by someone in the House or the Senate?
- Senator Ipson said it will start in the House and then be sent on to the Legislature and if it passes the House it will come to the Senate, and we will see what we can do with it.
- Jarett Waite asked if someone from down south sponsors that bill. It seems strange when someone up north sponsors that bill.
- Senator Ipson said he took the bill over last year during the general session and tried to come up with a compromise to let the community have some input on the new name or whether the name should be changed, and it was delayed, and the name change committee worked on it and we got what we got out of that. It will probably pass the House, but it is touch and go whether it will pass the Senate.
- Leina Mathis said there has been a fairly large lobbying effort to remove any municipality's ability to regulate short-term rentals and in turn that has aided in the increased issues we have with workforce housing and affordability. She said part of her concern is there are some bills that are going to be coming forth again and is there something we can do. We are going to try and do some studies and tie those two together and figure out ways so a municipality can still have the ability to enforce some regulations when it comes to the short-term rentals. We have some really good ordinances in place so that we have the ability to offset it to be able to keep the pricing down to work with some workforce housing and affordability issues.
- Senator Ipson said this is a decision best left to the local municipalities. He said he will work hard to that end.
- Rep. Snow said he agrees. We work overtime to try and leave local decisions to local governments and both he and Senator Ipson have opposed billboard ordinances. The affordability issue is a huge issue, and we are seeing some things get done but it is a real problem in our community and in most of the areas of the State. There is a group of Legislators working with the Governor to look at legislation that might require large

corporations that want to come here and set up headquarters to help address the housing shortage issue as part of the requirement to come. At every level we are trying to figure out how to address this. He worries about our children and grandchildren being able to have homeownership. It is a real challenge, but Santa Clara has done a good job trying to segregate through zoning some of these uses and when cities are able to do that well we need to honor local control.

- Leina Mathis said that oftentimes cities get the brunt of that because lobbying efforts come, and developers say that if cities reduce their impact fees, then it will be really affordable and that is not the case. The city can do their part, but developers have to be in that conversation and do their part. It will take all of us doing our part to fix the problem.

- Rep. Snow said that if developers get a break on impact fees it is not always the case that they pass that break on to the consumers. It is not that they are greedy, but they are in business to make a profit. He agrees it is going to take cooperation from everyone to address this issue. It is a significant issue. The affordability issue in Utah, housing, has taken a good percentage of our population out of the market. He said he is hearing some news that prices are starting to slow in real estate. It is a major issue, and this major issue is something the Legislature is going to deal with.

- Leina Mathis said she suspects there will be some legislation come up on building inspections and inspectors and how that works. She said she has a concern with not having cities complete those inspections and just letting a builder or a contractor partner with an inspector because the city can't meet whatever that is because something can be let slide because he is on the payroll. She has some concerns with allowing that to happen.

- Brock Jacobsen, City Manager, said this is legislation that is impacting every municipality. Here in Southern Utah there is not an issue. Here at Santa Clara City, we turn our plans out in 5 to 7 days and with inspections a person can call in today and have an inspection tomorrow. We crank them out fast and try to provide great customer service and get those inspections done as fast as we can so to take that away because there are a handful of municipalities that can't meet that, that is a tough one to deal with.

- Ben Shakespeare said that is problematic at some sites. In some cities that is 4 to 6 months. He agrees that Santa Clara is top notch for plan reviews and inspections but that is not the case across Southern Utah and so it becomes a balance. Turning it private can create problems but there needs to be something and a lot of it comes back to labor and labor issues. There isn't a problem in Santa Clara but there are problems down here in Southern Utah.

- Denny Drake said usually the local jurisdiction handles it in a different way and is able to handle that better than someone from outside the area telling you how to handle it. The less restrictive that the legislation can be to allow the local municipalities to manage it that is the better way looking at it rather than making a state law that dictates how to do and what to do.

- Ben Shakespeare asked as a State do we have any ability to expedite the ports.

- Senator Ipson said the State of Utah is working on an inland port concept. He doesn't know if that would alleviate the problem that we are having in the harbors. He said he believes that the State of California and their policies are much to blame for this. They have outlawed owner/operators to work in that space and done some things that crippled free trade. The same thing happened on the East Coast. These highly unionized states are log jammed. Our economy is humming along, and we are facing a cliff at some point, and

we can't maintain this at the rate it is. A lot of it is propped up because of the Federal money that has been paid to people to stay home. The State is working on the inland port, and it should alleviate some of the problem, but it probably won't fix the log jam that is in the harbors at this point.

- Ben Shakespeare asked about energy. California power is four times what ours is. The concern is the discussion is being led away from technologies and fuels that are actually affordable to the average homeowner such as clean coal and natural gas and as these things come off the power rates are going to be a burden and then it goes to State subsidies and that puts a burden on everybody. We want clean air and clean water but as we see these come off and a push to close down these affordable plants what is the Legislature seeing.

- Senator Ipson talked about the plants that are closing and our ability to buy power.

- Ben Shakespeare said nobody is talking about this. We all talk about affordable housing, but this is a concern.

- Senator Ipson said he shares that concern.

- Rep. Snow said he does as well, and he said affordable housing is not the only issue. Energy for our State and developing our energy resources is important and our position and the position of our caucus is we develop all of our resources but if we didn't recognize that there are issues changing in the industry and that is why we are seeing economic downturns in some of the counties on the eastern side of the State. We have to figure out a way to utilize all these resources and we are working hard to make sure we support technology that utilizes our resources.

- Ben Shakespeare asked where our Governor stands on the mandates and what is he saying.

- Senator Ipson said our Governor has a very common-sense approach to figuring this out. He knows where we need to be, and he supports that. He said he supports him, and he does a good job in administering the things that are important to us and to the State. As far as energy policies he has tried to help the coal industry and he has done everything he can do to support the natural gas supply. He is one of us and he is one of us on the mandates.

- Rep. Snow said he was one of the first ones to come out and be opposed to what President Biden was doing on the Executive Order and he has been part of the discussion with leadership and the Attorney General's Office in terms of how we address this thing in court.

- Senator Ipson said we have had discussions with him on these mandates and as we have navigated through that he has been spot on to help with this.

- Mayor Rosenberg asked what the Council can do to help Senator Ipson and Rep. Snow. Are there issues or bills coming up that they need our support on? Do we need to sit on some committee meetings?

- Senator Ipson said one of the things the Council can do is tune in to the committee meetings via Zoom and participate that way. Council will see issues sometimes that they won't see. 1,200 bills can be drafted in a session, and it is pretty hard to see or hear all of those and some of them could potentially be a problem so if Council sees a problem, they need to let them know. Council has their phone number so if they see a problem, they should call him or Rep. Snow or text them. A call or text is more effective than an email because they get their email boxes flooded at times. We all need to help each other, and they are available.

- Rep. Snow agreed with everything the Senator said. He said he believes the Council is active with the League of Cities and Towns and they are effective in helping the Councils be aware of legislation that can affect your city. If Council can piggyback on that and let them know in advance on a bill that they highlight and maybe have consequences that the Council doesn't like, send a text to him or Senator Ipson. There are apps that notify when a bill or vote is coming up and it helps them to get a heads up on something. That is a way that the Council can help.
- Senator Ipson said the League is a great resource for Council, but you are not always going to agree with them and if they are headed down a path that you don't agree with, we need to know it.
- Rep. Snow said we really need to know it because our sense is if they are taking a favorable approach to something then our cities are okay with it. It would help if they can get the Council's communication.
- Mayor Rosenberg said Senator Ipson mentioned on the phone something about policing and something that could affect our police department.
- Senator Ipson said he has been asked to head up a committee to review justice reinvestment that was passed in 2015 and there are some issues and problems related to that with law enforcement and public safety. He said we are going to see some legislation that addresses some of those issues and tightens up some of the accountability of those who break the law. He said they really enjoy working with Santa Clara Police Chief Bob Flowers and the law enforcement. He said they support law enforcement but there are some issues that need to be tightened up and that is something they are working on.
- Rep. Snow said Santa Clara is lucky to have Bob Flowers and need to keep him as long as they can.
- Mayor Rosenberg thanked Rep. Snow and Senator Ipson. They do a great job! He said to send a text if they need anything from the Council.
- Rep. Snow said this Council is his Council and this is his town, and he is honored to serve, and he is proud of his community and is thankful for the work that the Mayor and Council do and the Staff.
- Senator Ipson said he agrees, and he doesn't live in Santa Clara, but they elected him, and the Council is his Council too and he wants to do the best for this community to represent them.

2. Consider amending the Final Plat for The Hills at Santa Clara Ph. 2B to adjust the lot line for Lots 210 and 211 located off Colbey Loop near the west end of the city boundary. Presented by Jim McNulty, City Planner.

- Jim McNulty said the applicants are Scott and Holly Warren. They are on the Zoom call. The Warrens are proposing to amend Lots 210 and 211. Lot 210 is just over 13,000 sq ft and it would be reduced to 10,893 sq ft so it would be a .25-acre lot. Lot 211 is just over 16,000 sq ft and they are proposing to increase it to just over 18,000 making the new lot .42 acres. They want to do the plat amendment to allow them to place their home on Lot 211. Going through the code both lots with the amendment will meet the area width regulations as per Section 17.65.050. The applicant owns both lots and will be selling Lot 210 after the final plat or amended plat is recorded and will build their home on Lot 211. This will still allow for two new homes to be built in the neighborhood. The subject properties are known as 1471 and 1483 Colbey Loop. We sent notices out to neighbors

and posted the property with no responses. We did have our reviewing department take a look at the plat. The Power Department wants to make sure public utility easements are in place. They are required. Public Works indicated that any public utility easements that is affected by this amendment needs to be relocated. As far as State Code consideration and the requirements just mentioned as per Utah Code Section 10.98.207, we feel that we have met those requirements with this application. Planning Staff recommends that the Santa Clara City Council approve the amended final plat for Lots 210 and 211 of The Hills at Santa Clara subdivision Ph. 2B subject to the conditions as outlined in the report. There are three conditions. The Planning Commission met on Oct. 14, 2021 and had a public meeting and after the public meeting forwarded a positive recommendation to the City Council for your consideration of this item.

- Mayor Rosenberg said the original plat had some notice of hazard notes on it relative to the Santa Clara River. He said he doesn't see them on the plat, it has to do with erosion hazard and the flood plain and the potential minimum floor elevation criteria. That information needs to be transferred.
- Jim McNulty said we can add that as a condition that we add that note on the plat.
- Mayor Rosenberg said the one lot is adjacent to the Santa Clara River.
- Jim McNulty said it's the bigger lot that the Warrens are going to build on and they are well aware of the river. There is a wall that is in place already.
- Mayor Rosenberg said he just wants to make sure that notice of hazard transfers through with the amendment.
- Holly Warren said the erosion hazard was there before the developer put up the retaining wall at the back of Lot 211.
- Mayor Rosenberg said they put in the rock rip rap, but the erosion hazard zone never was revised, and the flood plain hazard notes have to do with the elevation of the minimum finished floor on the property which they are probably quite a bit above, but the notice of hazard still needs to be on the plat so that it's not lost. They have mitigated most of the risk, but we still need to make sure they are alert to it to meet City ordinance.
- Holly Warren said she can have the surveyor add that to the plat.
- Mayor Rosenberg said it should be the similar notes that are on the existing plat that is recorded. Staff can help him with that if he needs it.

Motion to Approve the Final Plat for The Hills at Santa Clara Ph. 2B to adjust the lot line for Lots 210 and 211 located off Colbey Loop near the west end of the city boundary and according to the Planning Commissions' recommendations and conditions and with the Notice of Hazard added to it.

Motion by Denny Drake, seconded by Ben Shakespeare.

Voting Aye: Jarett Waite, Leina Mathis, Ben Shakespeare, Wendell Gubler and Denny Drake.

Voting Nay: None.

Motion Carried.

3. Consider amending the Final Plat for Lots 19 and 21 of the Rhone Subdivision located off Bonelli Trail, and north of the Santa Clara River. Presented by Jim McNulty, City Planner.

- Jim McNulty said that Shakespeare Development Group is representing Joshua Hurst, the owner, who is requesting to amend the Rhone Subdivision. The applicant is

proposing to amend Lots 19 and 21. Lot 19 is currently 39,598 sq. ft. and will be increased to 61,374 sq. ft. (1.40 acres). Lot 21 is currently 40,557 sq. ft. and will be reduced to 18,781 sq. ft. (0.43 acres). The proposed plat amendment would allow for the owner, Joshua Hurst, to build his proposed home on lot 19. Both amended lots will meet the area, width, and yard regulations as per Section 17.64.050 of ordinance. Mr. Hurst currently owns both lots. Lot 21 will be sold after the amended final plat is recorded. Lot 21 will allow for another future home in the neighborhood. The subject properties are located off Bonelli Trail, and north of the Santa Clara River at 3162 Bonelli Trail, and 1177 Old Farm Road respectively. Notices were sent to the property owners within the Rhone Subdivision. No responses have been received by city staff as of the writing of this report. The property was also posted. The reviewing departments took a look at the plat. The Power Department commented about public utility easements being required and needed to be shown on the plat. Public Works indicated the utilities will have to be abandoned and relocated and so any public utility easements will have to be shown and taken care of because this is quite a difference. Lot 19 is going to be quite large and becomes a corner lot with frontage on Bonelli as well as Vernon. Lot 21 will be off of Old Farm Road. Those lots meet our regulations or our standard in code in the development code for the width, the size and all the regulations required as per code. Utah Code, Section 10-9a-207 includes requirements for subdivision amendments. To amend a subdivision, a city must hold at least one public meeting (not public hearing). Additionally, a public meeting to consider an amendment to a subdivision requires 10 days' notice rather than 24 hours' notice. A notice must also be sent to all property owners in the subdivision, with a notice in a visible location, with a sign of sufficient size and durability. Planning Staff has determined that all State Code requirements have been met with this application. The Planning Staff recommendation includes that we recommend that the Santa Clara City Council approve the amended final plat for Lots 19 and 21 of The Rhone Subdivision subject to the conditions as outlined in the Staff report. It is similar to the last report. Additionally, the Planning Commission did forward a positive recommendation to the Council after holding a public meeting on Oct. 14, 2021. - Mayor Rosenberg said those notes that he mentioned on the last item were on this one. It is the same type of notes. They are already on the plat.

Motion to Approve amending the Final Plat for Lots 19 and 21 of the Rhone Subdivision located off Bonelli Trail, and north of the Santa Clara River with the conditions set by the Planning Commission.

Motion by Wendell Gubler, seconded by Denny Drake.

Voting Aye: Denny Drake, Jarett Waite, Wendell Gubler and Leina Mathis.

Voting Nay: None.

Abstain: Ben Shakespeare

Motion Carried.

4. Consider approving the Preliminary and Final Plats for Heights West Plat A located on Blair Circle near the Harmon's Store. Presented by Jim McNulty, City Planner.

- Jim McNulty said this is an item that Council has seen before. He made a slight mistake in the project description. It went to the Planning Commission last year on Nov. 12, 2020, and they made a recommendation for this property for it to be combined to one lot.

It came to the Council on Dec. 9, 2020 but the previous owner took Lot 6 and 7 of this subdivision plat and combined it into one lot just over 24,000 sq ft with the idea of building a large home but they have since sold the property and the property owner now is Trevor Carlson and he and his brother Mika Carlson would like to build two homes on the lot so the proposal is basically to go back to the original Lots 6 and 7 of the subdivision. They are re-subdividing the property because the previous owner followed through with the amended plat and recorded the document with the County showing it as one lot so when you take a piece of property and divide it into two pieces that is a subdivision of property. Lot 6 would go back to its original description, just over 12,000 sq ft (.29 acres) and Lot 7 is about 11,500 sq ft (.26 acres) and both lots meet the area width and regulation and yard standards of the code so now we get two homes rather than one. This property is located on Blair Circle off of Mitchell Drive over by Harmon's and the new Buck's ACE. Public notices aren't required because we are subdividing property, but we did post agendas and put them in public places and on the State website and the City website but the noticing requirement for a plat amendment is very much different than a subdivision plat. We have met that requirement, that part of the statute. Our reviewing departments have taken a look at it. With the Power Department the public utility easements are required and should be in their original location and Public Works said the utilities were not abandoned so no relocation is required. He said we do recommend that the Council approve the preliminary and final plats for the Heights West Plat A Lots 6 and 7 subject to the conditions in the Staff report and the reason we are doing that is there is no public improvement. The improvements are already there. Additionally, the Planning Commission forwarded a positive recommendation to the Council after holding a public meeting on Oct. 14, 2021.

- Mayor Rosenberg asked Matt Ence if this one motion can do both or do we need to do two.

- Matt Ence said just one motion is needed. You can do the preliminary and final plats in the same motion.

Motion to Approve the Preliminary and Final Plats for Heights West Plat A located on Blair Circle near the Harmon's Store as presented with the conditions presented.

Motion by Jarett Waite, seconded by Wendell Gubler.

Voting Aye: Leina Mathis, Denny Drake, Wendell Gubler, Ben Shakespeare, and Jarett Waite.

Voting Nay: None.

Motion Carried.

5. Consider a proposed code amendment to include Section 17.22, Internal Accessory Dwelling Units (IADUs) to be permitted in residential zones and approve Ordinance 2021-14. Presented by Jim McNulty, City Planner.

- Jim McNulty said this was discussed with the Council at a Work Meeting on Oct. 6, 2021, to talk about IADUs and some of the changes and House Bill (HB) 82 that was put in place and approved and signed by the Governor this past year. Since that time, we were able to proceed to a public hearing with the Planning Commission on Oct. 14, 2021, where they heard the item and took public comment. They did forward a positive recommendation to the Council for you to consider the approval of this code amendment or ordinance amendment, which would include IADUs to City Code. Planning Staff and

Legal Counsel and he, himself worked on this to propose the IADU Ordinance for Council's review and consideration tonight. He defined an IADU. It is a separate dwelling unit located entirely within the footprint of an owner occupied single-family detached dwelling on a residentially zoned property that is clearly incidental and accessory to the primary dwelling on the property. HB 82 was signed into law by the Governor and has become effective as of Oct. 1. They are asking communities to adopt an ordinance and get one in place. It does require that IADUs be permitted in any residential zone, so it is a bit of a mandate. It is a tool or measure to try and address the housing affordability gap in the State. It will help and is a tool and a measure we can have in place. We did put on the city website a little notice of information about what an IADU is and explains about HB 82. He said this is a good working ordinance and a good place to start. Planning Staff recommends that the Santa Clara City Council approve the proposed IADU Ordinance. Additionally, the Planning Commission did forward a recommendation for approval to the Council after holding a public hearing on Oct. 14, 2021. We did have one individual who provided a public comment. This was a resident that lives in the Rhone subdivision who is an architect by trade and is in favor of IADUs in the community to create some other forms of housing or some housing affordability.

- Denny Drake asked about Item 8B under "Standards". It says an IADU shall not be used for transient lodging. Do we have a definition of transient lodging somewhere in our ordinance?
- Matt Ence said he doesn't believe that specific phrase is defined in our ordinance.
- Jim McNulty said he pulled that from HB 82. We did put a stipulation on Item C7 where there is an exception for a PDR, and we did add that a business license is required.
- Denny Drake suggested adding Item 8 under the 30-day requirement.
- Matt Ence said that is what he was going to say. It is really doing the same thing. It is somewhat duplicative to have them both, so it makes sense to either pull it under that Item C paragraph where the 30-day requirement is or just do away with it entirely.
- Jim McNulty said he thinks we can strike it.
- Matt Ence said he thinks we would be fine with that.
- Jarett Waite asked about Item C11. Why are they not allowed on mobile homes?
- Jim McNulty said it is right in HB 82 that they are not allowed in a mobile home.
- Leina Mathis asked about the modification to the RA and R-1-10 ordinance that allowed ADUs. Our ADU Ordinance is an internal ADU ordinance because we only allow it above garage or in the home or by an attached connection so are we going to be modifying those sections we added in?
- Matt Ence said he and Jim have already started to work on this and the plan is to bring back to Council another modification of the ordinance which would take the ADU requirements that we have elsewhere in our ordinances and bring it into this chapter, so they are all in the same place and make sure that they match up, so we don't have any conflicts. The plan is to try and bring that back to Council before the end of the year.
- Denny Drake said that the issues in the discussion items the bill allows Santa Clara City to regulate all IADUs to the extent that we may have licensing and so forth. Are we going to look at those individually in the future or are we going to set that?
- Jim McNulty stated that it is going to be a permitted use application and it will go through an administrative review so Planning will look it and the Building Department will look at it and Fire will look at it so there will be a review. He said he is working on that application on what will be required to be submitted as well as a small fee similar to

what we charge for another dwelling unit, and they will submit a site plan with drawings and building plans to show that they meet residential code with our Building Official before they can get a permit to build the IADU. We will be looking at each one case by case as they come in and helping them achieve what they want through the process.

- Denny Drake said he thinks it is wise that we require a business license so we can police what is going on.

- Jim McNulty said we can also have an idea if they start using them as short-term rentals because they can only have one or the other.

- Mayor Rosenberg asked that if they have one now are they going to be grandfathered in or do they have to come back and make modifications to continue.

- Matt Ence said that would fall under our nonconforming use ordinance and so they would be able to continue that use until it ended.

- Mayor Rosenberg asked about their licensing.

- Matt Ence said that is probably not addressed in our nonconforming use ordinance. He said he will have to look at that. He said one thing that needs to come back to Council is making business licenses applicable to all commercial rentals. One of the things we will be looking at as part of what we bring back to Council is seeing what needs to be addressed in our business license ordinance as well. The Council will have the opportunity to discuss this when we bring it back. If it is an existing use, they will not have to do the application fee and the inspections and all that.

- Jarett Waite asked for clarification on C1A3 of that language there: "The cooking facility in the IADU must contain a permanent, built-in stove top, range, or other similar device for cooking food."

- Jim McNulty said it is required to have its own kitchen and cooking facilities so that would be something permanent, something that is not transient and can be moved or unplugged.

Motion to Approve proposed code amendment to include Section 17.22, Internal Accessory Dwelling Units (IADUs) to be permitted in residential zones and approve Ordinance 2021-14 as outlined.

Motion by Leina Mathis, seconded by Jarett Waite.

Voting Aye: Leina Mathis, Jarett Waite, Denny Drake, Wendell Gubler and Ben Shakespeare.

Voting Nay: None.

Motion Carried.

6. Reports:

A. Mayor / Council Reports

Ben Shakespeare:

- Nothing to report.

Leina Mathis:

- She had a Legislative Policy Meeting and there are already bills surfacing regarding water conservation and moderate-income housing and one of the proposals that may be coming concerns water conservation and it is to require all general plans to include a water conservation component. She said that Council has had discussions about

modifying our General Plan, but it would probably be wise to wait until this is put into place. Some of that had to do with making changes to how the Planning Commission is going to look at land use and water restrictions that will be imposed as well.

- She had a committee meeting with the group working on affordability and housing and short-term rentals and we are looking at all sorts of options to see how we might approach the situation without picking off groups and going two steps back.

- She met with the Christmas Program Committee and things are posted on our social media sights for this program already thanks to Kristelle.

- Gary Hall, Power Director, said the lights haven't been installed yet because they haven't arrived yet.

Jarett Waite:

- He asked about the brand of water meters that the city uses. (Badger.) On Monday and Tuesday, he went to the Utah Mosquito Abatement Association Convention in Park City. He was speaking with a Council member from Springdale, and they recently began rolling out the "High on Water" consumer engagement app. He showed him the app and he feels it would be really helpful to our citizens.

- Dustin Mouritsen, Public Works Director, said it would be a third party we would have to go through and then the customer would be able to see his daily use on his mobile device and it could alert on high use days. Our system could do that right now.

- Brock Jacobsen said that back during the discussions on the AMI metering and who we were going to go with we had a discussion about the app and the technology you had to have to have that and we were informed that it was usually used by residents for about the first 6 months to a year and then they get used to what they do and then the majority don't use it at all anymore which is why at the time we chose not to have the app at that time.

- Jarett Waite said he knows that was for the electricity-side, but we never talked about that for the water. He said it would be really helpful to know their usage when they are trying to conserve water.

- Jarett Waite also reported on the Mosquito Abatement Conference and one thing is there is a Tropical and Infectious Diseases doctor at University of Utah, and he was grateful for the Mosquito Abatement District for keeping diseases from going further than they do. He also reported that the mosquito that can carry the Zika virus was found in Springdale and St. George this season and they are working on eradicating it.

- Jarett Waite also gave a fiber update. We got some updated numbers from UIA. With the numbers they gave us if we wait until next year there will be about a 9% increase in the overall project cost and our take rate will go from 37.5% to 45.75% so over a 7% increase on how many have to sign up to break even on that. The majority of the cost increase comes from contract rates for materials. There is no saving by bidding all of Southern Utah together. All the individual cities will still have to back their own projects. He said his recommendation is that we go forward.

- Wendell Gubler asked if we can still move forward if St. George doesn't and can we get this on the agenda for the next meeting.

- Jarett Waite said we are in the driver's seat right now and he doesn't know if the other cities can even get it done by the end of the year. He said there is a meeting with the Utah Fiber Task Force next Wednesday and he will go to that meeting and get a feel for where things are going. He thinks now is the time to go.

- Wendell Gubler said let's be the leader.
- Leina Mathis asked if the interlocal agreement would help us at all.
- Jarett Waite said it might give us a little more power with their Board.
- Mayor Rosenberg asked about the bond rates.
- Jarett Waite said he spoke with the lady that would do the bond for us. It is a little bit tricky. If we all go together as cities and we have to back our own bond other cities don't want to take our risk and they use the lowest bond rating of the group so it might actually hurt St. George to go with the other cities. He said he thinks there could still be an interlocal agreement and we join in at some point. It could be just how it is managed long-term.
- Denny Drake asked if we have talked to the bonding company to see how this affects our bond rate. What does this do to us as far as bonding in the future?
- Jarett Waite said he has asked this question and hasn't gotten an answer back but when this comes back to Council they will be here, and we will make sure we get an answer on that.
- Brock Jacobsen said the woman from Lewis Birmingham Young sent that information. We would be backing it with sales tax, and it shows how much we would have left in sales tax. It would still leave us quite a bit of sales tax to do bonding on.
- Ben Shakespeare said he would like for Council to get that information well ahead of the meeting.
- Brock Jacobsen reminded Council that it is not our bond, it is UIA's, and we are just backing it. He suggested putting this on the Work Meeting agenda so we could have a discussion on it.
- Ben Shakespeare said we need to get all the information we can. According to Utopia this has to be a unanimous vote by the City Council for them to move forward so we need as much information as we can get.
- Brock Jacobsen said we will get it on the agenda for next week for the Work Meeting.

Denny Drake:

- Nothing to report.

Wendell Gubler:

- He will not be at the Work Meeting. He will be out of town.

Mayor Rosenberg:

- The Water Summit with the Water District and the County to talk about water conservation is on Nov. 9 at 5:30 p.m. at the Dixie Center.
- We had the first meeting of the Tobler Family Farm Committee. Jim Ence is chairing that committee. A lot of the missionaries that are currently working the farm came to the meeting. They kind of agreed to stay on and plan to operate and maintain the farm next year in the same fashion as they did this year. There will be some follow-up meetings and we are going to try and develop that Master Plan fairly quickly and we are trying to get assistance from the USU extension office and the Historical Society and the Interfaith Council and the school district and Dixie State University to help with that. That Dixie State Alliance application could come in really handy with this farm. This alliance application will allow the city to utilize some of the resources that the university has to offer including students and professors with assistance on City-type projects. It is an

exciting opportunity.

- He gave a brief presentation about the Arcadia/affordable housing project, Quail Crossing, at the HAC Round Table Meeting. There is some good progress being made on that committee.

7. Executive Session:

- Executive Session to discuss potential litigation and the character and competence of an individual.

Motion to Enter Executive Session to discuss potential litigation and the character and competence of an individual.

Motion by Wendell Gubler.

Seconded by Leina Mathis with all members present voting aye.

Motion Carried.

- Entered Executive Session at 7:11 p.m.

- Reconvened at 7:59 p.m.

8. Adjournment:

Motion to adjourn by Denny Drake.

Seconded by Ben Shakespeare with all members present voting aye.

Meeting Adjourned at 8:00 p.m.

Chris Shelley – City Recorder

Date Approved: _____

**SANTA CLARA CITY COUNCIL WORK MEETING
WEDNESDAY, NOVEMBER 3, 2021
MINUTES**

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Work Meeting on Wednesday, November 3, 2021 at 5:00 p.m. in the City Council Chambers of the Town Hall at 2603 Santa Clara Drive, Santa Clara, Utah.

Notice of the time, place and agenda of the meeting was provided to the Spectrum and to each member of the governing body by emailing a copy of the Notice and Agenda to the Spectrum and also, along with any packet information, to the mayor and each council member, at least two days before the meeting. **The Meeting will be available to view live stream on the YouTube link:** http://www.youtube.com/channel/UCxLBLm30_XLqM1AEmhpcMA. Council Chambers will be available to residents, but we will have limited availability and follow Covid-19 guidelines.

Present: Mayor Rick Rosenberg
Council Members: Jarett Waite, Ben Shakespeare, Denny Drake and Leina Mathis
City Manager: Brock Jacobsen
City Recorder: Chris Shelley

Others Present: Dustin Mouritsen, Public Works Director; Brad Hays, Parks & Trails Director; Gary Hall, Power Director; Cody Mitchell, Building Official; Jim McNulty, City Planner; Kristelle Hill, Admin. Assistant; Randy Hancey, Fire Chief; Bob Flowers, Police Chief; Matt Ence, City Attorney; Roger Timmerman, Utopia Fiber; Laura Lewis, Lewis Young Inc./Utopia Fiber; Mark Beauchamp, President of Utility Financial Solutions (via Zoom)

1. **Call to Order:** Mayor Rosenberg called the meeting to order at 5:00 p.m. He introduced himself and the City Council. He excused Councilman Gubler who is out of town.

2. **Working Agenda:**

A. General Business:

1. Code Enforcement discussion. Presented by Bob Flowers, Police Chief.

- Chief Flowers said that several years ago we talked about code enforcement in the City of Santa Clara, and he made a recommendation, that we look at a law enforcement role in that. He said that Brock Jacobsen (City Manager) came to him about a month ago and discussed with him the code enforcement program. Chief Flowers stated to Brock that it would be good if the role of code enforcement was handed over to law enforcement. He said a lot of cities are doing it for safety measures. He had a lot of discussions with Brock and Scott Bannon (Asst. City Manager) about this and different approaches of problem solving. Some issues are long-term and can't be dealt with a citation. He asked Council for some direction. He said they would be dealing with chronic garbage problems, chronic business problems, chronic alarm problems and some traffic issues where this can combine into a law enforcement role with reporting

back to the City Council about what law enforcement does and how we are approaching it. He said they have several on-going neighbor disputes that they have to deal with. He said his thought is law enforcement would take a soft approach, a problem-solving approach but be willing to issue a citation when required and be willing to follow those through on some of those folks who just aren't willing to comply with City ordinances and City codes. He said this is a part-time position but they approached the City of Ivins and they have an opening in their code enforcement and are having a hard time filling it so he recommended that we take these two part-time positions and making it one full-time position for both cities and both City Managers agreed and we have started moving on that and have asked Sergeant Briggs to fill that role for now and build the program up and see where we want to go as we continue to visit with the City Managers and Councils and staying in contact with them. He said they have been moving on this for about a week and are putting the manual and the codes together. He said the department likes this a lot.

- Ben Shakespeare asked what the biggest code enforcement issues are that we have.
- Chief Flowers said they are seeing a lot of code enforcement issues involving trailers and cars being repaired on the streets, commercial vehicles in some places, and commercial deliveries in early morning hours. These things are more of an annoyance but are ongoing in some areas. He said that with this new program the citizens will have an officer that they can call, and they don't have to call the city. He said they will work closely with our Building Official and there will be a team effort with them.
- Ben Shakespeare suggested being pro-active in our newsletter with this information and the why behind this and our codes.
- Leina Mathis asked if the Code Enforcement Officer will be a uniformed officer.
- Chief Flowers said yes. He said he and Sergeant Briggs talked about this and Sergeant Briggs said he likes the uniform but maybe not something that is so tactical. He said the police identifiers need to be there but maybe not the full-blown street officer uniform. He asked if the Council had any recommendations they would like to see there.
- Leina Mathis said her opinion is if they show up in full standard uniform it would automatically put people on the defensive and it can escalate emotions very quickly even for something as simple as parking in the street.
- Chief Flowers said we agree with Leina so that is why we are thinking of maybe a shirt that has an identifier on it and they are talking about whether it should be a marked or unmarked vehicle. He said he thinks a full uniform is kind of an overkill.
- Jarett Waite said he can see where Leina is coming from. It does kind of put up a front all of the sudden.

2. Amendment to the Santa Clara City Code, Chapter 17.28: Requirements for Walls & Fences discussion. Presented by Jim McNulty, City Planner/Cody Mitchell, Building Official.

- Jim McNulty said this item is meant to be a discussion item about Chapter 17.28: Requirements for Walls & Fences. He said he and Cody went out took some pictures. He said they are looking to create an ordinance that allows for clear and consistent standards as well as review by City Staff for wall and fence permits so it is clear to the applicant and to Staff and it is consistent. He showed the slides to City Council. He

said one of the things that should be done is creating terraces and landings to break high walls up.

- Cody Mitchell said there is currently some language in the code, and we are working on cleaning it up where there is a difference in lot elevations as to when the retaining wall needs engineering and how much retaining you can have when you marry the fence block and the retainer. We are adding some more options to the code for the property owners also. He said this will be open to more discussion in the future.

- Ben Shakespeare said that right now they can go to 9 ft. Is that our maximum?

- Cody Mitchell said right now a person can have a shared wall with property owner consent. It gets obtrusive with 9 ft. so currently you can go 3 ft. of retainer and 6 ft. of fence block.

- Jim McNulty said that currently if it exceeds 9 ft. you can go to Planning Commission. He said a wall on a corner lot could create a visibility issue. A wall is only allowed to be 3 ft. in the 15 ft. setback area if it is solid. He said they want to get the discussion going: When is a permit necessary? What are the standards on a retaining wall permit? What are the standards on a wall for a permit? What about an interior lot? What about a corner lot? What about general requirements that are easily readable and understandable for someone that comes in? He said he thinks it is good to have a process where the contractor, sign companies and those other folks come in and talk to us. Cody has had a lot of experience in this area. This would be better than someone getting a stop work order when they are halfway through the project because someone complains, and we go out and it doesn't comply with the ordinance. We need to try and make it, so the word is out there, and we work with them, and they know that the ordinance is clear and consistent.

- Cody Mitchell said an option in the rewriting of the ordinance is if someone moves a wall solely on their lot, they can be entitled to that 9 ft. wall in sections. The other thing is the permitting as to what requires permitting and what doesn't. He said they have used the International Residential Code, which allocates the parameters in which we were able to require a permit, which parameters are 4 ft. of retaining measured from the bottom of the footing to the top of the wall and anything shorter than that doesn't require a permit unless they did some retainer and topped that with over 7 ft. of block it would fall back into the requirements for a permit. He said we will see this added to the ordinance. He said the permitting and the code would go hand-in-hand. He said that right now we are requiring a permit on every fence. He said he wants to do a review and see it on paper, and we may do a review fee at that point.

- Mayor Rosenberg talked about double fronted lots. Under the ordinance now they would have to have a 6 ft. privacy wall and a 10 ft. landscape strip on the outside of the wall in order for it to get approved.

- Ben Shakespeare said the developer is required to have some consistency with retaining walls.

- Cody Mitchell said that Dustin talked to them about the Construction Standards, and they are wondering if they should marry those two or keep them separate where we are strictly dealing with private properties as opposed to construction design properties.

- Mayor Rosenberg said he would make sure they are at least consistent with each other. We shouldn't be able to do anything on the subdivision that we wouldn't allow the residential builder to do. We want to be consistent.

- Denny Drake said we want to make sure we are still maintaining the ability for

private property owners to have the privacy that they need.

- Mayor Rosenberg said they would still be able to do that under this one. They can still get Planning Commission approval to go to 10 ft.

- Ben Shakespeare asked about the 6 ft. maximum requirement on the street. He asked if it requires a 6 ft. wall.

- Cody Mitchell said currently it is 6 ft. and again we are cleaning that up. The commercial code is 6 ft. but our language needs to be updated. We are going to present the 4 ft. on residential and keep the commercial at 6 ft.

- Ben Shakespeare talked about meeting the minimum pool wall requirement.

Liability-wise you don't want to be less than 6 ft. on a pool wall. We ought to look at pools. He also talked about poured concrete walls. We might want to require paint on a stacked concrete wall so that it is more consistent. He talked about the setback on the retaining wall and on the homeowners' side they want to have their backyard as large as possible so what would the setback be?

- Cody Mitchell said that currently they can go 1 ft. behind the sidewalk with a smaller retainer. It is just when you get to the higher walls you are impeding that pedestrian traffic. It is one to one in our ordinance right now.

- Denny Drake asked about having an agreement between two property owners and if they wanted to build one wall on the property line. Is that permitted?

- Cody Mitchell said if they have an agreement the property owners can do that.

- Ben Shakespeare talked about the visual aspect of the walls coming out on the street. We require walls to step down to 3 ft. and yet we plant planters with vegetation and trees and traffic can't be seen. Pedestrians can't be seen in some areas, and we have to make sure crosswalks and pedestrian access are safe.

- Cody Mitchell said he would like to implement something a little bit more sound and solid to create a triangulated area where you are restricted on what you put in those areas because of that and hopefully that can trickle across the city. We want to keep things low in those areas, so we don't have accidents.

- Denny Drake said don't we already have that by ordinance. He said to him this is a code enforcement issue. They should periodically drive through the areas and look at intersections. He said the code enforcement person can visit in these and that is something the residents would take care of if they are made aware of it.

- Jim McNulty said some of the shrubbery at the commercial centers get high and they don't trim it until code enforcement goes out and tells them to do so. They need to bring that shrubbery down to about 2 ft. so people can see around it.

- Ben Shakespeare said anything we can clean up and clarify and make clearer should help everybody, both the city and the residents.

- Cody Mitchell asked about unfinished concrete. Would Council want to see it colored or stained? He said this is something they will revisit.

3. Power rate increase and Power Cost Adjustment (PCA) discussion. Presented by Gary Hall, Power Director.

- Gary Hall reminded Council that we discussed the power rate increase a few months ago. He said the Rate Increase and Cost of Service study done by Utility Financial Solutions (UFS) is done. He said that Mark Beauchamp, President of UFS, is on the phone and he will go over the study with us. He said he will explain two different

things: the rate increase and the power cost adjustment. He probably won't spend a lot of time on the rate increase because we spent a lot of time explaining that last time, but the Council had a lot of questions on the power cost adjustment, and he will go into a little more depth on that in this discussion. There will be two different actions items for another Regular Council Meeting so we will discuss the implementation time and when Council wants to implement both of these items.

- Mark Beauchamp said there have been several items gone through in previous discussions with the Council. One is the long-term financial projections and targets, and we reviewed several targets such as debt coverage ratio, minimum cash and target operating income. We also looked at the cost-of-service results and what your monthly customer charges are currently, and usage charges and we also reviewed rate designs and the power cost adjustment. He said that because we experience such high-power supply costs during the summer our intention was to implement both the rate design and the power cost adjustment in January what the rate indications were. He said they ran those numbers. He gave the Council some things to consider when it comes to the power cost adjustment and possibly delaying the implementation of power cost adjustments. He said there is a quite an expensive capital improvement plan moving forward with the generating units and capital improvements in the distribution system. Part of that is being funded through debt issuance. He said they looked at growth rates. He showed the projected growth rates. He said they also looked at changes in power supply costs. He said they are looking at a series of 2.5% rate adjustments. He said what they discussed with Council was to implement a rate design for the next three years where the rates would be designed for January 1, 2022, 2023 and 2024. He said the main reason for this being that the financial projections are built on a lot of assumptions and some of those assumptions may materialize, and some may not. He said before we do the last two years, 2025 and 2026, of rate adjustments is take another look at the financial projection to see if those rate adjustments are still needed or if they need to be increased. He said part of the reason they are proposing this rate track is primarily to keep the cash reserves, which are projected to run between \$2.5 million and \$2.8 million, and the minimum cash reserve we are trying to stay above is about \$2 million. Because you are in very good financial position, a very minimal debt, your debt coverage ratio is not a problem. You have positive operating income and in 2024 with this rate track we are looking at about \$350,000 of projected operating income and the upper boundary is about \$500,000 so with this rate track the projection is that the Utilities will stay in very good shape financially. He then talked about the power cost adjustments. One of the things they are proposing implement of power cost adjustments. As power supply costs go up or down above a certain date that the power supply costs get passed on to the customer. Sometimes the power costs go up and sometimes the power cost is negative. One of the things we try to avoid with the power cost adjustment is that it has the potential to be jumping up and down if you do it on a monthly basis so what they are proposing is a six-month rolling average. They look over the last six months as far as the changes in power supply costs so if there is any month that goes up it isn't immediately felt by customers and is phased in slowly over a period of the next six months. The changes are gradual. Unfortunately, because of the large increase in power supply costs in the summer if we were to implement this in January that is the worst time to implement the power cost adjustment because we still have those high-power supply costs from last summer. He said the utility rate now is

absorbing about \$645,000 of additional power supply costs from this past summer. He said the projection is by January you will be absorbing about \$850,000. He said because of the power supply costs stabilizing the power cost adjustment mechanism should be implemented in the March timeframe. If we implemented, it in January the customers would see about a \$3 increase because of the change in rate design and they would also see a \$28 increase on their monthly bill because of the power cost adjustment because of what happened last summer. Based on projections if the implementation was delayed until March the power supply cost impact will drop to about \$7 a month. The Utility will have to absorb that \$800,000 but they feel the Utility can absorb it now in its current cash reserves. This is to try and mitigate the impacts that the implementation of the power cost adjustment will have on customers should it be implemented in January. He said they are proposing to the Council to do the rate design change in January but to delay the implementation of power cost adjustment until March. He said one of the main questions for Council is: is this what Council was looking for and does this answer Council's questions and does Council agree with their assessment to delay the implementation of power cost adjustment.

- Mayor Rosenberg asked if the power cost adjustment is implemented in March does it adjust every month after that.
- Mark Beauchamp said it does but it is based on the last six months.
- Mayor Rosenberg asked if next summer they anticipate the power supply costs doing the same thing they did this last summer.
- Mark Beauchamp said when a city has its own generation, they are there to protect the city against those high-power supply costs so if the market prices increase dramatically the city is capped at the generating costs of those units. If the power supply costs go up substantially the city can generate power and sell it in the market and actually earn money.
- Mayor Rosenberg asked Gary Hall when he expects the generators to all be online.
- Gary Hall said they are supposed to show up in January or February so they will be ready by May. We have an agreement. By next May, we will have them all up and running.
- Mayor Rosenberg said he wouldn't want to base power cost adjustment on the last six months when they are the six slowest months of the year and we have already absorbed an \$850,000 loss and then all the sudden we are going to have to delay and if the power cost goes up again, we are absorbing another loss until that PCA gets up high enough to cover it. It is going to be really important that if we put this off until March that those generators are operational shortly thereafter.
- Gary Hall said they will be. He asked Council what their thoughts are on delaying the power cost adjustment to save the customers and then absorbing that cost.
- Ben Shakespeare talked about how the generators will help pick up extra megawatts that we need on peak days. He asked how many megawatt hours we are looking at with our generation capacity.
- Gary Hall said with what we have purchased and with the two new generators we would only need to buy 4 to 5 megawatts on the market.
- Brock Jacobsen said at times we were buying 9 megawatts, so we are cutting it in half.
- Gary Hall explained that it is impossible to know what the market is going to be. There could be weather related issues or natural disasters and with coal and everything

else it is hard to guess what power prices are going to be.

- Mayor Rosenberg said the biggest impact will be the loss of the Colorado River Storage Power because of the Lake Powell water levels. If all the systems on the Colorado River Storage Power lose power they are going to be out on the market and there will be more demand than supply and the price will go up. It is really critical to get those generators in place. He asked about the debt coverage ratio. Does that include the \$850,000 that we are eating?

- Mark Beauchamp said it does. You are still maintaining your debt coverage ratio even though you had to absorb that \$850,000.

- Denny Drake asked about 2021 power cost changes. They are projecting a 20.9% change by this year. And we used those reserves to pay those differences. With the power cost increase how much does that reduce this change?

- Brock Jacobsen said that if we had the power cost adjustment in place this current year what would have had to come out of reserve. Right now it is \$645,000 but if we had the power cost adjustment already in place what would we have had to use out of reserves to cover that increase.

- Mark Beauchamp said it is hard to say. You are going to recover part of it but not all of it. The cash reserves probably would have been \$300,000 to \$400,000 more.

- Leina Mathis said she went in and used the PCA forecast that is on the cost of change for January and calculated what her electric would be as a cost comparison along with the rate change, we are looking to implement. Her bill would go up by 20%. That is why it should be delayed until March. We will have residents screaming if their bills go up by 20% especially those on fixed incomes. We have to figure out a way to get that PCA number to come down to make it more reasonable for our citizens. She asked if the base from the presentation is based on a fiscal year or a calendar year. She also asked how many residential customers the city has.

- Mark Beauchamp said the base number is in there until it is formally changed. For the next three years that base number is fixed. It will not change annually, not the base.

- Gary Hall said there are around 2,900 residential customers.

- Mark Beauchamp said right now the entire electric industry is in transition. We are going to a more renewable type of environment and the technology isn't totally there yet, but it is coming along. He said the city was wise to purchase the generators because those will be dispatchable generating units. You know what the cost will be to operate them. The price variation will be substantially limited. Purchasing the generating units was a really good move.

- Leina Mathis asked about a substation upgrade in 2025 for roughly \$2 million in the notation of the presentation. She said she looked at our Capital Facilities Plan and there is a notation for the South Hills new substation. She asked if this was referencing the same thing.

- Gary Hall said it is two separate things. The substation upgrade is for the Hassell Substation, but it wasn't for \$2 million. He said he thinks that amount is for the South Hills Substation.

- Leina Mathis said that on page 3 it shows there is a bond being issued in 2025 for \$2 million and it notes that it is for a substation upgrade. Is that being used in the calculations in this?

- Gary Hall said it is. That amount would be for the new substation in the South Hills. The upgrade has already been budgeted.

- Jarett Waite said that branding might be important on this. We need to make sure we brand it the right way on the utility bills. Is there anything in this that protects our residents if something happens where we have to pay some crazy rates?
- Mark Beauchamp said they will get charged it either way whatever those costs are. To protect the customer the city could draw down on the reserves temporarily.
- Jarett Waite said he is concerned about using the same base for a three-year period. That doesn't really account for COLA or inflation or anything. He said he would prefer that be updated yearly.
- Mark Beauchamp said that is not going to affect the rate. If we increase the base all the other numbers have to increase. It is tried up for fairness.
- Jarett Waite asked if we could implement a max that it would go up and then it would trigger Council to approve it going higher or use reserves. Could there be a mechanism there, so it doesn't just jump randomly?
- Mark Beauchamp said that could certainly be put in place.
- Jarett Waite said he would rather implement this once the generators are going, so we would know how it affects everything. He suggested waiting until June. It would be nice to have a full set of data.
- Mark Beauchamp said the longer you wait the more of a financial impact it is going to have on the electric utilities in the cash reserves. We would be talking about an additional amount of money that you would be absorbing. He suggested asking Staff that if the PCA were to change by a certain percentage in any given month that that gets reported to Council.
- Mayor Rosenberg said we want it reported to Council regardless of the change amount.
- Leina Mathis asked Brock to get Council some examples of usage of demand for commercial.
- Brock Jacobsen said he will try and get that.
- Gary Hall said he will bring this back to Council next week at the Regular City Council meeting for approval.
- Brock Jacobsen said there will be two different things. There is the rate increase and the power cost adjustment. There is a public hearing scheduled next week for the rate increase. He suggested going forward with that public hearing on the rate increase and have that on the agenda for an approval and an effective date. We can also have on the agenda the power cost adjustment as well but a whole separate item for approval or discussion on approval or not to that. We can also hold off on the power cost adjustment energy-stabilizing fund to a future meeting if Council would feel more comfortable doing that.
- Leina Mathis asked if the power cost adjustment requires a public hearing.
- Brock Jacobsen said yes because it is adding to a fee schedule of a rate adjustment.
- Leina Mathis said her preference would be to do two separate actions and keep it completely independent of one another, so citizens understand that they are very different and have different impacts to them.
- Brock Jacobsen said the rate increase is what we need to do now. The power cost adjustment can be done at the first of the year and have that discussion and that public hearing in January.
- Denny Drake said the power cost increase to be in effect by March we can do that any time prior to March.

- Gary Hall said yes but the rate increase we need to look at now.
- Brock Jacobsen said the public hearing will be next week on the rate increase.
- Mayor Rosenberg said to bring the power cost adjustment back at the first of the year. He asked if Kristelle could have a model of the power cost adjustment for residential ready for Council by January.
- Brock Jacobsen said she probably could work with Mark and Jillian.
- Mayor Rosenberg suggested bringing this model back to Council in January at maybe the Work Meeting. We will have a new Councilperson we will have to bring to speed on this too.
- Denny Drake said he would like to see what the commercial impact is too. He would like to see the figures for small, medium, and large commercial.
- Gary Hall said the rate increase will be about \$3.33 increase for the average user.
- Jarett Waite asked if Council would want to consider building in a rate increase to the ordinance so it just happens every year and it doesn't have to come back to us. We would still have to have the study.
- Gary Hall said we had talked about doing a 1% increase every year and reviewing it every five years. As far as the predictions it would need a 2.5% increase over the next three years to catch up.
- Jarett Waite suggested looking at that in the next study that we do.
- Mayor Rosenberg said he would like to see us look at it in no longer than three years. There is so much going on in that market. Three years might even be too long.

6. Discussion regarding fiber to the home. Presented by Jarett Waite, Council Member.

- Jarett Waite said there are probably still lingering questions that Council has before this is brought back. He introduced Roger Timmerman from Utopia and Laura Lewis the financial advisor for Utopia.
- Mayor Rosenberg said the information that Jarett sent out last week and the information today on the conference call with St. George City the numbers were different. Does that reflect the cost increase that will be at the first of the year?
- Roger Timmerman, Utopia CEO, said if the decision was to take three to six months that is what the cost would be. It would be \$7.3 million. If it can be done nearly immediately, they are willing to hold to the old cost structure, which is \$6.7 million, because they still have materials and contracts in place that are good through the end of the year. He said they will be hit with price increases at the beginning of the year so they would need to re-price. He said other cities are at least six months out and they want to create a new interlocal entity before this actually happens for the other cities. He said they have a partnership program that works really well for cities that want to do that. He said they don't like to pressure cities but there is a real cost difference between doing it now and doing later. He said the plan from June was a structure where there was going to be financing of \$6.7 million for this project issued by UIA and has a revenue guarantee from the City that comes out to about \$34,000 a month and that is about a 40% take rate. If we were to wait and then have a \$7.3 million project that take rate requirement would go up to about a 45% take rate. There is an opportunity to get this done under a lower price structure. He said if it needed to be six months later it is still very feasible. He said that demand has skyrocketed. He said they have the resources to move quickly and to finance it and interest rates are good.

- Laura Lewis, Financial Advisor for Utopia/UIA, said there is more pressure on interest rates to go up than come down, so time is of the essence in that regard. She thinks the interest rates are going to go up next year. She said if this is something that Council approves, she wants to jump right on it as quick as we can. There are challenges issuing at the end of the year because markets close up and go home. She is hearing that this year might be a little bit different because there is so much cash out in the market. We might get a little bit of an extended window. She would get right on it and work with the Staff and get a rating presentation put together and get the bonds rated and issued. She said the fastest it could be done is probably two months. There would have to be a public hearing. She thinks it could be done in two months.
- Jarett Waite asked how the backstop affects our bond rating.
- Laura Lewis said how it affects the City's bond rating is it will probably have no impact on the bond rating. It does impact the City's ability to issue additional bonds. She explained it as comparable to co-signing on a loan. It creates a potential obligation. She said everywhere they have done this the system revenues paid for the debt, and they haven't had to come out of pocket for anything and all that money would still be flowing through the General Fund. She said they modeled that the City would probably be able to issue about \$8 million to \$9 million more in sales tax revenue bonds without running into problems. She suggests to cities to look forward 3-5 years. There are many other tools a city can use. She said that bonds are typically callable in 9 years without an impact on the interest rate. She said another thing that has been discussed is whether or not it makes sense to participate with the interlocal cooperative that is being discussed to be set up in Southern Utah and whether or not that would benefit you from an interest rate perspective. She said St. George City's sales tax revenue bonds are rated AA and Santa Clara is rated A+ so that is a differential of two notches. St. George is above Santa Clara by two rating notches. She said in an interlocal agreement each city would back up the full payment and the rating agencies would rate to the weakest link if it were not joint and several and may negatively impact St. George. The benefit to Santa Clara might be we may gain something in terms of block size. The biggest concern is time delay.
- Roger Timmerman said \$600 cash savings on the cost of the project is going to save a lot more money in the financed cost and the guarantee than a slightly better bond rating in some sort of interlocal six months from now. It is not even close. It is better to do it now.
- Mayor Rosenberg asked how long it would take before we can offer it to every home in the city.
- Roger Timmerman said contractually they put a two-year time frame from the time of closing of the financing to the build out. From a practical perspective they are expecting to be done in about 8 months of closing. They build about 2,000 to 3,000 homes a month right now is their construction capacity.
- Mayor Rosenberg said if we wait and go in with other cities, that is longer.
- Roger Timmerman said it is a lot longer. He said they are planning 3 years construction for St. George City alone. From a timing perspective there is an advantage of not being part of an interlocal.
- Jarett Waite asked if Roger could tell them how many providers could jump on and use it.
- Roger Timmerman said he knows there will be at least five. He expects there will be

at least ten. Utopia has 15 providers on the system right now. A customer will put their address in to see if they are eligible for services and will give them options of different speeds and they have the ability to customize that on a per market basis. They then go to the providers and ask who wants in. The providers' incremental cost is nothing. He said they don't want to compete with anybody. They want to build a fiber network and allow the local providers on and bring in additional new providers. There will be a lot of providers competing and the price structure will be the same as in northern Utah. He said that the Utopia service providers are the top-rated providers.

- Jarett Waite asked where the fiber goes in the roads.

- Roger Timmerman said they like to do this construction the way the cities like it to be done so it goes into the utility easement, and they do directional boring. That minimizes the impact to the surface and landscaping and other utilities. They will do street crossings occasionally, but they don't do cutting. They bore underneath the street and the only time they impact the street surface is if they are crossing another utility. They cut a little hole and vacuum out and inspect that utility to make sure it isn't hit. They don't do micro trenching. They use a 1 ¼" conduit or multiple and install it and pull it through drilling on the side of the roads and they use smaller equipment to the houses. No landscaping is disturbed. He said they video through an entire city so they know what might need to be fixed. He said their facilities have 24/7 ability to stay up and running even during power outages. They have standby generators connected to natural gas.

- Leina Mathis said we have a 40% take rate to support the bond payment so if we end up with anything in excess to the 40% take rate how does that get accounted for to the city so that we make sure we are capitalizing on the higher take rate.

- Laura Lewis said that once you agree to this service contract if you choose to adopt that service agreement then the service agreement is structured such that it will take care of that 40% take rate. If there is a 60% take rate there is additional cost.

- Roger Timmerman said with a higher percentage there is additional cost such as more products and equipment. He said they finance all the additional installations and subscribers. He said they are underwater for five years or more on that additional cost and then using that additional revenue to pay that. Even at higher take rates there is not a big cash upside. It just becomes more financing and more revenue to cover that financing and all that lives in general UIA financing. We never come back to a city and tell them they have to pay for this or guarantee something. He said if they find they are in the position to offer a lower cost of services they will, and all the cities will get that benefit. He said they haven't had to increase the cost of services for over ten years.

- Ben Shakespeare thanked Jarett for all the information he sent the Council. He said with these numbers we look really good. He asked about the process of getting fiber to the residents.

- Roger Timmerman said they will send out flyer and updates to all the residents and they will do events in the park and town hall meetings to let people know about it. He said they like the cities to take responsibility to market this and they will market this also. Once the service is available and is built to the house the residents will get a flyer and information about the service providers and service providers will start sending out information and residents can log in to Utopia's website and chat with a representative online or call. Residents sign up for \$30 a month to Utopia for the fiber connection and then they pick their service provider and that runs anywhere from \$35 to \$50

depending on the service and the speed is the fastest in the Country. They can also add in phone service and video if they want. When they sign up there is no installation cost and they will commit to one month of service. If they don't like it, they can cancel. There is no term contracts or cancellation fees. He said they have less than 3% cancel annually. He said it is easy to sign up. Once a person signs up there is a scheduling process. It is a two-step installation. First, Utopia schedules with the resident the conduit installation and second is the fiber installation and the device in the house gets placed.

- Laura Lewis said that once that process is done a user can switch between service providers with a phone call.

- Ben Shakespeare said in his opinion there is no reason to join in with any other city. They can come on later. The interest rates are so good.

- Laura Lewis said we finance these typically over 27 years with 2 years of capitalized interest, so the city doesn't have any payments coming due while they are out building and getting subscribers on and then the principle is amortized over 25 years. She said the interest cost they are using currently is 282 with all the costs of issuance built in. Municipal bonds are issued frequently at a premium and there will be coupon rates of 4% and 3% of whatever they like to buy with the premium. That means they are paying more than 100 cents on the dollar up front. She said she is quoting the effective rate.

- Roger Timmerman said the City's obligation is tied to whatever terms we get financing. He said they are confident in getting the numbers. He said there are also opportunities for revenues. He said a couple of schools are being bid right now. He said if they do this project for the city they will bid on those schools and getting some schools on the network is really good in two ways: one is revenue, and it is also really good politically to have an upgrade to those schools facilitated by the City's fiber project.

- Mayor Rosenberg said he heard a couple of Council say to put it on the agenda.

- Ben Shakespeare said we are ready.

- Brock Jacobsen asked how we can get a seat at the table.

- Roger Timmerman said not until the original UIA project is finished which is about 6 months out. He said we will make some progress on this. He said all of the cities are invited to come to the meetings and speak up and are valued and can receive reports. He said the say is up to the board. There is some reluctance. He would make recommendation that they do allow additional memberships.

- Ben Shakespeare said they want Councilman Waite at that table.

- Mayor Rosenberg asked Brock if we have the draft agreement.

- Brock Jacobsen said yes.

- Roger Timmerman said we have the draft agreement, and we will fill in the numbers.

- Brock Jacobsen said we have a regular meeting a week from tonight.

- Roger Timmerman said that if we are basing it on the current price structure, he would really like to get this done next week. It is not fair to our vendors to come to them in late December. He can't be at the meeting, but he will make sure someone is there from Utopia. He said to feel free and reach out to him through an email or phone calls. He will be happy to respond. Email works the best.

- Laura Lewis said she can't be there but will have a colleague there.

4. Mutual Aid Agreement with Rocky Mountain discussion. Presented by Gary Hall, Power Director.

- Gary Hall talked about the One Utah Mutual Assistant Agreement. We do not currently have an agreement with UAMPS for mutual aid but do currently have one with Intermountain Power Superintendent Association (IPSA). IPSA is the group that does our testing for our lineman apprentices so all the cities that are members of the IPSA use them to test and train their linemen. We have an agreement with them for mutual aid. All the local cities are members of it. This item is an agreement with Rocky Mountain Power. We have never had one with them. He sent the agreement to Matt Ence, and he will look over it. If we have an emergency, we can call on any of the members of this agreement for help with manpower, equipment, or materials and if someone needs our help, we would be agreeing to send our guys or equipment.
- Denny Drake said he sees no reason why we wouldn't want to be in a cooperation with those members and Utah Power.
- Gary Hall said he thinks it is good. He will have Matt Ence look over this before it is brought back for approval.
- Mayor Rosenberg talked about Article 15D "Jury Waiver" and said to make sure Matt looks at that and our insurance looks at that and make sure they are okay with it. He said to put it on the agenda for approval.

5. First Quarter of Fiscal Yr. 2022 Financial overview. Presented by Debbie Bannon, Finance.

- Brock Jacobsen said he is filling in for Debbie tonight. She was unable to be here. He said the first quarter ended so he wanted to go over the first quarter financials. He showed a comparison of the 2021 FY to 2022 FY. The revenue is within about \$32,000 from last year to this year. Taxes are up a bit. The licenses and permits are really where it is down. Building permits are down compared to last year for the first quarter. Animal and business licensing comes in the third quarter.
- Mayor Rosenberg asked if the first quarter of 2021 was an anomaly for permits and licenses.
- Brock Jacobsen said he didn't look back. It could have been a time when all the big developments were going at that time. He said the transient room tax is under taxes. This year to date was at 45% of what we budgeted.
- Mayor Rosenberg asked why the difference to what last year was.
- Brock Jacobsen said more Arcadia and more Ocotillo coming online. He can dig back in and look. It may just be a reporting thing. Sales tax has the same trend. He said the census numbers are down. In January we can start the appeal for the census. He said our revenue is similar to last FY. It is 2% less than the previous FY. Expenditures are down 9%. Revenue to expenditures, expenditures exceeded revenue by just over \$2,000 for the first quarter. He feels that is really quite good. Our second largest revenue stream is property tax, and we are not going to see that for another month or two. He feels we are in a pretty good spot. Revenue is up and it is also due to Directors and Staff being fiscally responsible on our expenditures and budgeting. Most of our taxes are up except the Hwy sales tax at 31% of budget.
- Jarett Waite asked why the Police was so different between the two quarters on expenditures.
- Brock Jacobsen said it is a timing issue on the payment to Ivins City. He said in our

charges for services there is a little bit of an uptick there. He said the zoning and subdivision fees are kind of a guess on when it is going to happen. We budgeted \$12,000 and collected \$11,600 to date. He talked about the sale of cemetery plots. He said we may need to increase the non-residential rates.

- Brad Hays said that 50% of our cemetery plot sales are to non-residents. There are 400 to 500 plots left.

- Brock Jacobsen said he wouldn't mind seeing that price go up for non-residents.

- Leina Mathis asked what our plan is for additional space.

- Brad Hays said we had talked about trying to get the land next to Gabler's and get those 10 acres and use it for a sports field/cemetery as we needed it. There is some area by the Veterans' monument where he could get 1,000 plots in there with some excavation. That is the only room we have.

- Mayor Rosenberg suggested that Brad put this in part of his discussion for the Budget Retreat.

- Brock Jacobsen asked if Council was good about raising that non-residential rate.

- Leina Mathis asked what category of revenue cemetery plots falls under.

- Brock Jacobsen said it is under charges for services. He said fines and penalties with the Court are at 33%. We share that with Ivins City. He said he is happy where we are at through the first quarter in the General Fund. He said we see a lot of expenditures in the first quarter because of the budget and capital equipment and things that we budgeted for last year and it has taken 9 months to get them here. A couple of big items that are in the budget in Admin are a new server. The Building Department did slurry seal here and at the Clover Patch. Streets Department got the street sweeper. Parks got a new infield groomer for Gubler Park. Those are the big-ticket items that were purchased in the first quarter. There were also some bond payments. It might level out on the expenditure-side as we continue on through the year. He showed graphs on the budget. (See attached.) He said with Fire and EMS we are doing a better job of getting expenses where they should be and a surer cost of what it takes to run those departments. He said that wages and benefits are split 50-50% with Ivins City. EMS have part-time EMTs, and paramedics and we pay those and in the Fire Department we have volunteers, and we pay them a stipend when they come to training or go on calls. He talked about the Water Fund. He said that operating revenue is \$670,000 and non-operating revenue is \$707,000 or 23.4% of budget. Revenue exceeded expenditures by \$164,000. Metered water sales are up 31%. Hydrometer use is 160% of budget already.
- Mayor Rosenberg asked Dustin Mouritsen if it is possible to do construction water on the irrigation system.

- Dustin Mouritsen said it would be expensive.

- Mayor Rosenberg asked if we maybe ought to be thinking about that. We shouldn't be using culinary water for dust control. We would charge them what we are charging now but use secondary water.

- Brock Jacobsen continues with the budget report. He said that there is the improvement to the South Hills in the budget. And also, in capital equipment we purchased a new air compressor. He said in the Water Fund we have the cost for engineers for capital facilities plan and rate analysis which is ongoing right now with Sun Rise Engineering. He talked about the Sewer Fund. The revenues are at \$200,000 currently and operating expenditures are \$191,000 so revenue exceeded expenditures at \$18,000. That is about average. They have a lease on a backhoe that they share with

other Departments. He then talked about the Power Fund. The first quarter was at \$2.2 million in revenue and expenditures were at \$2.29 million so expenditures exceeded revenue by \$9,300. They bought a new chipper. Revenue is up for the first quarter and power sales on the residential side were at \$1.7 million or 48% of budget so a lot of power was used and sold. But on the expenditure side the cost of getting the power, our purchase through UAMPS, was budgeted at \$1.5 million and we have expended \$1.2 million in power purchase, which is roughly 83%. The cost of buying that power is more than what we are selling it for. He said commercial is up at 36% revenue. He talked about the Storm Water Fund. It had \$142,000 in revenue and expenditures were at \$237,000 so expenditures exceeded revenue at \$94,000 and that had to do with the street sweeper that came in a got paid for but was in last year's budget so we will have to come with a budget amendment for that one. The street sweeper was \$148,000. He said that every fund is in fairly good shape after the first quarter. We do need to make sure we are watching our expenditures throughout. He said we will be bringing back a budget amendment in January and do a mid-year one as we talk about our rate adjustments with Staff.

3. Staff Reports:

Brad Hays

- He thanked Council for the new groomer that Parks got. We are using it up at Gubler Park. We had the Rocky Mountain School of Baseball Tournament last weekend. He said he has received compliments and the fields are looking really good. The Sport Field Crew is working on Spence Gunn Field right now. They have redone the infield and reseeded the grass and taken out the mound and we are now using a portable mound. We have two more tournaments this year than in December we plan on taking out the grass on the infields and going with portable mounds. That way we can take our grooming machine and laser level that down to where it is smooth and perfect to play and a lot safer and more precise for the players.
- We had Movies in the Park on Friday night and had about 150 people attended. Everyone had a really good time. We had some game booths set up. We started at 6:00 and then at 7:00 the movie started, and it ended at 8:30 and everything was cleaned up.
- He said that Wreaths Across America will be at Santa Clara Cemetery on December 18. We have 170 wreaths ordered and met the donation requirement this year for the donations for the 170 so any donations that we get this year will carry over to next year. He said he wanted to give a special thanks to Tony Coleman and the people that have donated for that. He said at 11:00 that day there will be a dedication for a WWII memorial for the Veterans that served in the Pacific during WWII from Southern Utah. Parker Norman, an Eagle Scout, sent him the proof for the stone for that. We did one earlier this year for the Veterans that served in the European Area during WWII. He invited Council to attend these events.
- He said the BMX/Canyon View parking lot will be put out to bid in January. He said he talked with an engineer who said that would be ready for bid. The County already asked us to send them a bill for the County's side of it. They should be sending us a check so we should have the money in the funds when we start that to pay for the County's part of it.
- He is getting some bids for the budget for next year and this year to increase the fence at Spence Gunn. We want to raise the perimeter fence up to 10 ft on the outfield. That way

when the BMX is having races at their track, and they are playing at Spence Gunn we can reduce the number of balls that are being hit over the fence into the BMX track. And while we are at it, we are getting bids for Little League backstops and raising the fences down there to 6 ft.

- He said he is really proud of Ryan and Dane and the Sports Field crew. They have been doing a really good job.

- The trail is finished between Old Farm Road and Graf Park and the bridge. It is immaculately groomed. He invited the Council to go down and hike it. He said they can get a four-wheeler in there or mini excavator and maintain the trail and spray the invasive species down there. Leina Mathis and her group has helped with that as well as a church group from Las Vegas and five college classes. It has been quite a project.

- Mayor Rosenberg asked if there is anything going on with the South Hills adventure park.

- Brad Hays said he met with Sun Rise. He had an agreement with the parks designer to help us take the conceptual to the next level and he hasn't gotten any response, so he met with Joe Phillips last week to find out what was going on. He said there is some concern with the shooting in the South Hills and we had talked about maybe a shooting ordinance, and he wants to know if there is anything he can do to help the Council with that ordinance.

- Mayor Rosenberg asked if that ordinance isn't already in place and don't, we need to just enforce it. There is no shooting allowed within City limits by ordinance now.

- Brad Hays said we brought a draft ordinance, but he doesn't believe it was ever brought to Council for approval. Matt drafted it.

- Brock Jacobsen said he thinks we are running underneath the State, which was no shooting within 600 ft of a structure.

- Brad Hays said that is where we are currently at.

- Mayor Rosenberg said that we need to bring it back and put it on an agenda.

- Jarett Waite said he got a complaint about the restrooms at Little League fields. Is that in our facilities plan to upgrade or refurbish?

- Brad Hays said we normally keep them locked unless there is a tournament. They are very small and limited on space. He said it is hard to keep up on. He asked what the complaint was.

- Jarett Waite said the complaint was that it was old and not very nice.

- Brock Jacobsen said that on Phase 3 of the project there is a new building for maintenance. Is there going to be bathrooms in the maintenance building?

- Brad Hays said no but we could add it in there or we could take out the storage section that we currently have and increase the size in the existing building we have.

Chief Randy Hancey

- They had 120 calls last month. The average response time was 8.61 minutes. The majority of those calls were EMS calls (50%) excluding vehicle accidents with injuries. There are typically 115-120 calls a month. There are four personnel in an Apparatus Driver Operator Class and three of those personnel are females. Once they complete their testing and certification, we will have four more engineer operators qualified to drive our fire apparatus. They will be testing next week.

- He received a letter from Senator Lee's office thanking our City and Fire Department for being a part of the Wild Land program this past season. Our Wild Land crews finished up

their last day today, so they are done for the season. Most of the crew is planning on coming back next year.

- We are still doing a lot of annual fire inspections for new businesses.
- We are waiting to get the chassis for our wild land replacement engine. He said he anticipates that will be sometime next year before that comes.
- Jarett Waite asked how the approach on the Rachel Drive Station is working.
- Chief Hancey said it is much better.

Dustin Mouritsen

- The Public Works Department started the storm drain down on the west end of Arrowhead Trail and are about 2/3 the way through the project. There were a lot of existing utilities in the way. He complimented the crew and said that Casey is doing a great job.
- He talked about the customer portal that allows residents to look at their water and electrical usage. That would cost about \$26,000 with reoccurring yearly charges for software upgrades for \$12,500. He said if that were something the Council would like to consider he can bring it to the Budget Retreat, and we could look at it then.
- He presented a concept plan today to the MPO for the Western Corridor for the environmental and design. He got some good feedback from them. That should be looked at by December 1 to see if the Board decides to move forward with that. Once it goes through our committee it will be sent to the tech.
- Mayor Rosenberg said then probably for the December meeting is when he needs to rally the troops.

Gary Hall

- He said our crews have been working really hard. He appreciates them and Eric has done an amazing job. They appreciate the backing of the Council and Mayor and Staff.
- The crews completed the bi-annual maintenance at the Veyo Plant a couple of weeks ago.
- The crews removed the radiator from Engine 2 and gen end from Engine 1 and they are getting repaired. We should have those back on-line by the first of the year.
- Mark Marshall has turned in his resignation so we need to hire another full-time journeyman lineman.
- This week has been the IPSA Hot Line School. It is a weeklong scout camp for lineman, and they also have a rodeo/competition. Our apprentice, Thomas, competed and he is doing really well.
- We received the quotes for the Hassell Substation upgrade and should be awarding that by the end of the week.
- We can get a grant through the Department of Environmental Quality and they will do a 50% cost share if we want to put EB charging stations around Santa Clara. He and Jim McNulty are going to meet tomorrow to discuss this a little bit more. He asked if Council would like to see this go into the city. They have about \$2 million to divvy out. He said it might be a good idea to offer that in our city.
- Ben Shakespeare asked where Gary thinks would be the best locations.
- Gary Hall said they are going to talk to Harmon's. Harmon's is actually putting this in themselves in some of their locations. We might be able to do a partnership with Harmon's. Another good location might be Gubler Park. He said he had a meeting with Hunt Electric and they have a department based on renewable sources. He will get him

some information tomorrow so we can go over the cost. There is revenue available for it also. There is no State regulation on how much we could charge. We could charge enough to cover the cost of the energy and then some.

- Brock Jacobsen said another location we talked about was the west side of Dutchman's.
- Mayor Rosenberg suggested talked to Austin Anderson about the area next to Lammy's.
- Ben Shakespeare asked about having some here at Town Hall.
- Mayor Rosenberg said they need to be somewhere where the people have something to do while they are waiting to charge.
- Gary Hall said we can get different stations. Level 1 is like a trickle charge such as for homes that takes overnight, Level 2 that might take an hour or two to charge fully and Level 3 that takes a half an hour to an hour to charge fully. In areas like Harmon's, we would probably go with a Level 2 or 3.
- Jarett Waite said he used one when he went to Park City and there was no charge. People can just use it.
- Gary Hall explained how this work. He said he will get Council more information. UAMPS said there might be an additional grant for these through the Federal Government for an additional 25%.
- UAMPS will not be charging us for the lost revenue from buying from the PX (Power Exchange). They will absorb that.
- Our Christmas lights should be here by Nov. 7.

Cody Mitchell

- For FY 2021-22 we are at 49 home permits, new home permit plan reviews that are in process is 16, various permits, accessory buildings, awnings, swimming pools are 11 for the month of October, various other permits in review processes are 7, solar permits - 1. There are currently 360 active building permits in Santa Clara City. For the month of October there were 269 building inspections and storm water inspections conducted. Scott Bannon has 15 work order entries for code enforcement, 1 nuisance Court case, 1 dam inspection, 4 City facility inspections, 9 storm water subdivision inspections, 1 notice of intent received, and 1 news article written. He talked about building maintenance. The geothermal pump was noisy and that was switched out.

Jim McNulty

- There was a Planning Commission meeting in October, and they had four items that were brought to Council last week. They have a Planning Commission meeting on Nov. 9. They will be discussing fences and walls and are moving forward with a Public Hearing with the Planning Commission in December and coming back to the Council after that to make some amendments to the Fence and Wall Ordinance. He meets weekly with Matt Ence and Brock Jacobsen and Scott Bannon to discuss issues. He said today they talked about the ADU and bringing the ADU changes back that we discussed last week. That may come to Council in December if we can get it on the December agenda with the Planning Commission.
- The owner of Quench called yesterday, and she is hoping to get that open really soon.
- Leina Mathis asked Jim to check and make sure that all the Planning Commissioners have met their education requirements in the year.
- Jim McNulty said he will check with Selena tomorrow and see where they are at.
- Leina Mathis said the Mo'Bettah's just opened and asked if there have been any concerns

or complaints regarding the drive-up and how it is positioned.

- Brock Jacobsen said it hasn't been operating long enough to get complaints.
- Leina Mathis said her concern is the exiting part.
- Brock Jacobsen said he will take a look at it tomorrow.

Mayor Rosenberg

- He thanked the Staff and asked if any of the Council was going to the Water Summit. The Water Summit is Tuesday, Nov. 9 at 5:30 at the Dixie Center. He said we need to Notice the meeting. The County doesn't want it Noticed until Nov. 8.

Brock Jacobsen

- The City Council needs to RSVP for the City Christmas Party on Dec. 2.

4. Adjournment:

Meeting Adjourned at 8:41 p.m.

Chris Shelley – City Recorder

Date Approved: _____

**Santa Clara City, Utah
Municipal General Election
November 2, 2021**

Summary of Ballots Cast – 4,503 Active Registered Voters

	Votes	Additional	Turnout
Unofficial Election Night 11/02/2021	1,311	0	29.11%
Supplemental Count 11/03/2021	1,568	257	34.82%
Supplemental Count 11/09/2021	1,579	11	35.07%
Official Election Results	1,579	268	35.07%

By Mail Ballot Summary

Ballots Returned and Counted	1,579
Ballots not Counted (see below)	167
Provisionals not Counted (see below)	0
TOTAL Ballots	1,746

Reasons for not counting	Qty
Returned Past Deadline	4
Undeliverable	123
Ballots not CURED	40
Needs ID	0
Provisional Ballots not counted	0
<u>Totals</u>	<u>167</u>

Each voter whose ballot was not counted was notified of the reason their ballot was not counted and given instructions on how to correct the deficiency.

Provisional Ballot Summary Qty

Provisional Ballots Cast	3
Provisional Ballots Counted	3
Ballots Not Counted	<u>0</u>
Invalid	
Incomplete Application	
Already Voted	
No Proof of Residency	
No ID	

<u>In Person Voting</u>	<u>Qty</u>
Santa Clara Residents	49

STATISTICS

TOTAL

Election Day Precincts Reporting	4 of 4
Registered Voters - Total	4,503
Ballots Cast - Total	1,579
Ballots Cast - Blank	1
Voter Turnout - Total	35.07%

Summary Results Report
Municipal General Election
November 2, 2021

OFFICIAL RESULTS

Precinct Summary

SC71

STATISTICS

TOTAL

Registered Voters - Total 1,437

Santa Clara City Mayor

Vote For 1

	TOTAL	VOTE %
RICK T ROSENBERG	408	100.00%
Overvotes	0	
Undervotes	35	
Contest Totals	443	

Santa Clara City Council

Vote For 2

	TOTAL	VOTE %
JIMI KESTIN	138	17.69%
BEN SHAKESPEARE	306	39.23%
CHRISTA HINTON	336	43.08%
Overvotes	0	
Undervotes	106	
Contest Totals	886	

Summary Results Report
Municipal General Election
November 2, 2021

OFFICIAL RESULTS

Precinct Summary

SC72

STATISTICS

TOTAL

Registered Voters - Total 735

Santa Clara City Mayor

Vote For 1

	TOTAL	VOTE %
RICK T ROSENBERG	246	100.00%
Overvotes	0	
Undervotes	19	
Contest Totals	265	

Santa Clara City Council

Vote For 2

	TOTAL	VOTE %
JIMI KESTIN	93	20.17%
BEN SHAKESPEARE	167	36.23%
CHRISTA HINTON	201	43.60%
Overvotes	0	
Undervotes	69	
Contest Totals	530	

Summary Results Report
Municipal General Election
November 2, 2021

OFFICIAL RESULTS

Precinct Summary

SC73

STATISTICS

TOTAL

Registered Voters - Total 1,044

Santa Clara City Mayor

Vote For 1

	TOTAL	VOTE %
RICK T ROSENBERG	333	100.00%
Overvotes	0	
Undervotes	32	
Contest Totals	365	

Santa Clara City Council

Vote For 2

	TOTAL	VOTE %
JIMI KESTIN	130	19.61%
BEN SHAKESPEARE	219	33.03%
CHRISTA HINTON	314	47.36%
Overvotes	0	
Undervotes	67	
Contest Totals	730	

Summary Results Report
Municipal General Election
November 2, 2021

OFFICIAL RESULTS

Precinct Summary

SC74

STATISTICS

TOTAL

Registered Voters - Total 1,287

Santa Clara City Mayor

Vote For 1

	TOTAL	VOTE %
RICK T ROSENBERG	443	100.00%
Overvotes	0	
Undervotes	63	
Contest Totals	506	

Santa Clara City Council

Vote For 2

	TOTAL	VOTE %
JIMI KESTIN	201	22.14%
BEN SHAKESPEARE	286	31.50%
CHRISTA HINTON	421	46.37%
Overvotes	0	
Undervotes	104	
Contest Totals	1,012	

Santa Clara City
Municipal General Election
November 2, 2021

OFFICIAL RESULTS

Summary

Santa Clara City Mayor

Vote For 1

	TOTAL	VOTE %
RICK T ROSENBERG	1,430	100.00%
Overvotes	0	
Undervotes	149	
Contest Totals	1,579	

Santa Clara City Council

Vote For 2

	TOTAL	VOTE %
JIMI KESTIN	562	19.99%
BEN SHAKESPEARE	978	34.78%
CHRISTA HINTON	1,272	45.23%
Overvotes	0	
Undervotes	346	
Contest Totals	3,158	

Mayor

Rick Rosenberg

City Manager

Brock Jacobsen



City Council

Denny Drake

Wendell Gubler

Leina Mathis

Ben Shakespeare

Jarett Waite

CITY COUNCIL

Meeting Date: November 10, 2021 Agenda Item: 2

Applicant: Gary Hall

Requested by: GARY HALL

Subject:
Uamps Risk

Description: Management Policy

This document is to allow Gary Hall, Brock Jacobsen, Erik Campbell and Kristelle Hill access to, and the ability to purchase and/or sell power on the UAMPS power exchange portal for the city's energy needs. The attached document shows the old one that Jack Taylor signed, we left the transaction amount of \$200,000.00 the same.

Recommendation: Approval

Cost: NA

Legal Approval: N/A

Finance Approval: N/A

Budget Approval: N/A

Attachments:

https://sccity.org/wp-content/uploads/formidable/41/Member-Risk-Management-_2021_Santa-Clara.pdf,

<https://sccity.org/wp-content/uploads/formidable/41/Memeber-Reisk-Managment-Policy-April-2001.pdf>

UAMPS Power Exchange Member Risk Management Policy

Recitals:

The electric utility industry is presently in transition from a highly regulated industry to a deregulated industry. The development of competitive wholesale electric power markets presents both risks and benefits for municipally-owned electric utilities, such as the municipal electric utility system (the "System") owned and operated by the City of Santa Clara (the "City"). Such risks include, among other things, price volatility, reliability and counterparty performance in wholesale power markets. Such benefits include, in particular, the opportunity to reduce, and to ensure the continued stability of, the costs of purchased power and energy paid by the City. In addition, the potential for direct access legislation and customer choice requires the City to accurately match its future power supply resources with its future retail service requirements in order to avoid unrecoverable fixed costs and other stranded investments.

The City is one of the members (the "Members") of Utah Associated Municipal Power Systems, a political subdivision of the State of Utah ("UAMPS"), organized under the provisions of the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Act"). The City now purchases all or a portion of its external supply of electric power and energy from or through UAMPS. UAMPS presently operates a power pool (the "Power Pool") pursuant to those certain Pooling Agreements (the "Pooling Agreements") between UAMPS and each of its Members. The Power Pool provides a mechanism for the economic scheduling and utilization of the electric power and energy resources available to the members of UAMPS. Pursuant to an Appendix to each of the Pooling Agreements (the "PX Appendix") and as a component of its Power Pool, UAMPS has now established its Power Exchange (the "PX") which enables each of the Members of UAMPS to enter into forward transactions with one another and with UAMPS for the purchase, sale and exchange of firm electric power and energy.

Purpose and Authority:

The City has adopted and approved this Risk Management Policy to (1) authorize, confirm, ratify and approve the execution and performance by the City of the PX Appendix, (2) set forth the principles governing its risk management activities, the transactions that may be utilized to manage risks, (3) establish procedures for the periodic review of those risk management transactions that are entered into by the City and (4) expressly prohibit certain activities.

This Risk Management Policy has been adopted and approved pursuant to the City's power and authority under the laws of the State of Utah, including without limitation, the provisions of the Act and Titles 10 and 55, Utah Code Annotated 1953, as amended, to own and operate the System, to purchase, sell and exchange electric power and energy and to take all actions necessary for the prudent operation and management of the System.

Authorization of Transactions in UAMPS PX:

The execution and delivery of the PX Appendix by the City's designated representative to UAMPS is hereby authorized, approved, confirmed and ratified. All payments and expenses incurred by the City as a result of any transaction made by it under the PX Appendix shall constitute an operating expense of the System and a cost of purchased electric power and energy and shall in no event constitute a general obligation liability or indebtedness of the City under the laws of the State of Utah. Any receipts and income realized by the City as a result of any transaction made by it under the PX Appendix shall be deposited into the City's electric utility enterprise fund.

The risk management transactions within the UAMPS PX that are authorized by this Risk Management Policy include the purchase and sale of electric power and energy through the UAMPS PX in order to reduce those price, reliability and counterparty risks that are present in competitive, deregulated wholesale power markets and to enable the City to match its generating resources and wholesale power supply sources with the requirements of the customers served by the System.

Risk Management Policy:

The City will enter into transactions within the UAMPS PX only to the extent that such activities and instruments are consistent with, and in furtherance of, the prudent and businesslike operation of the System and its power supply requirements and resources. Only existing and reasonably forecasted power supply loads and resources will be the basis for transactions by the City within the UAMPS PX.

The purchase and sale of electric power and energy by the City in future periods, to the extent consistent with this Risk Management Policy, within the UAMPS PX is hereby authorized and approved. This authorization and approval is based upon, among other things, the City's participation in the governance of UAMPS and of the operation of the PX, the stability and credit standing of UAMPS and the members of UAMPS participating in the PX and the limited forward period for transactions within the PX.

_____; _____; _____;
_____; _____; _____ is/are hereby designated as the City's "Power Exchange Representative(s)" for purposes of the PX Appendix, shall have daily responsibility for supervising the risk management activities of the City and is hereby authorized to enter into risk management transactions within the UAMPS PX with an aggregate notional value not exceeding \$ _____ and a maximum forward period not exceeding _____ months. The Power Exchange Representative shall report not less frequently than monthly to the City Council of the City with respect to all risk management transactions entered into by the City.

Prohibited Transactions:

The use of any of the risk management activities and instruments described herein for the purpose of speculating on future prices of electric power and energy or for the purpose of trading

solely to generate profits is prohibited. No officer and employee of the City shall directly or indirectly own or trade in, for his or her personal account, any risk management or financial contract relating to electric power and energy, whether within the UAMPS PX or otherwise.

Adopted and approved this ____ day of _____, 2021.

CITY OF SANTA CLARA

By _____
Mayor

[Seal]

Attest:

City Recorder

**UAMPS Power Exchange
Member Risk Management Policy**

RECEIVED

MAR 26 2001

U.A.M.P.S.

Recitals:

The electric utility industry is presently in transition from a highly regulated industry to a deregulated industry. The development of competitive wholesale electric power markets presents both risks and benefits for municipally-owned electric utilities, such as the municipal electric utility system (the "System") owned and operated by the City of Santa Clara, Utah (the "City"). Such risks include, among other things, price volatility, reliability and counterparty performance in wholesale power markets. Such benefits include, in particular, the opportunity to reduce, and to ensure the continued stability of, the costs of purchased power and energy paid by the City. In addition, the potential for direct access legislation and customer choice requires the City to accurately match its future power supply resources with its future retail service requirements in order to avoid unrecoverable fixed costs and other stranded investments.

The City is one of the members (the "Members") of Utah Associated Municipal Power Systems, a political subdivision of the State of Utah ("UAMPS"), organized under the provisions of the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Act"). The City now purchases all or a portion of its external supply of electric power and energy from or through UAMPS. UAMPS presently operates a power pool (the "Power Pool") pursuant to those certain Pooling Agreements (the "Pooling Agreements") between UAMPS and each of its Members. The Power Pool provides a mechanism for the economic scheduling and utilization of the electric power and energy resources available to the members of UAMPS. Pursuant to an Appendix to each of the Pooling Agreements (the "PX Appendix") and as a component of its Power Pool, UAMPS has now established its Power Exchange (the "PX") which enables each of the Members of UAMPS to enter into forward transactions with one another and with UAMPS for the purchase, sale and exchange of firm electric power and energy.

Purpose and Authority:

The City has adopted and approved this Risk Management Policy to (1) authorize, confirm, ratify and approve the execution and performance by the City of the PX Appendix, (2) set forth the principles governing its risk management activities, the transactions that may be utilized to manage risks, (3) establish procedures for the periodic review of those risk management transactions that are entered into by the City and (4) expressly prohibit certain activities.

This Risk Management Policy has been adopted and approved pursuant to the City's power and authority under the laws of the State of Utah, including without limitation, the provisions of the Act and Titles 10 and 55, Utah Code Annotated 1953, as amended, to own and operate the System, to purchase, sell and exchange electric power and energy and to take all actions necessary for the prudent operation and management of the System.

Authorization of Transactions In UAMPS PX:

The execution and delivery of the PX Appendix by the City's designated representative to UAMPS is hereby authorized, approved, confirmed and ratified. All payments and expenses incurred by the City as a result of any transaction made by it under the PX Appendix shall constitute an operating expense of the System and a cost of purchased electric power and energy and shall in no event constitute a general obligation liability or indebtedness of the City under the laws of the State of Utah. Any receipts and income realized by the City as a result of any transaction made by it under the PX Appendix shall be deposited into the City's electric utility enterprise fund.

The risk management transactions within the UAMPS PX that are authorized by this Risk Management Policy include the purchase and sale of electric power and energy through the UAMPS PX in order to reduce those price, reliability and counterparty risks that are present in competitive, deregulated wholesale power markets and to enable the City to match its generating resources and wholesale power supply sources with the requirements of the customers served by the System.

Risk Management Policy:

The City will enter into transactions within the UAMPS PX only to the extent that such activities and instruments are consistent with, and in furtherance of, the prudent and businesslike operation of the System and its power supply requirements and resources. Only existing and reasonably forecasted power supply loads and resources will be the basis for transactions by the City within the UAMPS PX.

The purchase and sale of electric power and energy by the City in future periods, to the extent consistent with this Risk Management Policy, within the UAMPS PX is hereby authorized and approved. This authorization and approval is based upon, among other things, the City's participation in the governance of UAMPS and of the operation of the PX, the stability and credit standing of UAMPS and the members of UAMPS participating in the PX and the limited forward period for transactions within the PX.

Jack Taylor is hereby designated as the City's "Power Exchange Representative" for purposes of the PX Appendix, shall have daily responsibility for supervising the risk management activities of the City and is hereby authorized to enter into risk management transactions within the UAMPS PX with an aggregate notional value not exceeding \$ 200,000 and a maximum forward period not exceeding 6 months. The Power Exchange Representative shall report not less frequently than monthly to the City Council of the City with respect to all risk management transactions entered into by the City.

Prohibited Transactions:

The use of any of the risk management activities and instruments described herein for the purpose of speculating on future prices of electric power and energy or for the purpose of trading

solely to generate profits is prohibited. No officer and employee of the City shall directly or indirectly own or trade in, for his or her personal account, any risk management or financial contract relating to electric power and energy, whether within the UAMPS PX or otherwise.

Adopted and approved this 14th day of March, 2001.

CITY OF SANTA CLARA, UTAH

By _____
Mayor

[Seal]

Attest:

City Recorder

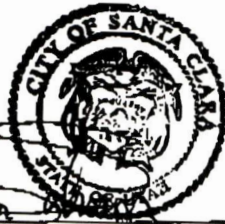


EXHIBIT A
One Utah Mutual Assistance Agreement
Primary Contact Information

Rocky Mountain Power

[illegible]

Utah Rural Electric Cooperative Association

[illegible]

Community Owned Utilities

[illegible]

Community Owned Utilities (continued)

[illegible]

Mayor

Rick Rosenberg

City Manager

Brock Jacobsen



City Council

Denny Drake

Wendell Gubler

Leina Mathis

Ben Shakespeare

Jarett Waite

CITY COUNCIL

Meeting Date: November 10, 2021 Agenda Item: 3

Applicant: Gary Hall

Requested by: GARY HALL

Subject: One Utah Mutual Aid

Description: Agreement

This is a mutual aid agreement between Rocky Mountain Power and community owned utilities for aid with labor, material and equipment in the case of emergencies or natural disasters.

Recommendation: Approval

Cost: NA

Legal Approval: No

Finance Approval: Yes

Budget Approval: N/A

Attachments:

<https://sccity.org/wp-content/uploads/formidable/41/FINAL-ONE-UTAH-MUTUAL-ASSISTANCE-AGREEMENT-.docx>,

<https://sccity.org/wp-content/uploads/formidable/41/EXHIBIT-A-Mutual-Aid-Agreement.docx>

**ONE UTAH MUTUAL ASSISTANCE AGREEMENT
FOR THE PROVISION OF MUTUAL AID BETWEEN ELECTRICAL UTILITIES**

This One Utah Mutual Assistance Agreement for the Provision of Mutual Aid Between Electrical Utilities (“**Agreement**”) is entered into by and between PacifiCorp dba Rocky Mountain Power (“**Rocky Mountain Power**”), the Utah Rural Electric Cooperative Association (“**URECA**”); and entities, as indicated on a signature page to this Agreement, which belong to URECA (“**URECA Members**”), and publicly owned electric utilities (“**Publicly Owned Utilities**”); as indicated on a signature page to this Agreement. Each of Rocky Mountain Power, URECA, URECA Members, and Community Owned Utilities are individually referred to as a “**Party**” and together as the “**Parties.**” The Agreement shall be effective as to a Party as of the date that such Party has executed the Agreement, as indicated on that Party’s signature page.

WHEREAS, as an association of its members, URECA represents 8 electric power distribution cooperatives and one generation and transmission cooperatives, who are the URECA Members and who provide electricity to over 70,000 homes, businesses, ranches, and farms across the state of Utah;

WHEREAS, Rocky Mountain Power is a regulated electric utility which provides electric utility services to captive customers within franchised service areas in Utah and is subject to the oversight of regulatory authorities, including the Utah Public Service Commission and the Federal Energy Regulatory Commission (FERC);

WHEREAS, Publicly Owned Utilities are municipally owned electric utilities, electric improvement districts and electric interlocal entities that provide electricity to their consumers within their service territories;

WHEREAS, in the event of an emergency, a Party may desire mutual aid or assistance from another Party, which may involve the provision of goods, services and/or specialized resources, or the emergency interchange of equipment or goods by one Party to the other; and,

WHEREAS, it is in the mutual interest of the Parties to be prepared to provide for emergency repair and restoration to services, systems and facilities on a reciprocal basis, and the purpose of this Agreement is to provide the procedures under which one Party may request and receive assistance from another Party.

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, the Parties agree as follows:

ARTICLE 1. PROVISION OF EMERGENCY ASSISTANCE

In the event of an emergency impacting the electric services of a Party, such Party (the “**Requesting Party**”) may request another Party (the “**Assisting Party**”) to provide assistance. The request for assistance shall be made to the contact listed on Exhibit A, either in an email to the email address listed on Exhibit A or by phone and then confirmed with an email to the email address listed on Exhibit A. In the request, the Requesting Party shall set forth, to the extent reasonably practicable, the nature and scope of the assistance which is requested. The Assisting Party shall, in its sole discretion, determine if it shall provide assistance, including the extent and limitations of such assistance. The Assisting Party is not required to provide any assistance to the detriment of the Assisting Party’s service;

and the Assisting Party reserves the right, even after assistance has been initiated, to recall any and all personnel, material, equipment, supplies, and/or tools, at any time that the Assisting Party determines necessary for its own operations.

ARTICLE 2. SAFETY

The Assisting Party's safety rules shall apply to all work done by the Assisting Party. Unless mutually agreed otherwise, the Requesting Party's switching and tagging rules should be followed to ensure consistent and safe operation. Any questions or concerns arising about any safety rules and/or procedures should be brought to the proper level of management for prompt resolution prior to the work in question being performed.

ARTICLE 3. CHARGES FOR ASSISTANCE

The Requesting Party shall make payment to the Assisting Party for all costs associated with the furnishing of assistance provided by the Assisting Party. Charges by the Assisting Party shall be at the Assisting Party's then current rates at the time of work (and not a prevailing rate or other rate charged by other utilities). Charges for assistance will begin when a request for mobilization of assistance is submitted by the Requesting Party to the Assisting Party; provided, however, costs associated with pre-notification of a potential need for assistance or gathering of information associated with responding to a request for mutual assistance will not be charged to the Requesting Party. The Requesting Party shall be responsible for all reasonable costs and expenses incurred by the Assisting Party in rendering assistance, as normally calculated in rendering emergency assistance in the electric utility industry. Unless otherwise agreed upon, the Requesting Party shall be responsible for providing food and lodging for the personnel of the Assisting Party from the time of their arrival at the designated location to the time of their departure. In the event that the mutual assistance consists only of the interchange of a good, the Requesting Party shall reimburse the Assisting Party the replacement cost of the transferred good. Prior to submitting a request of assistance, a Requesting Party may request that the Assisting Party provide in writing the Assisting Party's then current rates which would be used for billing charges under this Agreement

ARTICLE 4. PAYMENT

The Assisting Party will bill the Requesting for mutual assistance rendered under this Agreement using the Assisting Party's normal invoicing procedures. Payments for mutual assistance shall be made by the Requesting Party within 60 days of receipt of an invoice.

ARTICLE 5. ACCOUNTING AND AUDITING

Providing Parties shall maintain such books and records as are necessary to support the charges for mutual assistance, in sufficient detail as may be necessary to enable the Parties to satisfy applicable regulatory requirements ("**Records**"). All Parties shall (a) maintain the Records in accordance with good record management practices and with at least the same degree of completeness, accuracy, and care as it maintains for its own records and (b) maintain its own accounting records, separate from the other Parties' accounting records. Subject to the provisions of this Agreement, Records supporting mutual assistance billings shall be available for inspection and copying by any qualified representative or agent of a Party, at the expense of the inquiring Party. In addition, FERC or state commission staff or agents may audit the accounting records that form the basis for charges for emergency assistance. All

Parties agree to cooperate fully with such audits.

ARTICLE 6. COOPERATION

The Parties will use good faith efforts to cooperate with each other in all matters related to the provision and receipt of mutual assistance. Such good faith cooperation will include using commercially reasonable efforts to obtain all consents, licenses, sublicenses, or approvals necessary to permit each Party to perform its obligations. Each Party shall make available to another Party any information required or reasonably requested by the Party related to the provision of mutual assistance and shall be responsible for timely provision of said information and for the accuracy and completeness of the information; provided, however, that a Party shall not be liable for not providing any information that is subject to a confidentiality obligation or a regulatory obligation not to disclose or be a conduit of information owned by it to a person or regulatory body other than the other Party. The Parties will cooperate with each other in making such information available as needed in the event of any and all internal or external audits, utility regulatory proceedings, legal actions, or dispute resolution. Each Party shall fully cooperate and coordinate with each other's employees and contractors in the performance or provision of mutual assistance. The Parties shall not commit or permit any act that will interfere with the performance or receipt of mutual assistance by any Party's employees or contractors.

The Agreement to render aid is expressly not contingent upon a declaration of a major disaster or emergency by the federal government or upon receiving federal funds.

The Parties agree to prepare and share local operational primary contact information from each Party as attached in Exhibit A to this Agreement to assist in the communication of an emergency and the request for assistance. On an annual basis, the Parties agree to update and circulate the primary contact information.

ARTICLE 7. COMPLIANCE WITH ALL LAWS

Each Party shall be responsible for (a) its compliance with all laws affecting its business, including, but not limited to, laws and governmental regulations governing federal and state affiliate transactions, workers' compensation, health, safety and security; (b) pursuant to the provisions of the applicable mutual aid agreement, any use it may make of the mutual assistance to assist it in complying with such laws and governmental regulations; and (c) compliance with FERC's Standards of Conduct, Market-Based Rate Affiliate Restrictions, and any comparable restrictions imposed by FERC or a State Commission.

ARTICLE 8. TERMINATION FOR CONVENIENCE

Any Party may terminate its participation in this Agreement either with respect to all, or part, of the mutual assistance provided hereunder at any time and from time to time, for any reason or no reason, by giving written notice of termination to the other Party.

ARTICLE 9. SUBCONTRACTORS

To the extent provided herein, the Parties shall be fully responsible for the acts or omissions of any subcontractors of any tier and of all persons employed by such subcontractors and shall maintain

complete control over all such subcontractors, it being understood and agreed that anything not contained herein shall not be deemed to create any contractual relation between the subcontractor of any tier and the Parties.

ARTICLE 10. ADDING FUTURE PARTIES

Electric distribution entities operating in Utah may join this Mutual Assistance Agreement by following the procedures in this section without the necessity of amending this Agreement. Future electric parties are admitted upon signing the Agreement and completing the contact information in Exhibit A. Newly admitted parties shall have equal participation with all existing parties.

ARTICLE 11. AUTHORIZATION

Each of the Parties hereby represents and warrants that it is authorized to enter into this Agreement and that, upon execution, the terms of the Agreement are binding upon the Parties.

ARTICLE 12. LIABILITY

a. Indemnity. The Requesting Party shall defend, indemnify and hold harmless the Assisting Party, its directors, officers, agents, employees, successors and assigns from and against any and all liability, damages, losses, claims, demands actions, causes of action, and costs including reasonable attorneys' fees and expenses, resulting from the death or injury to any person or damage to any property, which results from the furnishing of Assistance by the Assisting Party, unless such death or injury to person, or damage to property, is caused by the gross negligence or willful misconduct of the Assisting Party.

b. Limitation on Damages. No Party shall be liable to another Party for any incidental, indirect, or consequential damages, including, but not limited to, under-utilization of labor and facilities, loss of revenue or anticipated profits, or claims of customers arising out of supplying electric or natural gas service, resulting from performance or nonperformance of the obligations under this Agreement.

c. Limitation on Warranty. The vehicles or equipment which the Assisting Party shall provide to the Requesting Party shall not, to the actual knowledge of Assisting Party, be provided in unsafe operating condition, as represented by manufacturer standards and industry practices. EXCEPT AS EXPRESSLY PROVIDED IN THE PREVIOUS SENTENCE, THE ASSISTING PARTY MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE CONDITION, SUITABILITY FOR USE, FREEDOM FROM DEFECT OR OTHERWISE OF SUCH VEHICLES OR EQUIPMENT. THE REQUESTING PARTY SHALL USE ANY VEHICLES AND EQUIPMENT PROVIDED IN RENDERING ASSISTANCE AT ITS OWN RISK.

ARTICLE 13. INSURANCE

During the term of this Agreement each party shall procure and maintain the following insurance coverages with insurers with a minimum A.M. Best rating of A-7 or through an acceptable public agency insurance mutual, at its own expense (except as otherwise provided herein):

(i) Commercial general liability insurance with limits of not less than \$3,000,000 combined single limit liability insurance, or on occurrence basis, for personal injury, bodily injury, death property

damage, and coverage for products and completed operations;

(ii) Worker's compensation insurance with statutory limits and employer liability in the amount of \$100,000;

(iii) Automobile liability insurance covering all owned, hired and non-owned motor vehicles with a combined bodily injury and property damage single limit of not less than \$1,000,000; and

(iv) Excess liability coverage in amounts not less than \$2,000,000.

All parties may meet this obligation via any combination of insurance, self-insurance or deductibles to satisfy all of its requirements under the Article 13.

ARTICLE 14. GOVERNMENTAL IMMUNITY

This Agreement shall not be construed as a waiver of Parties' governmental immunity as applicable and as provided for in Utah Code Ann. § 63G-7-100 et seq._

ARTICLE 15. MISCELLANEOUS

a. No Waiver. The failure of a Party to insist upon or enforce strict performance of any of the terms of this Agreement or to exercise any rights herein shall not be construed as a waiver or relinquishment to any extent of its right to enforce such terms or rights on any future occasion.

b. Choice of Law. This Agreement shall be construed under the laws of the state of Utah.

c. Dispute Resolution. If the Requesting Party disputes any charge invoiced by the Assisting Party under this Agreement, the Requesting Party may pay under protest. The protest must be made in writing at the time payment is made. If a payment is made under protest, the Parties shall exchange their respective Records related to the charge(s) at issue and attempt to resolve the dispute through good faith negotiations. If the Parties are unable to resolve any disputed charge after ninety (90) days, the Parties agree to attend an in-person mediation, with a mutually agreeable mediator. No Party may initiate any legal action with respect to the disputed charge until after a mediation has occurred (or a Party refuse to mediate, in contravention of the provisions in this paragraph).

d. Jury Waiver. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

e. Severability. Any provision of this Agreement prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

f. Relationship of Parties and No Third-Party Rights. This Agreement does inure to the benefit of the Parties, but does not otherwise create any joint venture, partnership, undertaking, or business arrangement between the Parties nor any rights or benefits to third parties.

g. Amendments and/or Modifications. Any amendment or modification of this Agreement, or additional obligation assumed by any Party in connection with this Agreement, shall be effective only

if placed in writing and signed by all Parties or by authorized representatives of each Party.

h. Entire Agreement. All understandings, representations, warranties, agreements and referenced attachments, if any, existing between the Parties regarding the subject matter hereof are merged into this Agreement, which fully and completely express the agreement of the Parties with respect to the subject matter hereof.

i. Counterparts. This Agreement may be executed in one or more counterparts (including counterparts delivered by facsimile or other electronic means), each of which will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same agreement.

[signature pages follow]

SIGNATURE PAGE

This blank form signature page for the One Utah Mutual Assistance Agreement for the Provision of Mutual Aid Between Electrical Utilities, which has been executed by PacifiCorp dba Rocky Mountain Power and URECA, is intended for use by any URECA Members and any Publicly Owned Utilities, and the duly authorized officers or representatives of such entities have executed this One Utah Mutual Assistance Agreement for the Provision of Mutual Aid Between Electrical Utilities, with the intent to be legally bound as of the date set forth below.

NAME OF ENTITY: PacifiCorp DBA Rocky Mountain Power

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Dixie Power

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Garkane Energy

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Moon Lake Electric

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Raft River Electric

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Spanish Fork City

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Provo City

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Levan City

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Nephi City

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Salem City

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Manti City

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: South Utah Valley Electric Service District

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: Morgan City

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: _____

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: _____

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: _____

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: _____

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: _____

By: _____ Date: _____

Print Name: _____

Title: _____

NAME OF ENTITY: _____

By: _____ Date: _____

Print Name: _____

Title: _____

EXHIBIT A
One Utah Mutual Assistance Agreement
Primary Contact Information

Rocky Mountain Power

Regions/Cities	Name	Title	Office Phone	Mobile Phone	Email

Utah Rural Electric Cooperative Association

Cooperatives	Name	Title	Office Phone	Mobile Phone	Email

Community Owned Utilities

Cities/Utilities	Name	Title	Office Phone	Mobile Phone	Email

Community Owned Utilities (continued)

[illegible]

Mayor

Rick Rosenberg

City Manager

Brock Jacobsen



City Council

Denny Drake

Wendell Gubler

Leina Mathis

Ben Shakespeare

Jarett Waite

CITY COUNCIL

Meeting Date: November 10, 2021 **Agenda Item:** 4

Applicant: Santa Clara City Power Department

Requested by: Gary Hall

Subject: Santa Clara Electric Department Cost of Service and Rate Design

Description:

- Review Electric Department
- Financial Projections & Target
- Debt Coverage Ratio
- Minimum Cash
- Target Operating Income
- Review Cost of service results
- Monthly Customer Charges
- Usage Charges
- Discussion Items
- Power Cost Adjustment
- Rate Design

Recommendation: Approval

Cost: N/A

Legal Approval: N/A

Finance Approval: Yes

Budget Approval: Yes

Attachments:

<https://sccity.org/wp-content/uploads/formidable/41/Santa-Clara-ECOS-Draft-Results-V9.pptx>

**CITY OF SANTA CLARA
RESOLUTION NO. 2021-10R**

A RESOLUTION AMENDING THE CITY OF SANTA CLARA RESIDENTIAL AND COMMERCIAL ELECTRIC SERVICE RATES; AND ESTABLISHING AN EFFECTIVE DATE

WHEREAS, Santa Clara City finds it necessary from time to time to amend/adjust fee schedules to cover the true cost of services rendered; and

WHEREAS, the costs of providing electrical service to residents of the city have increased; and

WHEREAS, Santa Clara City has an obligation to comply with its Electric Revenue Bond Debt Service Coverage Covenants which state that “while any of the principal and interest on the Bonds are outstanding and unpaid the rates including connection fees, for all services supplied by the System to the Issuer and its inhabitants and to all customers within or without the boundaries of the Issuer, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year of not less than 125% of the Aggregate Annual Debt Service and for funding of our Renewal Replacement.

WHEREAS, in such event the Bond Indentures provide that the Issuer shall “revise the schedule of rates, charges and fees insofar as is practicable so as to produce the necessary Net Revenues”.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Clara, Utah, that the commercial and residential utility rates of the City of Santa Clara, Utah are hereby amended as shown in the attached Exhibit “A” and said rates will become effective with the billing cycle beginning on or about Nov. 15, 2021:

Exhibit A

This Resolution shall become effective immediately upon adoption, recording, and posting in the manner prescribed by law.

ADOPTED by a duly constituted quorum of the Santa Clara City Council this 10th day of November 2021.

IN WITNESS THERETO:

RICK ROSENBERG, Mayor

ATTEST:

CHRIS SHELLEY, City Recorder

Santa Clara - Exhibit A

3- Year Rate Summary



Residential (101)	Current	2022	2023	2024
Monthly Facilities Charge	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Energy Charge Block 1 (0-500 kWh)	\$ 0.08740	\$ 0.08998	\$ 0.09262	\$ 0.09533
Energy Charge Block 2 (501-1500 kWh)	\$ 0.08850	\$ 0.09111	\$ 0.09379	\$ 0.09653
Energy Charge Block 3 (1501+ kWh)	\$ 0.09850	\$ 0.10141	\$ 0.10439	\$ 0.10744
Class Increase		2.5%	2.5%	2.5%

Small Commercial (103)	Current	2022	2023	2024
Monthly Facilities Charge	\$ 25.00	\$ 26.50	\$ 28.00	\$ 29.50
Energy Charge Block 1 (0-1500 kWh)	\$ 0.08740	\$ 0.09194	\$ 0.09651	\$ 0.10139
Energy Charge Block 2 (1501+ kWh)	\$ 0.09850	\$ 0.09930	\$ 0.10037	\$ 0.10139
Class Increase		3.5%	3.5%	3.5%

Medium Commercial (104)	Current	2022	2023	2024
Monthly Facilities Charge	\$ 34.00	\$ 44.00	\$ 54.00	\$ 64.00
All Energy Charge	\$ 0.06670	\$ 0.06601	\$ 0.06546	\$ 0.06505
All Demand Charge	\$ 9.60	\$ 10.10	\$ 10.60	\$ 11.10
Class Increase		3.5%	3.5%	3.5%

Large Commercial (105)	Current	2022	2023	2024
Monthly Facilities Charge	\$ 87.00	\$ 125.00	\$ 165.00	\$ 200.00
All Energy Charge	\$ 0.05650	\$ 0.05384	\$ 0.05117	\$ 0.04865
All Demand Charge	\$ 10.55	\$ 11.55	\$ 12.55	\$ 13.55
Class Increase		1.8%	1.8%	1.8%

City of Santa Clara
Service Billing Register - 10/31/2020 to 10/31/2021

Account No.	Customer	Classification	Location	Service	Rate	Units	Quantity	Amount
90802	WASHINGTON COUNTY SCHOOL	CHURCH,SCH,GOVT	545 ARROWHEAD TRAIL	Electric kWh	EL - Commercial Large	12	315,520	43,591.64
121002	LDS CHURCH	CHURCH,SCH,GOVT	630 RIESLING AVENUE	Electric kWh	EL - Commercial Large	12	41,100	8,259.25
222001	WASHINGTON COUNTY SCHOOL	CHURCH,SCH,GOVT	2950 W. CRESTVIEW DRIVE	Electric kWh	EL - Commercial Large	12	251,700	33,109.32
404601	LDS CHURCH	CHURCH,SCH,GOVT	1750 DESERT DAWN DRIVE	Electric kWh	EL - Commercial Large	12	61,920	11,226.13
690003	LDS CHURCH	CHURCH,SCH,GOVT	3680 PIONEER PARKWAY	Electric kWh	EL - Commercial Large	12	50,200	9,214.80
940003	HARMONS CITY, INC	COMMERCIAL	3510 PIONEER PARKWAY	Electric kWh	EL - Commercial Large	12	3,006,800	226,817.88
950002	WASHINGTON COUNTY SCHOOL	CHURCH,SCH,GOVT	2425 RACHEL DRIVE	Electric kWh	EL - Commercial Large	12	1,009,320	113,998.68
980002	LDS CHURCH	CHURCH,SCH,GOVT	3815 RACHEL DRIVE	Electric kWh	EL - Commercial Large	12	38,000	7,572.19
2001179	LEADING TECH CONSTRUCTION	COMMERCIAL	2217 RACHEL DRIVE	Electric kWh	EL - Commercial Large	1	0	19.64
2001180	DOLLAR TREE STORES, INC 0857	COMMERCIAL	2217 RACHEL DRIVE	Electric kWh	EL - Commercial Large	10	73,680	7,616.69
2001325	GROUP, SHAKESPEARE DEVELO	COMMERCIAL	2220 RACHEL DRIVE	Electric kWh	EL - Commercial Large	4	34,680	3,707.69
2001326	BUCKS ACE	COMMERCIAL	2220 RACHEL DRIVE	Electric kWh	EL - Commercial Large	1	0	17.40
						112	4,882,920	465,151.31
514	LAMY'S MEXICAN GRILL	COMMERCIAL	2235 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	75,069	7,974.73
1108	RICHARDS, BOB	COMMERCIAL	2251 SANTA CLARA DRIVE SUITE	Electric kWh	EL - Commercial Mediu	12	281	568.67
1304	VOWELL, TODD	COMMERCIAL	2251 SANTA CLARA DR. SUITE C	Electric kWh	EL - Commercial Mediu	12	605	958.20
1506	DOGWORKS MOBILE PET GROO	COMMERCIAL	2251 SANTA CLARA DRIVE SUITE	Electric kWh	EL - Commercial Mediu	12	1,560	1,380.78
2009	BT PEARSON TIRE	COMMERCIAL	2275 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	28,472	3,636.19
2408	A & S FE LLC	COMMERCIAL	2313 SANTA CLARA DR. SUITE J-2	Electric kWh	EL - Commercial Mediu	12	13,057	2,770.98
2740	DOMINO'S PIZZA / SUITE H	COMMERCIAL	2309 SANTA CLARA DR	Electric kWh	EL - Commercial Mediu	12	19,820	2,314.17
2801	DOMINOS PIZZA / SUITE I	COMMERCIAL	2311 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	89,193	9,026.58
2905	VAMP BODY ART, LLC	COMMERCIAL	2313 SANTA CLARA DRIVE/ J1	Electric kWh	EL - Commercial Mediu	12	15,196	2,449.86
3007	CLARA, LIGHTFOOTS OF SANTA	COMMERCIAL	2275 W SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	225,760	21,304.52
3102	STATE BANK OF SOUTHERN UTA	COMMERCIAL	2287 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	48,680	5,484.33
3204	CARE, DOUG'S MASTER AUTO	COMMERCIAL	2291 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	24,000	3,241.43
3306	BRIAN GEER CONSTRUCTION-GE	COMMERCIAL	2295 SANTA CLARA DRIVE Suite A	Electric kWh	EL - Commercial Mediu	12	14,567	2,022.10
3409	SOLUTIONS, B & G CHIROPRACTI	COMMERCIAL	2297 SANTA CLARA DRIVE/ B	Electric kWh	EL - Commercial Mediu	3	1,362	256.22
3410	CORE CARE AGENCY	COMMERCIAL	2297 SANTA CLARA DRIVE/ B	Electric kWh	EL - Commercial Mediu	10	12,007	1,583.53
3612	SANTA CLARA DENTAL	COMMERCIAL	2301 SANTA CLARA DR/ D	Electric kWh	EL - Commercial Mediu	12	22,402	3,311.12
4005	K2 SANTA CLARA, LLC	COMMERCIAL	1100 CANYON VIEW DRIVE	Electric kWh	EL - Commercial Mediu	12	4,102	786.95
4105	DENTAL SPECIALISTS	COMMERCIAL	1100 CANYON VIEW DRIVE #B	Electric kWh	EL - Commercial Mediu	24	41,476	5,710.88
4301	Dutchman's, CRAVINGS /	COMMERCIAL	2300 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	108,916	10,584.21
4501	DUTCHMAN'S MARKET	COMMERCIAL	2300 W SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	72,234	7,362.19
4711	COLOUR SALON & SPA	COMMERCIAL	1100 CANYON VIEW DRIVE UNIT E	Electric kWh	EL - Commercial Mediu	12	13,959	2,547.29
4806	SERVICES, R D CLEANING	COMMERCIAL	1100 CANYON VIEW DR. UNIT F	Electric kWh	EL - Commercial Mediu	1	2	27.55
4807	TAYLOR, KOBY	COMMERCIAL	1100 CANYON VIEW DR. UNIT F	Electric kWh	EL - Commercial Mediu	3	17	66.14
4808	DUTCHMAN'S MARKET BOUTIQU	COMMERCIAL	1100 CANYON VIEW DR. UNIT F	Electric kWh	EL - Commercial Mediu	10	2,088	739.56
4902	AHEE, JASON A	COMMERCIAL	1100 CANYON VIEW DRIVE/ UNIT	Electric kWh	EL - Commercial Mediu	12	12,603	2,177.12
12074	THE BODEGA/JACKIE ZAPF	COMMERCIAL	2691 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	13,495	2,082.49
12723	SECOND NATURE ENTRADA	COMMERCIAL	2711 SANTA CLARA DRIVE #100	Electric kWh	EL - Commercial Mediu	12	19,069	3,140.51
12824	SECOND NATURE ENTRADA	COMMERCIAL	2711 SANTA CLARA DRIVE #200	Electric kWh	EL - Commercial Mediu	12	18,871	2,888.08
13035	SECOND NATURE ENTRADA	COMMERCIAL	2711 SANTA CLARA DRIVE #300 #2	Electric kWh	EL - Commercial Mediu	12	5,575	1,318.99
13126	SECOND NATURE ENTRADA	COMMERCIAL	2711 SANTA CLARA DRIVE #400 #2	Electric kWh	EL - Commercial Mediu	12	13,897	2,246.16
13203	QUILT SHOP, CLOVER PATCH	COMMERCIAL	2721 W SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	15,229	2,798.94
14002	JENKINS OIL CO., INC.	COMMERCIAL	2753 W SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	3,752	1,460.87
14012	JENKINS OIL CO., INC.	COMMERCIAL	2753 W SANTA CLARA DRIVE #1	Electric kWh	EL - Commercial Mediu	12	1,237	638.65
34001	LDS CHURCH	CHURCH,SCH,GOVT	3040 W SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	22,560	3,443.75
34601	WCWCD	COMMERCIAL	3301 SUMMERWOOD CIR/PUMP V	Electric kWh	EL - Commercial Mediu	12	62,438	5,504.60
38001	POSTMASTER	CHURCH,SCH,GOVT	1400 N CHAPEL STREET	Electric kWh	EL - Commercial Mediu	12	68,553	7,283.68
61801	WCWCD	COMMERCIAL	1409 GATES LANE	Electric kWh	EL - Commercial Mediu	12	944	488.82
73411	COUNTRY KIDS CHILDREN'S CEN	COMMERCIAL	945 COUNTRY LANE #1	Electric kWh	EL - Commercial Mediu	12	101,560	11,794.65
94702	JIMS R.V. SERVICE INC	COMMERCIAL	2397 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	21,829	4,215.84
101401	WCWCD	COMMERCIAL	1025 OLD FARM ROAD	Electric kWh	EL - Commercial Mediu	12	81,832	7,641.01
605601	WCWCD	COMMERCIAL	3981 SANTA CLARA DR/PUMP VAU	Electric kWh	EL - Commercial Mediu	12	40,671	3,737.64

City of Santa Clara
Service Billing Register - 10/31/2020 to 10/31/2021

Account No.	Customer	Classification	Location	Service	Rate	Units	Quantity	Amount
850002	ST. GEORGE CITY	COMMERCIAL	IRRIGATION PUMP STATION	Electric kWh	EL - Commercial Mediu	12	770	515.79
944401	CAFE RIO MEXICAN GRILL	COMMERCIAL	3540 PIONEER PARKWAY #109	Electric kWh	EL - Commercial Mediu	12	261,840	24,797.39
945002	HARMONS CITY, ASSOCIATES	COMMERCIAL	3540 PIONEER PARKWAY	Electric kWh	EL - Commercial Mediu	12	5,178	896.21
945402	UTAH CAPS 3 LLC	COMMERCIAL	3540 PIONEER PARKWAY #107	Electric kWh	EL - Commercial Mediu	12	94,240	9,065.38
945601	BONE APPETIT	COMMERCIAL	3540 PIONEER PKWY SUITE 106	Electric kWh	EL - Commercial Mediu	12	50,834	5,287.49
955002	FCU, MOUNTAIN AMERICA	COMMERCIAL	3582 PIONEER PARKWAY	Electric kWh	EL - Commercial Mediu	12	90,960	8,758.30
1060000	SNOW CANYON KINGDOM HALL	CHURCH,SCH,GOVT	3855 N TOWN ROAD	Electric kWh	EL - Commercial Mediu	12	6,247	2,435.41
2001197	JC DEV. & DESIGN LLC / HUGA HO	COMMERCIAL	2279 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Mediu	12	20,296	2,607.20
2001378	CHAPMAN CONSTRUCTION, LLC	COMMERCIAL	3488 PIONEER PARKWAY	Electric kWh	EL - Commercial Mediu	1	0	15.35
2001386	TAGG-N-GO EXPRESS CAR WASH	COMMERCIAL	3488 PIONEER PARKWAY	Electric kWh	EL - Commercial Mediu	3	78,480	10,375.10
2001646	TAYLOR BUILT HOMES	COMMERCIAL	3780 ARCADIA DR/LAUNDRY BLD	Electric kWh	EL - Commercial Mediu	2	1,817	456.10
2001730	Kolbalt Construction (SWIG)	COMMERCIAL	3510 PIONEER PARKWAY SUITE 1	Electric kWh	EL - Commercial Mediu	1	600	53.62
2001732	SAVORY SWIG STORES LLC	COMMERCIAL	3510 PIONEER PARKWAY SUITE 1	Electric kWh	EL - Commercial Mediu	1	840	191.63
2001737	Kobalt Construction (Mobettahs)	COMMERCIAL	3510 PIONEER PARKWAY, SUITE 1	Electric kWh	EL - Commercial Mediu	2	720	87.94
						577	1,951,762	224,512.89
1607	TRUCKING, RC	COMMERCIAL	2251 SANTA CLARA DR. SUITE F	Electric kWh	EL - Commercial Small	5	1,021	199.06
1608	GRAF, HANS & MOLLY	COMMERCIAL	2251 SANTA CLARA DR. SUITE F	Electric kWh	EL - Commercial Small	8	118	201.38
1804	SELECT AUTO, LLC	COMMERCIAL	2251 SANTA CLARA DRIVE SUITE	Electric kWh	EL - Commercial Small	11	5,013	694.39
1905	SELECT AUTO, LLC	COMMERCIAL	2251 SANTA CLARA DRIVE SUITE	Electric kWh	EL - Commercial Small	12	12,792	1,407.66
2526	THE KNITTING POST	COMMERCIAL	2305 SANTA CLARA DRIVE SUITE	Electric kWh	EL - Commercial Small	12	8,500	1,043.49
2608	BEE WOW LLC	COMMERCIAL	2307 SANTA CLARA DRIVE/ 1G	Electric kWh	EL - Commercial Small	12	13,108	1,480.40
3502	DAVID PETTEGREW INSURANCE	COMMERCIAL	2299 SANTA CLARA DR UNIT C	Electric kWh	EL - Commercial Small	12	5,086	744.50
3574	BILLIARDS AND BARSTOOLS	COMMERCIAL	2299 SANTA CLARA DR UNIT C-1	Electric kWh	EL - Commercial Small	12	3,920	642.60
3722	LA NUEVA RENOVACION, IGLESIA	COMMERCIAL	2303 SANTA CLARA DRIVE E1 #1	Electric kWh	EL - Commercial Small	12	11,965	1,348.72
4403	FUSION SPECIALTY PHARMACY I	COMMERCIAL	1100 CANYON VIEW DRIVE #C	Electric kWh	EL - Commercial Small	24	46,372	4,780.93
5002	CLASS ACT CONSIGNMENTS	COMMERCIAL	2357 W SANTA CLARA DRIVE	Electric kWh	EL - Commercial Small	12	11,857	1,355.94
14022	JENKINS OIL CO., INC.	COMMERCIAL	2753 W SANTA CLARA DRIVE #2	Electric kWh	EL - Commercial Small	12	993	386.77
18804	LANDTRENDS INC	COMMERCIAL	2662 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Small	12	13,657	1,509.06
19301	AUNTIE'S, UNCLE &	COMMERCIAL	2865 SANTA CLARA DRIVE	Electric kWh	EL - Commercial Small	12	6,533	870.99
19706	RYLU'S BISTRO	COMMERCIAL	2862 W SANTA CLARA DRIVE #A	Electric kWh	EL - Commercial Small	12	31,981	3,251.47
23011	FREI'S FRUIT STAND	COMMERCIAL	2895 W. SANTA CLARA DRIVE	Electric kWh	EL - Commercial Small	12	13,018	1,465.32
23502	FREI'S MARKET WAREHOUSE	COMMERCIAL	1401 VERNON STREET	Electric kWh	EL - Commercial Small	12	13,779	1,562.96
64001	JACOB HAMBLIN HOME 5145333	CHURCH,SCH,GOVT	3386 W. SANTA CLARA DRIVE	Electric kWh	EL - Commercial Small	12	14,900	1,677.08
64101	JACOB HAMBLIN HOME 5145333	CHURCH,SCH,GOVT	3386 W. SANTA CLARA DRIVE #1	Electric kWh	EL - Commercial Small	12	7,665	969.91
308002	UTAH COMMUNICATIONS AUTHO	COMMERCIAL	2775 CIRCLE DRIVE/ P.S. TOWER	Electric kWh	EL - Commercial Small	12	37,059	3,750.53
950002	WASHINGTON COUNTY SCHOOL	CHURCH,SCH,GOVT	2425 RACHEL DRIVE	Electric kWh	EL - Commercial Small	10	5,603	739.69
						250	264,940	30,082.85
						939	7,099,622	719,747.05
						939	7,099,622	719,747.05

Santa Clara Electric Department Cost of Service and Rate Design

**Mark Beauchamp, CPA, CMA, MBA
President
Utility Financial Solutions
616-393-9722**

November 3, 2021

Discussion

- Review Electric Department
 - Financial Projections & Targets
 - Debt Coverage Ratio
 - Minimum Cash
 - Target Operating Income
- Review Cost of service results
 - Monthly Customer Charges
 - Usage Charges
- Discussion Items
 - Power Cost Adjustment
 - Rate Design

Electric Assumptions

- Annual Inflation (CPI)
 - 2022 – 2026
 - 2.2%
- Annual Growth (UAMPS)
 - 2022 – 8.3%
 - 2023 – 3.5%
 - 2024 – 3.5%
 - 2025 – 3.5%
 - 2026 – 0.5%
- Power Supply Change
 - 2022
 - 1.0%
 - 2023 - 2026
 - 3.0%

- Anticipated Capital Improvement Plan and Projected Bonding
 - 2022 includes addition of two 2.5MW generators
 - 2025 includes a substation upgrade

Fiscal Year	Capital Improvements		Bond Issues Including Fees		Period	Rate
	\$	Plan	\$			
2022	\$	5,500,000	\$ 2,532,000		15	1.90%
2023		130,000	-		-	0.00%
2024		1,450,000	-		-	0.00%
2025		2,250,000	2,000,000		15	4.00%
2026		90,000	-		-	0.00%

Debt Coverage Ratio (Current Rates)

Description	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Debt Coverage Ratio					
Net Income	\$ 237,371	\$ 266,493	\$ 287,449	\$ 181,709	\$ 124,837
Add Depreciation/Amortization Expense	631,862	634,462	666,062	740,062	786,862
Add Interest Expense	90,630	87,244	79,290	151,233	139,015
Cash Generated from Operations	\$ 959,864	\$ 988,199	\$ 1,032,801	\$ 1,073,004	\$ 1,050,714
Debt Principal and Interest	\$ 588,105	\$ 607,521	\$ 601,422	\$ 784,157	\$ 786,899
Projected Debt Coverage Ratio (Covenants)	1.63	1.63	1.72	1.37	1.34
Minimum Debt Coverage Ratio	1.40	1.40	1.40	1.40	1.40

Minimum Cash Recommendation (Current Rates)

Description	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	12.3%	12.3%	12.3%	12.3%	12.3%
Purchase Power Expense	13.8%	13.8%	13.8%	13.8%	13.8%
Historical Rate Base	1%	2%	2%	1%	2%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Capital Improvements - Net of bond proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	48%	51%	50%	49%	52%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	\$ 180,422	\$ 184,364	\$ 188,392	\$ 192,509	\$ 196,715
Purchase Power Expense	443,896	472,953	503,921	536,926	555,758
Historical Rate Base	213,590	429,779	458,779	251,890	505,579
Current Portion of Debt Service Reserve	488,127	504,243	499,180	650,850	653,126
Five Year Capital Improvements - Net of bond proceeds	562,400	562,400	562,400	562,400	562,400
Minimum Cash Reserve Levels	\$ 1,888,434	\$ 2,153,739	\$ 2,212,673	\$ 2,194,575	\$ 2,473,579
Projected Cash Reserves	\$ 2,300,733	\$ 2,551,411	\$ 1,532,790	\$ 1,571,637	\$ 1,745,452

Target Operating Income (Current Rates)

Description	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Target Operating Income Determinants					
Net Book Value/Working Capital	\$ 11,123,100	\$ 10,618,638	\$ 11,402,576	\$ 12,912,514	\$ 12,215,652
Outstanding Principal on Debt	5,608,525	5,088,248	4,566,116	5,933,192	5,285,308
System Equity	\$ 5,514,575	\$ 5,530,390	\$ 6,836,460	\$ 6,979,322	\$ 6,930,344
Debt:Equity Ratio	50%	48%	40%	46%	43%
Target Operating Income Allocation					
Interest on Debt	1.62%	1.71%	1.74%	2.55%	2.63%
System Equity	5.95%	6.27%	6.24%	6.05%	6.42%
Target Operating Income					
Interest on Debt	\$ 90,630	\$ 87,244	\$ 79,290	\$ 151,233	\$ 139,015
System Equity	\$ 328,268	\$ 346,948	\$ 426,348	\$ 422,060	\$ 444,589
Target Operating Income	\$ 418,898	\$ 434,192	\$ 505,638	\$ 573,293	\$ 583,605
Projected Operating Income	\$ 3,357	\$ 42,233	\$ 53,982	\$ 25,278	\$ (44,006)
Rate of Return in %	3.8%	4.1%	4.4%	4.4%	4.8%

Projection without Rate Change

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2022	0.0%	1.63	\$ 3,357	\$ 418,898	\$ 2,300,733	\$ 1,888,434
2023	0.0%	1.63	42,233	434,192	2,551,411	2,153,739
2024	0.0%	1.72	53,982	505,638	1,532,790	2,212,673
2025	0.0%	1.37	25,278	573,293	1,571,637	2,194,575
2026	0.0%	1.34	(44,006)	583,605	1,745,452	2,473,579

Projection with Rate Change

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2022	2.5%	1.85	\$ 130,632	\$ 418,898	\$ 2,428,008	\$ 1,888,434
2023	2.5%	2.08	314,490	434,192	2,951,579	2,153,739
2024	2.5%	2.44	484,849	505,638	2,365,826	2,212,673
2025	0.0%	1.94	471,225	573,293	2,854,786	2,194,575
2026	0.0%	1.91	404,171	583,605	3,483,194	2,473,579

Revised Projection with Rate Change

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2022	2.5%	1.85	\$ 130,632	\$ 418,898	\$ 2,428,008	\$ 1,888,434
2023	2.5%	1.86	182,490	434,192	2,819,579	2,170,013
2024	2.5%	2.21	349,965	505,638	2,098,282	2,229,302
2025	2.5%	1.97	491,550	573,293	2,606,229	2,211,568
2026	2.5%	2.26	677,987	583,605	3,507,210	2,507,288

Revised projection includes

- Salary Addition (Lineman) in 2023 of \$132k
- Working toward \$3.5M - \$4.0M in cash reserves
- 3.5% growth in 2026

UFS recommends updating the Financial Projection in 2024, prior to implementing the 2025 and 2026 adjustments

Electric Cost of Service Results

Customer Class	Cost of Service	Projected Revenues	% Change
Residential (101)	\$ 4,686,734	\$ 4,356,473	7.6%
Small Commercial (103)	53,838	49,524	8.7%
City Street Lighting	39,158	-	0.0%
Medium Commercial (104)	260,161	238,173	9.2%
Large Commercial (105)	464,690	446,843	4.0%
Total	\$ 5,504,582	\$ 5,091,012	8.1%

Monthly Charge

Customer Class	COS Customer Charge	Current Average Customer Charge
Residential (101)	\$ 19.33	\$ 20.00
Small Commercial (103)	28.36	25.00
Medium Commercial (104)	75.81	34.00
Large Commercial (105)	196.80	87.00

What is a Power Cost Adjustment?

- A mechanism to help ensure power costs are recovered from customers
- PCA reduces Utility risk and exposure to changes in power supply costs
- Mitigates over/under recovery of power supply costs from customers

Six- Month Rolling Average PCA

- Power supply costs are reviewed each month
 - The PCA charged to customers changes monthly based on the average power cost over the previous 6-months
- Goal of balancing power costs every 6 months
 - Smooths out fluctuations while maintaining financial integrity

Power Cost Adjustment Calculation

Determining PCA Base (Example)			
Jul 2019 – Jun 2020	Power Supply \$	→ $\frac{\$}{kWh}$	= Base*
	kWh's Sold		
Determining October 2021 PCA			
Feb 2021 – Jul 2021	Power Supply \$	→ $\frac{\$}{kWh}$	= Rolling Average
	kWh's Sold		
October 2021 PCA = 6 Month Rolling Average – Base*			

- The difference between the rolling average and the base is the PCA for that month
- If power costs were less than the base, customers will receive a bill credit
- If power costs were higher than the base, customers will have a bill charge for the unrecovered power costs
- Due to timing of Power Supply Invoices, the PCA implemented may be based on lagged invoices – for example, October's PCA is based off Feb – Jul invoices

**Note: this is an example and base is not reset every year*

Example: PCA Implemented for 2020 (Typical year)

Average
Residential Use:
1,230 kWh

Annual Dollar
Impact for 2020:
\$13.49 per avg bill

PS Bill Month	6 Month PCA Implemented	Total PCA Revenue	Res Bill Units	Dollar Impact
Jan-20	\$ 0.00215	\$ 5,840	1,230	\$ 2.64
Feb-20	\$ 0.00155	\$ 5,086	1,230	\$ 1.90
Mar-20	\$ 0.00040	\$ 1,235	1,230	\$ 0.49
Apr-20	\$ (0.00109)	\$ (2,994)	1,230	\$ (1.34)
May-20	\$ (0.00040)	\$ (1,060)	1,230	\$ (0.50)
Jun-20	\$ (0.00141)	\$ (3,745)	1,230	\$ (1.73)
Jul-20	\$ (0.00371)	\$ (14,709)	1,230	\$ (4.56)
Aug-20	\$ (0.00424)	\$ (20,721)	1,230	\$ (5.21)
Sep-20	\$ (0.00276)	\$ (16,775)	1,230	\$ (3.40)
Oct-20	\$ 0.00646	\$ 39,875	1,230	\$ 7.95
Nov-20	\$ 0.00672	\$ 31,215	1,230	\$ 8.27
Dec-20	\$ 0.00730	\$ 24,358	1,230	\$ 8.98

2021 Power Cost Changes

Calendar Year	PS Cost \$	kWh Sales	Avg \$/kWh	Change	Under Recovery	Reserve Funded
2019	\$ 2,844,913	44,059,426	\$ 0.06457			
2020	3,248,333	46,632,292	0.06966	7.9%	\$ 0.0040	\$ 187,115
2021	2,925,193	34,730,040	0.08423	20.9%	\$ 0.0186	\$ 645,309

- PCA was built off a projection of power supply cost change with a base year of 2019
- Actual power supply cost increased 7.9% in 2020 and 20.9% in 2021
- These fluctuations are due to unforeseen market pressures
- Santa Clara currently funds these fluctuations through their cash reserves
- January 2021 PCA Forecasted at \$0.0228 / kWh

Next Steps

- Rate Design
 - 2.5% adjustment for 3 years with +/- 1.0% bandwidth
 - Smallest increase 1.5% and largest increase 3.5%
- Power Cost Adjustment Implementation

Sample Residential Rate

Santa Clara Electric Department

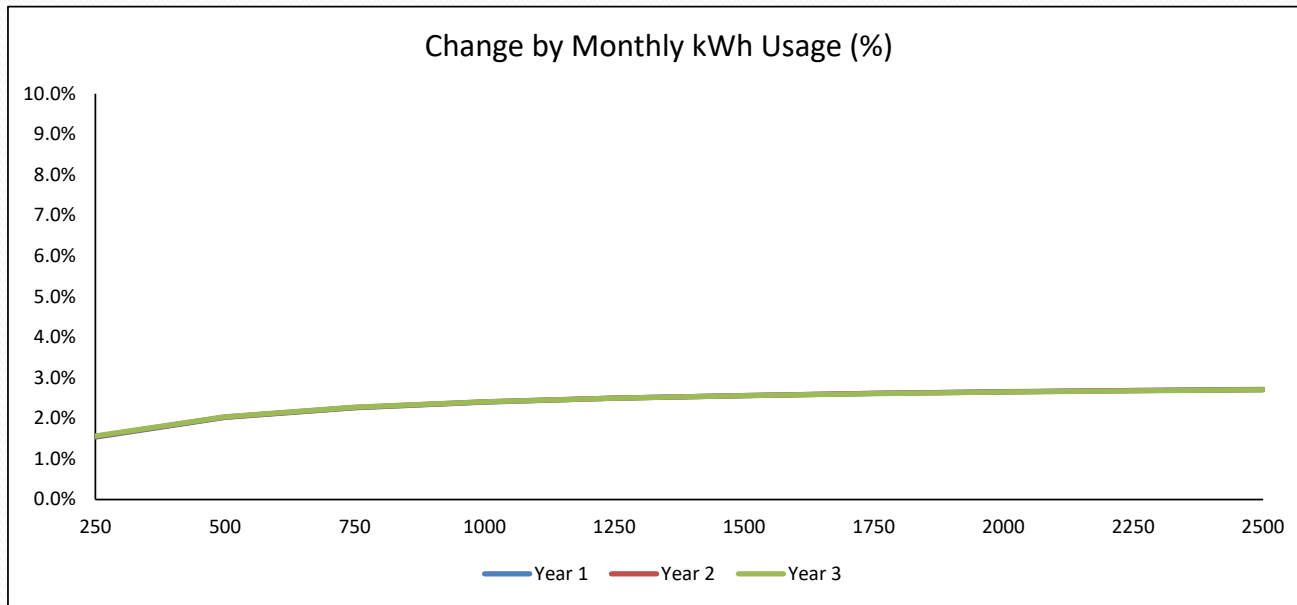
Electric Rate Design

Residential (101)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Energy Charge:				
Block 1 (0 - 500 kWh)	\$ 0.08740	\$ 0.08998	\$ 0.09262	\$ 0.09533
Block 2 (501 - 1,500 kWh)	\$ 0.08850	\$ 0.09111	\$ 0.09379	\$ 0.09653
Block 3 (Excess)	\$ 0.09850	\$ 0.10141	\$ 0.10439	\$ 0.10744
Revenue from Rate	\$ 4,356,473	\$ 4,465,384	\$ 4,577,019	\$ 4,691,445
Change from Previous		2.5%	2.5%	2.5%
Additional PCA Revenue (2021 cost)	\$ 933,362			
Monthly PCA \$ (Avg User)	\$ 28.53			

Residential Monthly Impacts (base rate)

Chart Data (\$ Change)	Year 1			Year 2			Year 3		
250	\$	0.64	\$	0.66	\$	0.68			
500	\$	1.29	\$	1.32	\$	1.35			
750	\$	1.94	\$	1.99	\$	2.04			
1000	\$	2.60	\$	2.66	\$	2.73			
Average Use: 1,229 kWh	\$	3.25	\$	3.33	\$	3.41			
1500	\$	3.90	\$	4.00	\$	4.10			
1750	\$	4.63	\$	4.74	\$	4.86			
2000	\$	5.35	\$	5.49	\$	5.63			
2250	\$	6.08	\$	6.23	\$	6.39			
2500	\$	6.81	\$	6.98	\$	7.15			



Sample Small Commercial Rate

Santa Clara Electric Department

Electric Rate Design

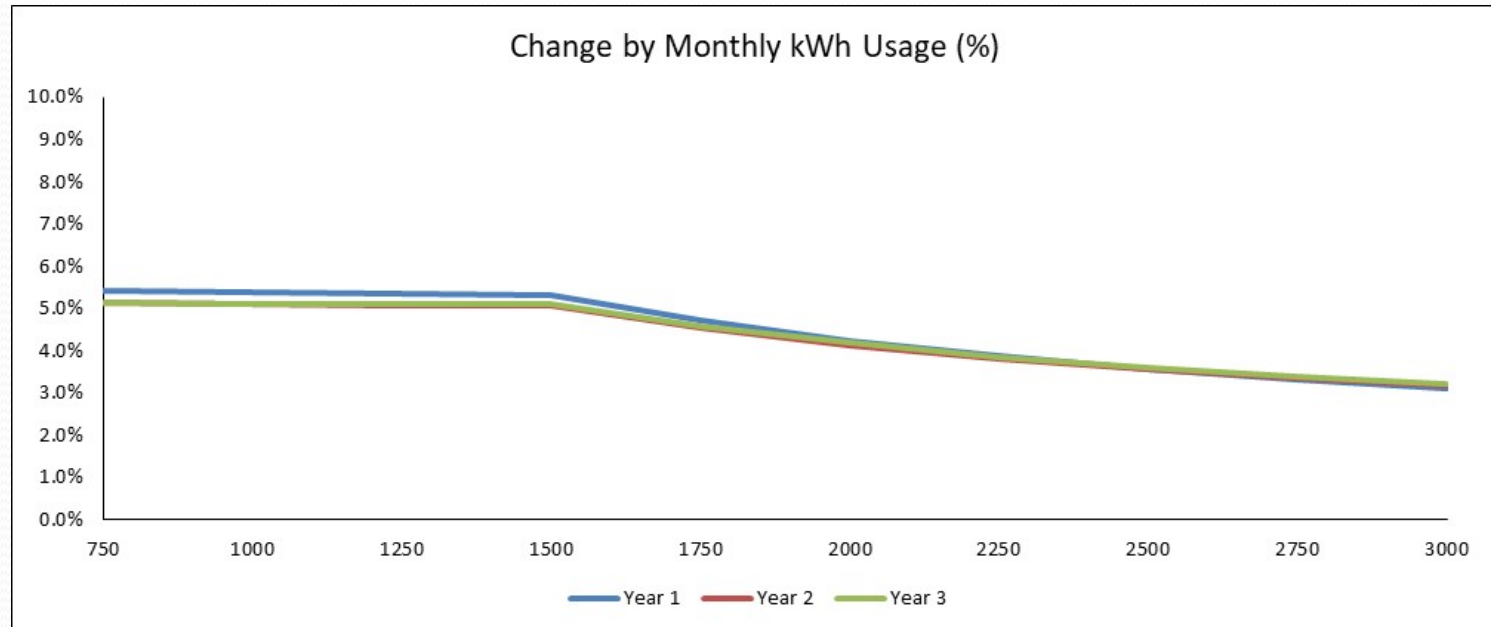
Small Commercial (103)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	\$ 25.00	\$ 26.50	\$ 28.00	\$ 29.50
Energy Charge:				
Block 1 (0 - 1,500 kWh)	\$ 0.08740	\$ 0.09194	\$ 0.09651	\$ 0.10139
Block 2 (Excess)	\$ 0.09850	\$ 0.09930	\$ 0.10037	\$ 0.10139
Revenue from Rate	\$ 49,524	\$ 51,257	\$ 53,051	\$ 54,908
Change from Previous		3.5%	3.5%	3.5%
Additional PCA Revenue (2021 cost)	\$ 9,969			
Monthly PCA \$ (Avg User)	\$ 27.69			

Small Commercial Monthly Impacts (base rate)

Average Use: 1,213 kWh

Chart Data (\$ Change)	Year 1	Year 2	Year 3
750 \$	4.91 \$	4.92 \$	5.16
1000 \$	6.04 \$	6.06 \$	6.38
1250 \$	7.18 \$	7.20 \$	7.60
1500 \$	8.32 \$	8.34 \$	8.82
1750 \$	8.52 \$	8.61 \$	9.08
2000 \$	8.72 \$	8.88 \$	9.33
2250 \$	8.92 \$	9.14 \$	9.59
2500 \$	9.12 \$	9.41 \$	9.85
2750 \$	9.32 \$	9.68 \$	10.10
3000 \$	9.51 \$	9.94 \$	10.36



Sample Medium Commercial Rate

Santa Clara Electric Department

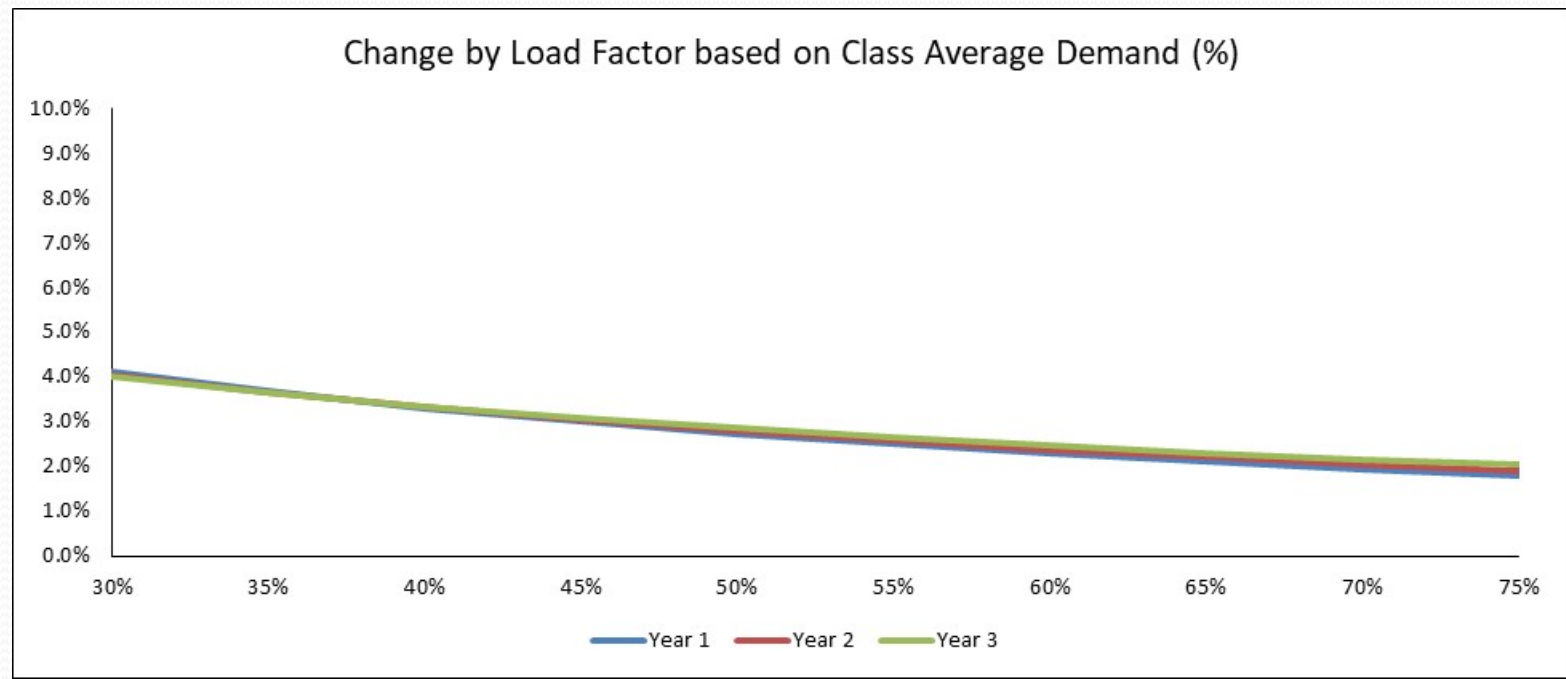
Electric Rate Design

Medium Commercial (104)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
Monthly Charge	\$ 34.00	\$ 44.00	\$ 54.00	\$ 64.00
Energy Charge:				
All Energy	\$ 0.06670	\$ 0.06601	\$ 0.06546	\$ 0.06505
Demand Charge				
All Demand	\$ 9.60	\$ 10.10	\$ 10.60	\$ 11.10
Revenue from Rate	\$ 238,173	\$ 246,509	\$ 255,136	\$ 264,066
Change from Previous		3.5%	3.5%	3.5%
Additional PCA Revenue (2021 cost)	\$ 48,848			
Monthly PCA \$ (Avg User)	\$ 83.07			

Medium Commercial Monthly Impacts (base rate)

Load Factor (% Change)	Year 1	Year 2	Year 3
30%	4.1%	4.0%	4.0%
35%	3.7%	3.7%	3.6%
40%	3.3%	3.3%	3.3%
45%	3.0%	3.0%	3.1%
50%	2.7%	2.8%	2.9%
55%	2.5%	2.6%	2.6%
60%	2.3%	2.4%	2.5%
65%	2.1%	2.2%	2.3%
70%	1.9%	2.1%	2.2%
75%	1.8%	1.9%	2.0%



Sample Large Commercial Rate

Santa Clara Electric Department

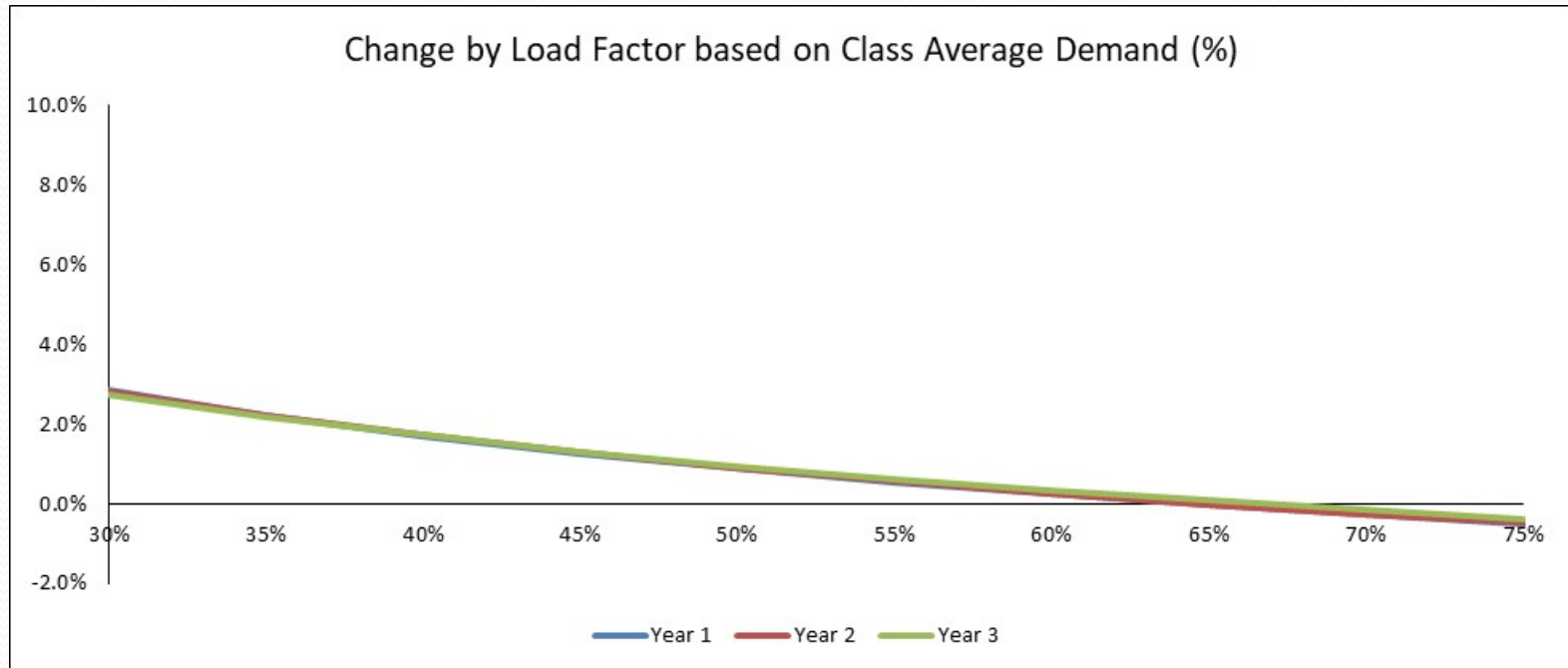
Electric Rate Design

Large Commercial (105)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
Monthly Charge	\$ 87.00	\$ 125.00	\$ 165.00	\$ 200.00
Energy Charge:				
All Energy	\$ 0.05650	\$ 0.05384	\$ 0.05117	\$ 0.04865
Demand Charge				
All Demand	\$ 10.55	\$ 11.55	\$ 12.55	\$ 13.55
Revenue from Rate	\$ 446,843	\$ 454,886	\$ 463,074	\$ 471,409
Change from Previous		1.8%	1.8%	1.8%
Additional PCA Revenue (2021 cost)	\$ 106,887			
Monthly PCA \$ (Avg User)	\$ 989.69			

Large Commercial Monthly Impacts (base rate)

Load Factor (% Change)	Year 1	Year 2	Year 3
30%	2.8%	2.8%	2.7%
35%	2.2%	2.2%	2.2%
40%	1.7%	1.7%	1.7%
45%	1.3%	1.3%	1.3%
50%	0.9%	0.9%	1.0%
55%	0.5%	0.6%	0.6%
60%	0.2%	0.3%	0.3%
65%	0.0%	0.0%	0.1%
70%	-0.3%	-0.3%	-0.1%
75%	-0.5%	-0.5%	-0.4%



Questions



Mayor
Rick Rosenberg

City Manager
Brock Jacobsen



City Council
Denny Drake
Wendell Gubler
Leina Mathis
Ben Shakespeare
Jarett Waite

CITY COUNCIL

Meeting Date: November 10, 2021 Agenda Item: 5

Applicant: Utah Infrastructure Agency (UIA)

Requested by: Councilman Waite

Subject: A Fiber Communications Service and Acquisition Contract with UIA to bring Fiber to the home

Description:

The item before us tonight is to approve an agreement with the Utah Infrastructure Agency (UIA) and authorize them to bond for and install an open access fiber network within our city limits. We have been working on this in earnest since June of this year, though this goes back over five years when I first attended a presentation at the League of Cities and Towns detailing UIA's model.

As per what UIA has provided us, the bond will be approximately \$6.7 million dollars with a 27 year term. There are no payments for the first two years, giving UIA sufficient time to build out the network and generate a user base. Subscribers to the service will pay \$30 a month to UIA to cover the debt service, and an additional \$35 - \$55 to their chosen internet service provider, depending on their internet speed. Any residents that do not want to use the fiber will not be responsible for any part of the debt, and no city funds will be used in the construction of the system. The annual revenue requirement is expected to not exceed \$408,000 annually. The city's responsibility is to backstop the bond with \$205,000 of our franchise tax revenues, and \$203,000 of our sales tax revenues.

UIA has stated that they will need approximately 38% of the residences in Santa Clara to sign up for service. As a reference, all of the cities that have partnered with UIA have exceeded their needed take rate before the first payment was due on the bond. UIA considers this project as low risk. If at any point revenues do not cover the bond payment and Santa Clara has to pay part of it, that amount is recorded as a loan to UIA. The city would be paid back once revenues reached a sufficient level, or at worst once the bond is retired.

UIA guarantees that 90% of our residences will have fiber service within two years, though they expect the installation to go much quicker, more in the 8-10 months range, with the clock starting early next year.

The city will not be involved in billing, maintenance, or customer service. UIA handles everything, including approving and managing the Internet Service Providers that choose to offer their services on the network. UIA has told us that we can expect at least five companies to sign on initially, with a high likelihood that 15 or more will eventually offer their services. There are no contracts, installation fees, or teaser rates.

In June of this year, U.S. Representative John Curtis wrote an editorial outlining why cities should stay out of the fiber business. He shared the struggles that his city, Provo, had with building and maintaining its own fiber network, and the eventual sale of the network to Google Fiber for \$1. TDS has also stated that they have observed many municipally-owned fiber networks fail. It's very important to recognize that what we are proposing to approve tonight is a very different arrangement than those projects that failed. There is a long track record demonstrating how UIA's model is sustainable and thrives as time goes on.

It should also be noted that over the last several months, we met with TDS and Centurylink, and communicated with Infowest, the main internet service providers in Santa Clara. Our main goal in having those meetings was to determine if they had plans to improve service in Santa Clara, and if it would be equal to or better than what UIA had proposed. I certainly want to acknowledge the investment these ISP's have put into our area, especially the effort they put into keeping our residents connected during the pandemic. We came away from those meetings with a clear understanding that fiber to the home in Santa Clara may eventually be economically viable for one of them, but no clear timeline could be established, and it felt like a very long timeline was a reasonable expectation. Our residents have clearly stated they want this now. Another takeaway was that certain parts of the city may be too costly for these companies to install fiber, such as very rocky ground. This could create inherent inequality in our city.

.0,Finally, and probably most importantly, everyone in Santa Clara should greatly benefit from this project, whether they use the fiber or not. This is because the increased competition will naturally drive all of the ISP's in our area to offer better prices, speeds, service, etc. That's what this all truly comes down to - providing the residents of Santa Clara with many options for fast internet service at a fair price and excellent service level.

Recommendation: Approval

Cost: 0.00

Legal Approval: Yes

Finance Approval: N/A

Budget Approval: N/A

Attachments:

<https://sccity.org/wp-content/uploads/formidable/41/Draft-Fiber-Comm-Service-Acq-Contract-UIA-Santa-Clara-6.7.211.docx>

Santa Clara, Utah

November 10, 2021

The City Council (“Council”) of the City of Santa Clara, Utah (the “City”) met in regular public session at the regular meeting place of the Council, on Wednesday, November 10, 2021, at the hour of 5:00 p.m., with the following members of the Council being present:

Rick Rosenberg	Mayor
Denny Drake	Councilmember
Wendell Gubler	Councilmember
Leina Mathis	Councilmember
Ben Shakespeare	Councilmember
Jarett Waite	Councilmember

Also present:

Brock Jacobsen	City Manager
Chris Shelley	City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this November 10, 2021, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by Councilmember _____ and seconded by Councilmember _____, was adopted by the following vote:

AYE:

NAY:

ABSTAIN:

The resolution is as follows:

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING AND APPROVING A CONTRACT BETWEEN SANTA CLARA CITY, UTAH (THE “CITY”) AND UTAH INFRASTRUCTURE AGENCY (“UIA”) FOR UIA TO PROVIDE CERTAIN SERVICES TO THE CITY; AUTHORIZING THE MAYOR OF THE CITY OR OTHER DESIGNATED OFFICER OF THE CITY TO EXECUTE AND DELIVER THE SAME.

WHEREAS, Santa Clara City, Utah (the “City”) is a body corporate and politic duly and regularly created, established, organized and existing under and by virtue of the provisions of the Constitution of the State of Utah; and

WHEREAS, Utah Infrastructure Agency (“UIA”) is an interlocal cooperative entity and a political subdivision of the State of Utah regularly created, established, organized and existing under and by virtue of the provisions of the Interlocal Cooperative Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Interlocal Act”); and

WHEREAS, pursuant to the Interlocal Act and Section 10-8-14, Utah Code Annotated 1953, as amended (collectively, the “Acts”), certain municipalities (the “Members”) organized UIA to provide for the construction, maintenance and operation of a fiber-optic network (the “Network”) within the Members, all of which benefit each of the Members; and

WHEREAS, the City has determined that there is a need within the City to provide services afforded by the Network (the “Connection Services”) to its residents; and

WHEREAS, UIA has determined that it has excess capacity in the Network to provide the Connection Services and desires to offer such excess capacity to the City; and

WHEREAS, the City now desires to cause to be acquired, installed, constructed and completed an advanced fiber optic communications network to serve residents of the City (the “City Network”) through the undertaking of the improvements contemplated hereby (as more fully described herein, the “Improvements”) and desires further that UIA shall acquire and install said Improvements and to pledge to UIA and remit certain revenues to accomplish the objectives set forth herein; and

WHEREAS, it is the intention of both UIA and the City that the Improvements that will provide the Connection Services will be operated and managed for the mutual benefit of both entities and that the City will pay or cause to be paid, fees for those services, pursuant to the terms of the Fiber Communication Service and Acquisition Contract substantially in the form attached hereto as Exhibit B (the “Service Contract”); and

WHEREAS, the Connections Services provided under this Service Contract are not Cable Television Services or Public Telecommunications Services as defined in the Municipal Cable Television or Public Telecommunications Services Act, Title 10, Chapter 18, Utah Code Annotated 1953, as amended; and

WHEREAS, the Council hereby determines that it is in the best interest of the City to enter into the Service Contract for the purpose of providing Connection Services to the City;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF SANTA CLARA CITY, UTAH AS FOLLOWS:

Section 1. All terms defined in the recitals hereto shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and by the officers of the City directed toward the execution and delivery of the Service Contract are hereby ratified, approved and confirmed.

Section 2. The Council hereby finds and determines, pursuant to the Constitution and laws of the State of Utah, that entering into a Service Contract with the City and UIA is in furtherance of its governmental and proprietary purposes and is in the best interest of the City.

Section 3. The Service Contract, in substantially the form presented to this meeting and attached hereto as Exhibit B, is in all respects approved, authorized, and confirmed, and the Mayor or the City Manager is authorized to approve the final terms thereof and to execute and deliver the Service Contract in the form and with substantially the same content as attached hereto for and on behalf of the City.

Section 4. The Mayor, the City Manager or the City Attorney are hereby authorized to make any alterations, changes, or additions in the Service Contract herein approved and authorized necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of the Service Contract, to the provisions of this Resolution, to the understanding of the parties thereto or the provisions of the laws of the State of Utah or the United States, or to facilitate any financing undertaken in connection with the acquisition of the City Network, the approval of all such alterations, changes, or additions to be conclusively established by the execution thereof. Provided, however, that no such alterations, changes or additions shall materially adversely impact the interests of the City as determined by the Mayor, the City Manager or the City Attorney.

Section 5. If any provisions of this Resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the Exhibits.

Section 6. The City Recorder is hereby authorized to attest to all signatures and acts of any proper official of the City, and to place the seal of the City on the Service Contract. The Mayor, the City Recorder and other proper officials of the City and each of them, are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents, and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized.

Section 7. All regulations, orders, and resolutions of the City or parts thereof inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any regulation, order, resolution or ordinance or part thereof.

Section 8. This Resolution shall become effective immediately upon adoption by the Council.

PASSED, APPROVED, and MADE EFFECTIVE this November 10, 2021.

(SEAL)

SANTA CLARA CITY, UTAH

Mayor

ATTEST:

City Recorder

(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the agenda, the meeting was adjourned.

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

STATE OF UTAH)
)
) : ss.
COUNTY OF WASHINGTON)

I, Chris Shelley, certify according to the records of the City Council (the “Council”) of Santa Clara City (the “City”) in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the Council held on November 10, 2021, including a resolution (the “Resolution”) adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on November 10, 2021.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the City, this November 10, 2021.

(SEAL)

By: _____
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Chris Shelley, the undersigned City Recorder of Santa Clara City, Utah (the “City”), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the November 10, 2021, public meeting held by the City Council of the City (the “Council”) as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the principal offices of the City on November ____, 2021, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to the *Spectrum* on November ____, 2021, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2021 Annual Meeting Schedule for the Council (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the Council to be held during the year, by causing said Notice to be (a) posted on _____, at the principal office of the City, (b) provided to at least one newspaper of general circulation within the City on _____, and (c) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this November 10, 2021.

(SEAL)

By: _____
City Recorder

SCHEDULE 1 – NOTICE OF MEETING
SCHEDULE 2 – ANNUAL MEETING SCHEDULE

EXHIBIT B

FORM OF SERVICE CONTRACT

NOTICE OF A RESOLUTION AUTHORIZING A FIBER COMMUNICATIONS
SERVICE AND ACQUISITION CONTRACT

NOTICE IS HEREBY GIVEN that the City Council of Santa Clara City, Utah (the “City”) adopted a resolution on November 10, 2021 (the “Resolution”) authorizing the execution by the City of a Fiber Communications Service and Acquisition Contract (the “Service Contract”) between the City and the Utah Infrastructure Agency (“UIA”), an interlocal corporation and separate legal entity, body politic and corporate and political subdivision of the State of Utah. The Service Contract provides that UIA will provide and the City will receive certain connection services relating to access to a fiber optic network (the “Network”). In exchange for the receipt of such services, the City, will use certain fees relating to the Network to make its payments for such services and in the event that those fees are not sufficient to make such payments, the City will apply sales tax revenue and franchise tax revenue.

A copy of the Resolution and the Service Contract are on file at the City’s offices, at 2603 Santa Clara Drive, Santa Clara, Utah, where they may be examined during regular business hours of the City from 8:00 a.m. to 5:00 p.m. Monday through Thursday and 8:00 a.m. to 1:00 p.m. on Friday, for a period of at least thirty (30) days from and after the date of publication of this notice.

FIBER COMMUNICATIONS SERVICE AND ACQUISITION CONTRACT

Dated as of _____, 2021

between

UTAH INFRASTRUCTURE AGENCY

and

SANTA CLARA CITY, UTAH

Table of Contents

ARTICLE I DEFINITIONS	3
ARTICLE II CONNECTION SERVICES AND ACQUISITION OF IMPROVEMENTS	
6	
Section 2.1 Connection Services.....	6
Section 2.2 Availability.	6
Section 2.3 Acquisition, Date of Commencement and Substantial Completion.	6
Section 2.4 Price of Improvements.....	7
Section 2.5 Cost Overruns.	7
Section 2.6 Residential Installations.	7
Section 2.7 Non-Residential Installations.....	7
Section 2.8 Acceptance.....	7
Section 2.9 Repair.....	7
Section 2.10 Electronics Maintenance.....	8
Section 2.11 Electronics Replacement.....	8
Section 2.12 Utility Locating	8
Section 2.13 Ownership of Improvements.....	8
ARTICLE III PAYMENT FOR CONNECTION SERVICES; DISTRIBUTION OF REVENUES	
8	
Section 3.1 Determination of Payment/Revenue Distribution.....	8
Section 3.2 Obligation is Absolute.	9
Section 3.3 Special Limited Obligation.	10
Section 3.4 Default in Payment.	10
Section 3.5 Use of Franchise Tax Revenues and Sales Tax Revenues.....	10
Section 3.6 Succession Proceedings.	12
Section 3.7 Remedies.....	12
Section 3.8 No Exclusive Remedy.....	12
Section 3.9 Right of Designee to Exercise Remedies.....	13
Section 3.10 City not Obligated for UIA Debt.	13
Section 3.11 Billing and Collection by UIA.....	13
Section 3.12 Disposition at Termination.	13
Section 3.13 Exclusive Use.....	13
Section 3.14 System Capacity.....	14
Section 3.15 Service Providers.	14
Section 3.16 Network Operations Center (NOC) Services.....	14
Section 3.17 Network Engineering Services.	14
Section 3.18 Field Technician Services.....	14
Section 3.19 City Connections.....	14
Section 3.20 Customer Service.....	14
Section 3.21 Technical Support.	14
Section 3.22 IT Systems.	15
Section 3.23 Geographic Information System (GIS).....	15

ARTICLE IV APPROVAL AND PUBLICATION REQUIREMENTS	15
Section 4.1 Submission to Authorized Attorney.	15
Section 4.2 Publication.	15
ARTICLE V GENERAL PROVISIONS.....	15
Section 5.1 Acquisition and Construction of the Improvements.	15
Section 5.2 Risk of Loss.	15
Section 5.3 Several Obligations.	15
Section 5.4 Liability Dedication.	16
Section 5.5 Books and Records.	16
Section 5.6 Relationship to Other Instruments.	16
Section 5.7 Liabilities.	16
Section 5.8 Assignment.	16
Section 5.9 Furnishing Service to Others.	17
Section 5.10 Uncontrollable Forces.	17
Section 5.11 Communications Enterprise.....	17
Section 5.12 Imposition and Collection of Fees.	17
Section 5.13 Cable Television Services and Public Telecommunications Services.....	17
Section 5.14 Entire Agreement.	17
Section 5.15 Amendments.	17
Section 5.16 Effective Date and Original Term; Termination.....	18
Section 5.17 Notice.	18
Section 5.18 Third-Party Beneficiaries.....	18
Section 5.19 Governing Law.	18
Section 5.20 Execution in Counterparts.....	18
Section 5.21 Severability.	18
EXHIBIT A CONNECTION SERVICES.....	1
EXHIBIT B DESCRIPTION OF IMPROVEMENTS	1
EXHIBIT C MAPS OF MAINLINE SYSTEM	1
EXHIBIT D FORM OF PROMISSORY NOTE	1

FIBER COMMUNICATIONS SERVICE AND ACQUISITION CONTRACT

This Fiber Communications Service and Acquisition Contract (the “Contract”) is entered into as of _____, 2021 by and between the Utah Infrastructure Agency (“UIA”), an interlocal cooperative and separate legal entity, body politic and corporate and a political subdivision of the State of Utah, organized under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and Santa Clara City, Utah (the “City”), a municipal corporation and a political subdivision of the State of Utah (UIA and the City are sometimes referred to individually as a “Party” and collectively as “Parties” herein).

R E C I T A L S

1. Pursuant to Section 10-8-14, Utah Code Annotated 1953, as amended, cities may construct, maintain, and operate telecommunication lines and cable television lines.

2. Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Interlocal Act”), cities may exercise and enjoy jointly with other cities any power, privileges or authority exercised or capable of exercise by a city.

3. The Interlocal Act permits cities to make the most efficient use of their power by enabling them to cooperate with other cities on the basis of mutual advantage and thereby to provide services and facilities in a manner and under forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs of development of local communities and will provide the benefit of economy of scale, economic development, and utilization of natural resources for the overall promotion of the general welfare of the State of Utah.

4. Pursuant to the Interlocal Act, certain municipalities organized UIA to provide for the acquisition, construction, and installation of facilities, fiber wires and equipment together with related improvements for the purpose of connecting properties within such municipalities and elsewhere to an advanced fiber optic communications network (the “UIA Network”).

5. UIA is a separate legal entity, body politic and corporate and a political subdivision of the State of Utah regularly created, established, organized and existing under and by virtue of the provisions of the Interlocal Act and of the Constitution of the State of Utah.

6. The City has determined that there is a need within the City to provide Connection Services (as herein defined) to its residents.

7. UIA has determined that it has excess capacity in the UIA Network to provide the Connection Services and desires to offer such excess capacity to the City.

8. The City now desires to cause to be acquired, installed, constructed and completed an advanced fiber optic communications network to serve residents of the City

through the undertaking of the improvements contemplated hereby (as more fully described herein, the “Improvements”) and desires further that UIA shall acquire and install said Improvements and to pledge to UIA and remit to the hereinafter defined Trustee an amount of its Franchise Tax Revenues and Sales Tax Revenues (as hereinafter defined) to accomplish the objectives set forth herein.

9. The Improvements will be owned by UIA (as more particularly described herein, the “UIA-Owned Improvements”).

10. It is the intention of the Parties that the Improvements to provide the Connection Services be operated and managed for the mutual benefit of the Parties and that the City will pay or cause to be paid fees to UIA calculated in accordance with Section 3.1 of this Contract. The amounts paid by the City hereunder do not constitute a purchase of any assets or facilities owned by UIA, and are made solely in consideration for the Connections Services provided by UIA to the City.

11. The Connections Services provided under this Contract are not Cable Television Services or Public Telecommunications Services as defined in the Municipal Cable Television or Public Telecommunications Services Act, Title 10, Chapter 18, Utah Code Annotated 1953, as amended (the “Telecommunications Act”).

AGREEMENT

In consideration of the acquisition and installation of the Improvements and the Connection Services herein provided, the benefit the City shall receive from such activities and the mutual covenants contained herein, the Parties agree as follows:

ARTICLE I DEFINITIONS

In addition to the defined terms defined in the recitals and elsewhere in this Contract, the following terms, whether in the singular or in the plural, when used herein and in the exhibits hereto, shall have the meanings set forth below:

“Aggregation Site(s)” means the real property or easement on real property on which the Santa Clara Fiber Hut(s) will be located.

“Agreed Upon End Users” means the number of End Users to be provided services pursuant to this Contract to satisfy the City’s obligation to meet the UIA Revenue Requirement, which shall be 1,133 End Users. UIA estimates that the Agreed Upon End Users are expected to produce approximately \$408,000.00 of Revenues annually.

“Capital Costs” means (a) the payment of any obligations incurred by UIA to finance or refinance the costs of the Improvements, and (b) amounts required to be deposited from time to time into required reserves established in connection with any financing referenced in (a) above.

“City” means Santa Clara City, Utah.

“City Fees” means fees paid by the City to UIA for the provision of Connection Services to City owned facilities or resources at the Product Catalog wholesale rates of UIA pursuant to Section 3.19 below.

“City Fiber Hut(s)” means the shelter(s), electronics, switches, routers, fiber terminations, conduits, cables, racking, generator, UPS units, cooling systems, and other support systems to support the Mainline System, Interconnect(s), and other future potential interconnects located on the Aggregation Site.

“City Network” means fiber optic lines, connection lines and related improvements acquired and constructed by UIA together with the acquisition by UIA of access rights and capacity in the UIA Network and UTOPIA Network and access rights and capacity in other networks within the City or for the benefit of the City.

“Communications Enterprise” means the enterprise established by the City pursuant to the Uniform Fiscal Procedures Act for Utah Cities, Title 10, Chapter 6, Utah Code Annotated 1953, as amended, to facilitate the providing of high speed communications services through the City Network to new End Users within the City pursuant to this Contract.

“Connection Services” means the wholesale services provided by UIA to the City pursuant to this Contract whereby End Users within the City have access to the Improvements through which they may contract with private providers to receive the Cable Television Services and Public Telecommunication Services (as those terms are defined in the Telecommunications Act) provided through the City Network. The term Connection Services includes Connection Services Capacity and is more particularly described in Exhibit A attached hereto and incorporated herein.

“Connection Services Capacity” means the access rights to and capacity in the City Network.

“Contract” means this Fiber Communications Service and Acquisition Contract dated as of _____, 2021, as it may be amended from time to time in accordance with Section 5.15 herein.

“End Users” means those residential end users to be provided services pursuant to this Contract.

“Fiscal Year” means a period commencing on July 1 and ending on the next succeeding June 30.

“Franchise Tax Revenues” means all franchise tax revenues received by the City pursuant to Title 10, Chapter 1, Part 3, Utah Code Annotated 1953, as amended, in an amount up to \$205,000.00 annually.

“Hook-up Lease Revenues” means the revenues that are generated pursuant to the Hook-up Leases.

“Hook-up Leases” means any and all agreements between the City or UIA and each End User that allows such End User to connect to the City Network.

“Improvements” means those facilities, improvements, and access, lease, use and/or capacity rights acquired, constructed, and/or installed, operated and maintained by UIA within the City or elsewhere in the UIA Network undertaken in whole or in part for the benefit of the City to provide Connection Services to and within the City to the End Users pursuant to this Contract, as more fully described in Exhibit B attached hereto, and incorporated herein.

“Indenture” means that certain General Indenture of Trust dated as of [____], 2021 between UIA and the Trustee.

“Interconnect” means the fiber route(s) between the UTOPIA Network backbone and the connection point to the Mainline System.

“Mainline System” means all of the newly installed fiber, conduits, handholes restorations and other materials along the roads and within the City limits as depicted in Exhibit C hereto.

“Non-residential Fees” means fees paid to UIA for non-residential services on the City Network. Recipients of Non-residential services will not be required to enter into a Hook-up Lease. Non-residential Fees do not include fees paid to UIA for non-residential services provided within the boundaries of the City via connections to the UIA Network that were constructed prior to the date of full execution of this Contract.

“Operating Contingency” means an unplanned event or circumstance, a series of events or circumstances, or any restriction or condition imposed by any governmental authority which reduces and materially adversely affects access to the Improvements.

“Original Term” has the meaning ascribed to such term in Section 5.16 hereof.

“Revenues” means the Service Fees, City Fees, and the Hook-up Lease Revenues generated from services through the City Network to End Users within the City pursuant to this Contract.

“Sales Tax Revenues” means all sales tax revenues that the City collects under Sections 59-12-Part 2 of the Utah Code Annotated 1953, as amended, in an amount up to \$203,000.00 annually.

“Service Fees” means all fees (other than fees relating to the Hook-up Leases) that may be charged by or on behalf of the City to the End Users of the Improvements. The Service Fees of the City shall be payable to UIA in consideration for the Connection Services provided by UIA to the City pursuant to this Contract. The Service Fees shall be calculated and paid pursuant to Article III of this Contract. Service Fees do not include any Hook-up Lease Revenues.

“Trustee” means the entity serving as trustee under the Indenture.

“UIA” means the Utah Infrastructure Agency, a separate legal entity, body, politic and corporate and a political subdivision of the State of Utah, created pursuant to the Interlocal Act.

“UIA Network” means fiber optic lines, connection lines and related improvements and facilities acquired, constructed and owned by UIA, including all access rights and capacity in the UTOPIA Network and access rights and capacity in other networks.

“UIA-Owned Improvements” means the City Fiber Hut(s), Interconnect(s), conduits, fiber cables, enclosures, and electronics constructed within the City under the terms of this Contract.

“UIA Revenue Requirement” means the sum of all Capital Costs of UIA relating to the Improvements during each Fiscal Year or other applicable period. The annual UIA Revenue Requirement is not expected to exceed \$408,000.00.

“Uncontrollable Forces” means any cause beyond the control of the Party affected, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire,

epidemic, war, riot, civil disturbances, labor disturbance, sabotage, and restraint by court or public authority.

“UTOPIA” means the Utah Telecommunication Open Infrastructure Agency, a separate legal entity, body, politic and corporate and a political subdivision of the State of Utah, created pursuant to the Interlocal Act.

“UTOPIA Network” means UTOPIA’s wholesale telecommunications network, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said network.

“UTOPIA Product Catalog” means the catalog of products and services maintained by UIA.

ARTICLE II CONNECTION SERVICES AND ACQUISITION OF IMPROVEMENTS

Section 2.1 Connection Services. UIA shall provide to and within the City and the City shall receive from UIA, Connection Services, including Connection Services Capacity, sufficient to allow not less than the Agreed Upon End Users benefitting from the Improvements within the City to connect to the City Network.

Section 2.2 Availability. UIA shall provide continuous Connection Services barring only emergency or scheduled downtime, curtailments, and Operating Contingencies.

Section 2.3 Acquisition, Date of Commencement and Substantial Completion.

(a) UIA shall undertake and perform all of the work associated with the acquisition, installation, construction and completion of the Improvements. The date of commencement of the work relating to the Improvements shall be the date of full execution and delivery of this Contract or if provision is made for a later date to be fixed in a notice to proceed issued by the City, that fixed date.

(b) The City shall provide a parcel of real property or an easement to a parcel of real property to site each of the required Aggregation Sites, and all required City Fiber Huts, within 30 days from the date of commencement.

(c) The City shall provide UIA the perpetual right to use all telecommunications conduit that is owned by the City. UIA’s use of any telecommunications conduit owned by the City shall not unreasonably interfere with the existing use of the telecommunications conduit by the City or any other entity as of the date of full execution and delivery of this Contract. UIA will have the right to re-locate, terminate, enclose, or repair the telecommunications conduit to accommodate the installation and maintenance of the City Network.

(d) UIA shall achieve substantial completion of the Improvements, which will allow at least 90% of the End Users within the area depicted on Exhibit

C to sign up and schedule installation for services under UIA's typical process and timeframes, not later than 24 months from the date of commencement. In the event that UIA is not able to complete construction in any area depicted on Exhibit C as a result of circumstances beyond the control of UIA, including but not limited to delays by third-parties in granting necessary permits, UIA will use its best efforts to complete construction as soon as possible.

(e) UIA agrees to construct extensions of the City Network into areas annexed by the City after the execution of this Contract whenever at least 50% of such extension may be completed through open trench opportunities or conduit placed by a developer. UIA may evaluate and construct extensions of the City Network under other conditions as UIA deems feasible in its sole discretion.

Section 2.4 Price of Improvements. The City and UIA agree that the Guaranteed Maximum Price (the "GMP" or the "Contract Sum") for the Contract will be Six Million Seven Hundred Thousand Dollars (\$6,700,000.00). This GMP is based on the acquisition, installation, construction and completion of the Improvements more particularly set forth in Exhibit B hereto.

Section 2.5 Cost Overruns. UIA shall be solely responsible for the acquisition, installation, construction and completion of the Improvements and Connection Services and shall also be responsible for any cost overruns above and beyond the GMP set forth in Section 2.4 hereof.

Section 2.6 Residential Installations. UIA will perform residential installations to subscribed locations within the City Network as part of the Hookup Lease entered into with an End User. Installations include the typical sign-up process available through UIA's online ordering system, scheduling, materials and labor for the placement of drop conduit, fiber cable, splicing, indoor fiber termination electronics, and a single Cat5e installation to the subscriber's router. Only a standard UIA installation based on a lowest-cost-path is included. Alternative routes, cable fishing, or subscriber preferences that increase the expense of UIA's standard installation may be negotiated with UIA or a UIA approved contractor on a case-by-case basis at the subscriber's expense.

Section 2.7 Non-Residential Installations. Non-residential customers are not End Users, and UIA will perform non-residential (i.e. business) installations at its own expense based on the terms of the then-current UTOPIA Product Catalog.

Section 2.8 Acceptance. UIA will provide as-built drawings, inspection reports, and test documentation of the completed Improvements.

Section 2.9 Repair. UIA will be responsible for repairing or replacing any conduit, fiber, or system electronics that become damaged or defective from normal wear and use of City Network assets. In the event that another party is responsible for the damage, including but not limited to traffic accidents, construction, and relocations, UIA will pursue compensation from the responsible party. In the event that repair/replacement costs are not recoverable from a third party, including but not limited to vandalism, natural

disaster, acts of God, or inability to identify responsible party, UIA will be responsible for costs associated with the electronics replacement and other repair costs.

Section 2.10 Electronics Maintenance. UIA is responsible for maintaining the electronics of the City Network, including aggregation switches, subscriber demarcation devices, and transceivers.

UIA is responsible for maintaining the support systems including cabinet, battery backup systems, generator, transfer switches, and air conditioners.

UIA will perform regular maintenance on the electronics and support systems including configuration updates, code updates, firmware updates, cleanings (as necessary), refueling, battery replacement, and other tasks needed to keep the City Network in working condition.

Section 2.11 Electronics Replacement. UIA agrees to keep the electronics components of the City Network current with industry standards and competitive options. UIA commits that all electronics components of the City Network are new or like-new condition and meet current standards at the time of installation. All electronics components of the City Network will support 1 Gbps speeds throughout the City Network. The City Network will also be designed so that 10 Gbps service can be available anywhere within the City Network with only a change of electronic interfaces so that the option to upgrade to 10 Gbps service is available anywhere in the City.

During the term of this Contract, UIA agrees to upgrade or replace at its own expense the electronics components of the City Network as necessary to support the same product availability as is generally available in other UIA member or partner cities.

Section 2.12 Utility Locating. UIA will provide utility locating services directly or via sub-contractor for the City Network through the duration of this Contract.

Section 2.13 Ownership of Improvements. It is agreed and understood that all real and personal property constituting the Improvements shall be owned by UIA.

ARTICLE III

PAYMENT FOR CONNECTION SERVICES; DISTRIBUTION OF REVENUES

Section 3.1 Determination of Payment/Revenue Distribution.

(a) In consideration for all of the services provided by UIA hereunder, the City agrees to pay or have paid an amount to UIA equal to the UIA Revenue Requirement.

(b) In consideration for the providing of Connection Services by UIA, the City shall pay or have paid to UIA or its successor or assigns for each Fiscal Year, if then due and owing, all of the Revenues received for such services during said Fiscal Year, to be paid and remitted to UIA or its successor or assigns on a

monthly basis in accordance with Section 3.3. Subject to Section 3.2(b) hereof, such Revenues are anticipated to commence when the City is provided with Connection Services related to the Improvements and when one or more Agreed Upon End Users have been charged for Hookup Leases or Service Fees. The City or UIA on behalf of the City shall charge or caused to be charged to all End Users Hookup Leases and Service Fees and shall remit or UIA on behalf of the City shall collect and remit all Revenues to UIA on a monthly basis and in accordance with Section 5.12 hereof.

(c) Upon receipt of the City Fees, UIA will apply the City Fees toward the payment of the UIA Revenue Requirement.

(d) UIA shall on behalf of the City, impose and collect fees and charges for the Hook-up Leases and will apply such Hook-up Lease Revenues toward the payment of the UIA Revenue Requirement.

(e) Upon receipt of the Non-residential Fees, UIA will apply 50% of the Non-Residential Fees toward the payment of the UIA Revenue Requirement.

(f) Upon termination of this Contract in accordance with Section 5.16 hereof, all Revenues will become revenues of and belong to UIA.

(g) UIA will account for Revenues received during the period of time when capitalized interest is used to pay the UIA Revenue Requirement (the "Preliminary Revenues"). In the event that the Revenues under Section 3.1(c)-(e) are insufficient to meet the UIA Revenue Requirement, UIA will apply the Preliminary Revenues toward the payment of the UIA Revenue Requirement consistent with Section 3.1(c)-(e) in the amount necessary to compensate for any deficiency between the Revenues and the UIA Revenue Requirement. Once the full amount of the Preliminary Revenues have been applied to the UIA Revenue Requirement or the Revenues under Section 3.1(c)-(e) are sufficient to meet the UIA Revenue Requirement, UIA will be under no obligation to account for the Preliminary Revenues or apply the Preliminary Revenues to the UIA Revenue Requirement.

Section 3.2 Obligation is Absolute.

(a) The City hereby pledges the Revenues, the Franchise Tax Revenues, and Sales Tax Revenues and grants a security interest in and a first irrevocable lien on the Revenues, the Franchise Tax Revenues, and Sales Tax Revenues as security for payment of the UIA Revenue Requirement and the City hereby agrees to apply the Revenues, the Franchise Tax Revenues, and Sales Tax Revenues as payment for the UIA Revenue Requirement.

(b) Subject to the provisions of Section 3.3 hereof limiting the sources of payment hereunder, the City's payment obligations hereunder to UIA for Connection Services and other services hereunder and related to the Improvements

pursuant to this Article III shall be irrevocable, absolute and unconditional and shall not be subject to any reduction, whether by defense, recoupment, counterclaim, set off, termination, or offset or otherwise, and shall not be conditioned upon the construction, performance or non-performance of the Improvements by UIA, the remedy for non-performance being limited to mandamus, specific performance or equitable remedy. Notwithstanding the foregoing, it is not intended that the City by this Contract assume any obligation or liability as a guarantor, endorser, surety, or otherwise with respect to any obligations incurred by UIA with respect to the Improvements.

Section 3.3 Special Limited Obligation. The City agrees to pay the Revenues due to UIA for Connection Services and other services hereunder related to the Improvements in monthly installments. Subject to Section 3.5 herein, the City's obligations to make monthly payments pursuant to this Section 3.3 shall constitute an obligation payable solely from Revenues. In no event shall the obligations of the City hereunder be construed as a general obligation or indebtedness of the City within the meaning of any constitutional or statutory limitation or provision or payable from ad valorem property taxes of the City. The Parties acknowledge and agree that such payments shall be made out of the enterprise fund established with respect to the City's Communications Enterprise. Each monthly installment shall be due and payable by the City to UIA not later than the fifteenth day of the next succeeding month. A final accounting of all transactions between UIA and the City in each Fiscal Year shall be rendered to the City by UIA on or before the 90th day of the succeeding Fiscal Year. The final accounting shall specify the amount, if any, which the City must pay to UIA to reconcile total monthly payments with actual amounts due UIA with Revenues indicated by an underpayment or overpayment to be made by the City or UIA respectively, which amount shall be payable to UIA no later than 30 days after the receipt of the final accounting.

Section 3.4 Default in Payment. If the Revenues are not paid in full on or before the close of business on the fifteenth day of the month in which said Revenues are due, an interest charge will be made at the rate of ten percent (10%) per annum or the maximum rate of interest legally chargeable, whichever is less. If all or a portion of the Revenues remain unpaid subsequent to the fifteenth day of the month in which the Revenues are due, UIA may, upon giving thirty (30) days' advance written notice calculated from the date of receipt of such notice by the City, discontinue Connection Services and other services hereunder to the City unless, and may refuse to resume said services to said City until, the delinquent installment has been paid. From and after the effective date of such notice, UIA may, in its sole discretion, not provide Connection Services or other services hereunder to the City. Any interruption of service under this Section 3.4 will not limit the obligations of the City under Section 3.5.

Section 3.5 Use of Franchise Tax Revenues and Sales Tax Revenues.

(a) In the event and to the extent there shall be a shortfall in the amounts identified in Section 3.1(c)-(e) (a "Shortfall"), such that UIA shall not have sufficient moneys from the amounts identified in Section 3.1(c)-(e) to pay the UIA

Revenue Requirement when due, and if UIA shall for any reason fail to cure such Shortfall on behalf of the City, the City hereby pledges and agrees to advance to UIA its Franchise Tax Revenues and Sales Tax Revenues by remitting such Franchise Tax Revenues and Sales Tax Revenues to the Trustee to cure such Shortfall.

(b) On or prior to each January 1 and July 1 commencing January 1, 2022, UIA shall determine:

(i) the UIA Revenue Requirement due on the next succeeding March 15 or September 15, as applicable, and

(ii) the amount of Revenues UIA reasonably believes will be available for payment of the UIA Revenue Requirement on said March 15 or September 15. In addition, UIA shall inform the Trustee and the City of any Shortfall and shall, on or prior to each January 15 or July 15 as applicable, submit a request to the City to remit to the Trustee, Franchise Tax Revenues and Sales Tax Revenues equal to the Shortfall described and calculated in accordance with the provision set forth above. The City agrees to pay the Shortfall to the Trustee no later than the next succeeding March 15 or September 15, as applicable. UIA covenants to take such other action as it lawfully may take to assure that the City remits to the Trustee from Franchise Tax Revenues and Sales Tax Revenues any Shortfall pursuant to this Contract.

(c) If for any reason UIA or the City fails to comply with their obligations under Section 3.5(b) of this Contract, the Trustee pursuant to Section 5.2(b) of the Indenture will, at any time during which a Shortfall exists, submit a request to the City to remit the Franchise Tax Revenues and Sales Tax Revenues equal to the Shortfall described and calculated in accordance with the provision set forth above. The City agrees to pay the Shortfall to the Trustee no later than the next succeeding March 15 or September 15, as applicable.

(d) The City may create or incur additional debt or other obligations secured by franchise tax revenues or sales tax revenues on a parity with the pledge created pursuant to this Section 3.5 so long as the franchise tax revenues or sales tax revenues generated during the Fiscal Year immediately preceding the Fiscal Year in which the additional parity debt or obligation is to be issued or incurred, as appropriate, are not less than 150% of the maximum annual debt service in any given Fiscal Year on the sum of (i) the debt service on the additional parity debt or obligation plus (ii) debt service on any debt or other parity obligation previously issued or incurred by or for the benefit of the City and payable from or secured by franchise tax revenues or sales tax revenues, as appropriate, and outstanding plus (iii) the debt service on any bonds or other parity obligations issued by UIA and payable from amounts paid or received under this Contract, tested for the period of such additional debt or other parity obligation.

(e) All Franchise Tax Revenues and Sales Tax Revenues paid by the City to the Trustee or UIA or its designee pursuant to this Section 3.5 shall constitute a loan by the City to UIA which shall be paid by UIA at the time and in the manner as provided in the form of a promissory note attached hereto as Exhibit D from future revenues of UIA. The City shall be entitled to interest on each loan advance from the date said advance is made by the City to the Trustee or UIA or its designee, at the per annum rate equal to the rate of return at the Utah Public Treasurer's Investment Fund in effect at the time of execution and delivery of the promissory note, unless by agreement of the City and UIA a lesser interest rate is set forth in the executed promissory note for said loan. The City acknowledges that the loan obligation incurred by UIA herein shall be repaid only from Revenues generated from the City Network and shall be subordinate and junior to UIA's other payment obligations. Payment obligations represented by a promissory note shall survive termination of this Contract until paid in full or otherwise extinguished.

(f) During the term of this Contract, the City covenants that it will not, unless directed to do so by the State of Utah or a court of competent jurisdiction, reduce the rate of the tax from which it derives Franchise Tax Revenues or Sales Tax Revenues.

Section 3.6 Succession Proceedings. UIA or its designee shall have the right from time to time to begin and maintain successive proceedings against the City for the recovery of all Revenues or Shortfalls required to be made under this Contract by the City and to recover the same upon the liability of the City herein provided. Nothing herein contained shall be deemed to require UIA to defer commencement of any such proceeding until the end of the term of this Contract.

Section 3.7 Remedies. UIA or its designee may take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable by the City hereunder, then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City under the provisions of this Contract. Such action may include, but is not limited to, suspension or termination of services to the City for City purposes. The City may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of UIA under the provisions of this Contract.

Section 3.8 No Exclusive Remedy. No right or remedy herein conferred upon or reserved to UIA or its designee or the City is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter legally existing. The failure of UIA or its designee or the City to insist at any time upon the strict observance or performance by the other parties to this Contract of any of the provisions of this Contract, or to exercise any right or remedy provided for in this Contract, shall not impair any such right or remedy nor be construed as a waiver or relinquishment thereof for the future. Receipt by the Trustee, UIA or its designee of any payments required to be made under this Contract with knowledge of the breach of any provisions of this Contract, shall not be deemed a waiver of such breach. In addition to all other remedies provided in this Contract,

UIA or its designee or the City shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the provisions of this Contract, or to a decree concerning performance of any of the provisions of this Contract, or to any other remedy legally allowed. If any proceeding shall be brought for the enforcement of any right or remedy provided for in this Contract in which it shall be determined that the City shall have failed and continued to fail to make a payment of Fees due under this Contract at the time of commencement thereof, the City shall pay UIA or its designee all expenses incurred in connection therewith including, without limitation, reasonable attorneys' fees and expenses. In like manner, if it should become necessary for the City to bring legal proceedings against UIA or its designee to enforce any right given it hereunder, the City shall have the right, if it is successful in such proceedings, to the payment by UIA of all expenses incurred in connection therewith including, without limitation, reasonable attorneys' fees, and expenses.

Section 3.9 Right of Designee to Exercise Remedies. At any time UIA or its designee is entitled to enforce any of the rights or remedies provided for in this Contract, the designee may proceed, either in its own name and as trustee of any express trust or otherwise, to protect and enforce its rights and those of UIA under this Contract, whether or not UIA shall have complied with any of the provisions hereof or proceeded to take any action authorized or permitted under applicable law. Such rights and remedies as are given UIA hereunder shall also extend to its designee and the designee shall be entitled to the benefit of all covenants and agreements in this Contract contained.

Section 3.10 City not Obligated for UIA Debt. All obligations of UIA are payable solely by UIA and are not a debt or other obligation of the City; *provided however*, that nothing in this Section 3.10 shall be construed as limiting the City's obligations under Section 3.5 of this Contract.

Section 3.11 Billing and Collection by UIA. For purposes of expediency and efficiency, UIA will provide billing and collection services for Connection Services and Hook-up Leases to the End Users on behalf of the City. Revenues received by UIA from such activities are properly allocable and will be allocated to UIA as provided in this Contract.

Section 3.12 Disposition at Termination. After this Contract has expired in accordance with its terms, unless otherwise agreed to by the Parties, all Revenues shall belong solely to UIA, less payments due to the City under any Promissory Note or other obligation arising out of this Contract.

Section 3.13 Exclusive Use. UIA will have exclusive use of the City Network for purposes of providing services directly or in partnership with service providers approved by UIA to subscribers of the City Network. Third parties may only utilize the system in partnership with UIA.

Section 3.14 System Capacity.

(a) UIA has determined that it has excess capacity in the UIA Network to provide the Connection Services and that it will make such capacity available to the City.

(b) UIA agrees to provide a minimum of 20 Gbps of network capacity to the City Fiber Hut(s) upon acceptance of the completion of the City Fiber Hut(s). UIA agrees to maintain at least 30% headroom of unused capacity to the Aggregation Site and will at its own expense monitor and upgrade the capacity to the Aggregation Site of the City Network if it exceeds 70% utilization based on a 95%/5min interval monthly calculation.

Section 3.15 Service Providers. UIA will make the City Network available to all of its contracted service providers under the same terms and conditions as other cities in Davis County. Such service providers are not obligated to provide services within the City.

Section 3.16 Network Operations Center (NOC) Services. UIA agrees to provide monitoring of the City Network on a 24/7 basis from its NOC. This includes device monitoring, outage notifications, configuration of devices, diagnostics, repair dispatch, and other services as generally provided by the NOC.

Section 3.17 Network Engineering Services. UIA will maintain the configurations, code, and design of the City Network to ensure that it meets the needs of the City Network. Additionally, UIA agrees to provide network design services to the City for the purposes of interconnecting the City.

Section 3.18 Field Technician Services. Field technician services will be provided by UIA during the term of this Contract. Such services include dispatch and resolution services.

Section 3.19 City Connections. The City is entitled to receive services from UIA at the Product Catalog wholesale rates of UIA.

Section 3.20 Customer Service. UIA staffs a customer service call center for sales, information, and other miscellaneous issues. For outages, technical support, and billing issues, subscribers are generally expected to call their contracted service provider. In the event a service provider determines the issue is related to problems with the City Network and not the service provider or in-home equipment, then the service provider may refer the issue to UIA.

Section 3.21 Technical Support. UIA is responsible for providing technical support for the connection up to the demarcation switch in each home or business. Technical support for customer routers, in-home wiring, computers, and in-home Wifi is not service that UIA provides. Such services are generally expected to be handled by the subscriber's contracted service provider based on their terms of service.

Section 3.22 IT Systems. UIA will be responsible for incremental costs for software licensing expenses incurred for managing the City Network including device monitoring, billing software, configuration management, and automated provisioning systems.

Section 3.23 Geographic Information System (GIS). UIA will be responsible for maintaining GIS data for the City Network, including the costs for any software licensing, hardware, and data archival expenses.

ARTICLE IV

APPROVAL AND PUBLICATION REQUIREMENTS

Section 4.1 Submission to Authorized Attorney. This Contract shall constitute an agreement for joint and cooperative action pursuant to the Interlocal Act. In accordance with the requirements of Section 11-13-202.5 of the Interlocal Act, as amended, this Contract shall be submitted for approval to the governing bodies of UIA and the City and to an authorized attorney for UIA and for the City who shall approve this Contract if such attorney determines that it is in proper form and compatible with the laws of the State of Utah.

Section 4.2 Publication. In accordance with the requirements of Section 11-13-219 of the Interlocal Act, as amended, the governing body of UIA shall provide for the publication of the resolution adopted by it pursuant to the requirements of Section 11-13-202 of the Interlocal Act, as amended, in the official newspaper or the newspaper published within its boundaries, or if no newspaper is so published, then in a newspaper having general circulation therein.

ARTICLE V

GENERAL PROVISIONS

Section 5.1 Acquisition and Construction of the Improvements. UIA represents that it will acquire or cause to be acquired all permits, licenses, rights and privileges, structures, equipment, and facilities with respect to the acquisition and construction of the Improvements necessary for the performance by UIA of this Contract. UIA shall maintain and defend such permits, licenses, and rights and privileges and shall not voluntarily permit any change therein that would result in impairment of the performance by UIA of its obligation under this Contract.

Section 5.2 Risk of Loss. Each Party is solely responsible for the risk of loss of, or damage to, equipment of that Party (regardless of where located), unless the loss or damage results from the negligence or fault of the other Party.

Section 5.3 Several Obligations. Except where specifically stated in this Contract to be otherwise, the duties, obligations, and liabilities of the Parties are intended

to be several and not joint or collective. Nothing contained in this Contract shall ever be construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Contract and shall not be liable for any obligation of the other.

Section 5.4 Liability Dedication. Nothing in this Contract shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a party to this Contract.

Section 5.5 Books and Records. UIA agrees that it shall maintain separate bank accounts, books and records relating to the Improvements and that proper and equitable allocations of revenues and expenses will be made with respect to the operations of the Improvements. The City shall receive from UIA a monthly statement on the accounting and disposition of Hook-up Leases and City Fees. Also, UIA shall submit to the City such supporting data with respect to all annual budgets and yearly accounting reconciliations as are reasonably necessary to enable the City to effect proper accounting therefor. All bank records, books of account and accounting records of UIA relating to this Contract shall be available for inspection and utilization by a duly authorized officer or designee of the City at all reasonable times. UIA shall cause such books of account of the Improvements to be audited annually by independent public accountants experienced in utility accounting. A copy of each such annual audit, including any recommendations of the accountants with respect thereto, shall be promptly made available by UIA to the City.

Section 5.6 Relationship to Other Instruments. It is recognized that UIA must comply with all licenses, permits and regulatory approvals necessary for the ownership, acquisition, construction and operation of the Improvements, and it is, therefore, agreed that this Contract is made subject to the terms and provisions of such licenses, permits and regulatory approvals, except that the City shall not be bound by any term or provision of any license, permit, or regulatory approval, which may contradict or vary the terms hereof unless it expressly consents in writing to be so bound. The City agrees that it will not revise or amend its fees charged to End Users under its Communications Enterprise in any manner that would adversely affect the priority of or the security for the payments to be made thereunder to UIA without the mutual consent of the Parties.

Section 5.7 Liabilities. The City, its officers, designees, and employees, or any of them, shall not be liable for any claims, demands, costs, losses, causes of action, damages or liability of whatsoever kind or nature arising out of or resulting from the ownership, acquisition, construction and operation by UIA of the Improvements. UIA, its officers, designees, and employees, or any of them, shall not be liable for any claims, demands, costs, losses, causes of action, damages or liability of whatsoever kind or nature arising out of or resulting from the performance by the City under this Contract.

Section 5.8 Assignment. Except for security purposes in connection with any obligations incurred by UIA, neither this Contract nor any part hereof shall be assigned by any Party without prior written consent of the other.

Section 5.9 Furnishing Service to Others. UIA, by entering into this Contract, does not hold itself out to provide the Improvements or similar service to any other person or entity.

Section 5.10 Uncontrollable Forces. No Party shall be considered to be in default in respect to any obligation hereunder, other than under Article III, if prevented from fulfilling such obligation by reason of an Uncontrollable Force. If a Party is rendered unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such inability with all reasonable dispatch and shall keep the other Parties fully informed of changes and conditions as far in advance as possible.

Section 5.11 Communications Enterprise. The City will operate and maintain, or cause to be operated and maintained, its Communications Enterprise in good operating order and will fix, charge, and collect rates, fees, and charges in accordance with Section 5.12 herein.

Section 5.12 Imposition and Collection of Fees. The City has previously established or will establish a Communications Enterprise and hereby represents that it charges or causes to be charged on its behalf all End Users within the City through its Communications Enterprise monthly fees for each connection to the City Network in consideration for the Connection Services and other communications services provided by the City. The City shall establish or cause to be established such enforcement procedures as may be necessary to collect such fees. Said fees, when collected, shall be used by the City to pay its obligations under this Contract.

Section 5.13 Cable Television Services and Public Telecommunications Services. The Parties hereto acknowledge and represent that neither party, by entering into this Contract, shall provide or be required to provide Cable Television Services or Public Telecommunications Services as defined in the Telecommunications Act, nor is either party capable of providing said services. Furthermore, the Parties hereby acknowledge and represent that to the best of their knowledge, the City is paying for the full cost of providing the Connection Services or other services received by it pursuant to this Contract.

Section 5.14 Entire Agreement. This Contract constitutes the entire agreement among the Parties with respect to the subject matter hereof. No change, variation, termination, or attempted waiver of any of the provisions of this Contract shall be binding on the Parties unless executed in writing by the other Party. This Contract shall not be modified, supplemented, or otherwise affected by course of dealing.

Section 5.15 Amendments. This Contract shall not be amended, modified, or otherwise altered in any manner without the consent of the parties hereto, which consent shall not be unreasonably withheld; provided however, that Section 3.5, Section 5.16, Section 5.18, and Section 5.19 hereof shall not be amended until such time that any obligations issued by UIA and payable from amounts paid or received hereunder shall have been retired in accordance with their terms.

Section 5.16 Effective Date and Original Term; Termination. This Contract shall be effective as of the date hereof and shall continue in effect until October 15, 2048 (the “Original Term”), or such later time when any obligations issued by UIA and payable from amounts hereunder shall have been retired in accordance with their terms.

Section 5.17 Notice. Any notice, demand, or request provided for in this Contract shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

UIA: UTOPIA
5858 South 900 East
Murray, UT 84121
Attn: Chief Executive Officer

Santa Clara, UT _____
Attn: City Recorder

The Parties may, at any time, by notice to the other designate different or additional persons or different addresses for the giving of notice hereunder.

Section 5.18 Third-Party Beneficiaries. The terms and provisions of this Contract shall be binding upon and inure to the benefit of the Parties hereto, and their respective successors and assigns, including the Trustee, and is made for their benefit. Further, the Trustee is an intended third-party beneficiary for purposes of Section 3.5 hereof, including without limitation its rights to Franchise Tax Revenues and Sales Tax Revenues in the event of any Shortfall and to pursue all remedies related thereto. No other person shall have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third-party beneficiary or otherwise.

Section 5.19 Governing Law. This Contract shall be interpreted, governed by, and construed under the laws of the State of Utah.

Section 5.20 Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.21 Severability. If any provision of this Contract shall be held or be deemed to be or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatsoever.

[Signature pages follow]

IN WITNESS WHEREOF, the Parties hereto have executed this contract the day and year herein first above written.

(SEAL) UTAH INFRASTRUCTURE AGENCY

By: _____
CEO

ATTEST AND COUNTERSIGN:

By: _____
Secretary

(SEAL) SANTA CLARA, UTAH

By: _____
Mayor

ATTEST AND COUNTERSIGN:

By: _____
City Recorder

Pursuant to Section 11-13-202.5 of the Utah Code Annotated 1953, as amended, the foregoing Contract is hereby approved.

Attorney for Utah Infrastructure Agency

Attorney for _____, Utah

EXHIBIT A

CONNECTION SERVICES

Strategic Partner Management

Recruit and manage strategic partnerships, which will include but not be limited to Business and Residential Service Providers and Services Providers. Attract new technologies to the network to facilitate new service offerings on the network and leverage the City's existing network and its communities.

UIA will negotiate on behalf of the City the contract and contract amendments, enforce contracts with Providers and ensure Service Level Agreements are met according to business and contractual obligations.

Product Management

Recommend, develop wholesale pricing model along with the City and strategic partners. This will include new wholesale pricing for newly developed products brought by UIA and its Strategic Partners.

Present developed model and any changes the City and strategic partners for rollout on the Network. Maintain, modifying and bring to end-of-life wholesale products on the network.

Planning, Design and Implementation

UIA will provide planning, design and implementation of the City's network as requested. A full outside plant design, network design and operational impact review will be provided along with a project implementation plan timeline, along with associated budget for the plan. The plan will include:

- Creation/Import of city records into GIS system
- Estimated cost for the outside plant build requested area
- Estimated cost for the network engineering build
- Project Engineer to interact and answer questions about the proposals and presentations
- Support for submittal of change orders for any changes on the design plan
- Supporting production map(s) and documentation for proposed build areas
- Extract of information in supported format provided by UIA

Marketing/Advocate Awareness Program

UIA will instigate and oversee any marketing and communications efforts that are necessary to the network's success. This could include campaigns within city governments, residential markets, multi-dwelling unit markets, business markets, or with community and national thought leaders, policy makers and other audiences. In particular, UIA will seek opportunities to develop and educate about future quality-of-life, public safety, and economic development opportunities on the network, working to build the network's reputation as necessary public infrastructure.

UIA will recruit and manage personnel and/or contractors to assist in promoting the network and growing the subscriber base. The City may assist with the promotion activities as long as it receives the prior written approval from UIA to do so.

GIS Services

Upon implementation of new network designs UIA will create, manage and maintain a Geo-spatial database to track the build of the City's network. UIA will provide a conversion method to import engineering documentation (CAD Conversion) and modify the geo-spatial database to include AS-Built updates as reported.

Continued support will be offered by taking GPS data collection for key OSP elements, recording that information into the database, providing and tracking fiber assignments made for provisioning services and when requested, provide an extract of the database for the Cities in an available format

Outside Plant Services

During construction UIA will appoint a Project Manager to oversee all approved construction for the specific project. They will manage the RFP process using UIA standard policies to award construction bids and select qualified contractors. They will provide management over employees and contractors during the construction process by assigned construction work packages and ensuring industry best practices and consistent engineering specifications are met.

The Project Manager will ensure:

- Budget tracking and reporting is available for the City
- Obtain necessary field permits and obligations
- Issues are tracked and brought to resolution for the City or its residents
- RMA process is followed
- Inventory is managed and accounted for
- Maintaining necessary levels of inventory to complete work packages
- Ensure construction work through Quality Assurance procedures

Field Services

UIA will provide field crews and/or contractors to be deployed in the field to manage the physical plant which is constructed for the City. UIA will maintain physical huts and cabinets on the network. During the event of an issue the Field Services Group will respond to any actual damage to physical plant and manage and execute the repair needed for restoring the physical plant as deemed necessary by UIA.

Network Engineering Services

UIA will provide network engineers and/or contractors to evaluate, recommend the needed electronics to provide wholesale services on the network. These Network engineers will:

- Test and certify network electronics for deployment
- Create, maintain physical and logical topology of the Network
- Configure and install the necessary devices in the network as needed
- Resolve any issues with these devices and replace parts or device as needed
- RMA through standard processes
- Research and Development of new technologies along with strategic partners
- Capacity planning of the network

Operations Management

UIA will provide management oversight of operational support of the network. This will include:

Integration: Integration of strategic partners onto the network, establishing standard interfaces and operational methods and procedures with these partners. UIA will assist strategic partners in understanding integration points of products and services on the network.

Operational Methods and Procedures: Develop supporting methods and procedures to coordinate delivery of services to customers.

Network Operations Center (NOC): 24x7 NOC to monitor health of devices and services on the network. Respond to Strategic Partner requests, manage to resolution reported issues on the network.

Network Repair and Maintenance: Detect, record (through a UIA a trouble ticketing solution) and respond to network maintenance and issues. Record and dispatch appropriate teams into the field for issue resolution.

Order Management System: Provide systems to allow the ordering and activation of wholesale services on the network, track customer acquisition and produce invoices, as needed, of wholesale services for cities so that they may invoice residents and UIA may invoice Service Providers.

Reporting: Provide reporting of customers on the network.

Invoicing: Provide information to the City to allow the invoicing of applicable wholesale services on the network, if the City handles its own invoicing.

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS

Physical Improvements

Fiber Optic Communication lines will be deployed throughout the City. These lines will be constructed both overhead and underground in each of the city's "rights of way" following all local, state and federal regulations using industry best practices to deploy the most efficient and cost-effective infrastructure.

Elements of the infrastructure include 3 separate categories: Backbone or middle mile construction, access level or last mile construction and drop level construction.

Additional Fiber Optic Communication lines will be deployed in locations outside of the City in order to provide redundancy, increased capacity, and other improvements as may be necessary or advantageous, in whole or in part, for the benefit of the city.

Backbone or Middle Mile Construction

Consists of both overhead and underground paths, communication shelters to house distribution switches, fiber optic patch panels, uninterruptable power supplies (UPS) and generators. The communication shelters will serve as distribution points within the City and will be connected diversely with ring architecture. Other elements include fiber optic cable, conduit, strand, pole mounting hardware, vaults, splice closures and all other items necessary to construct and operate the network. The testing and certification of the improvements will be in accordance with national industry standards and UTOPIA's Engineering Standards document.

Access Level or Last Mile Construction

Consists of both overhead and underground paths to every subscribed address within the build area. Elements of this type of build include fiber optic cable, conduit, strand, pole mounting hardware, vaults, splice closures and all other items necessary to construct and operate the network. This infrastructure will facilitate and serve as network access points for subscribers to UIA.

Drop Level Construction

Consist of drop fiber and/or conduit being placed from a network access point to the demarcation point within the subscriber's premise where a network interface device will be placed. Elements of this type of build include three quarter inch drop conduit, drop fiber, aerial attachment hardware, network interface device (NJD), UPS, fiber pigtail, optical transceiver/receiver, power cord and all other items necessary to construct and operate the network. UIA understands that it is the City's preference that underground construction, not aerial attachment, be used whenever possible. In some instances, UIA

will also be responsible for installing cat5 cable within the homes to provide a connection for the services ordered.

EXHIBIT C

MAPS OF MAINLINE SYSTEM

N



SC001

— Proposed UTOPIA Design

— Existing UTOPIA Pathway

Sources: Esri; HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NOAA, (c) OpenStreetMap contributors, and the GIS User Community

EXHIBIT D

FORM OF PROMISSORY NOTE

\$ _____

(date)

FOR VALUE RECEIVED, the undersigned, Utah Infrastructure Agency (“Borrower”), promises to pay to the order of _____, Utah (“Lender”), the principal sum of _____ (\$ _____) together with all subsequent loan advances made, expenditures authorized and additional payments provided for in this Promissory Note and pursuant to the Fiber Communications Service and Acquisition Contract dated as of [____], 20__, between Borrower and Lender (the “Contract”).

1. Definitions. As used in this Note, the following terms shall have the meanings set forth below:

“Effective Date” means the date the terms of this Note, including the accruing rate of interest and the payment obligations described herein, become effective, which date shall be the date the proceeds of the Loan are disbursed to or for the benefit of Borrower.

“Event of Default” means failure by Borrower to pay timely any installment of principal or interest on this Note.

“Loan” means the loan advanced by Lender to Borrower under the terms and upon the conditions contained in the Contract in the principal amount of _____ (\$ _____).

“Maturity Date” means _____.

“Month” means a calendar month.

“Note” means this Promissory Note and any extensions, renewals or modifications thereof.

“Payment Date” means the _____ day of each Month on which Borrower shall pay to Lender accrued interest, or principal and accrued interest, on the outstanding principal of this Note, as required by the terms of this Note.

“Principal Indebtedness” means at any time and from time to time during the term of this Note all advances, disbursements, expenditures, and payments made by Lender after the date of this Note pursuant to the terms of this Note or the Contract.

2. Security. Security for this Note and repayment by Borrower will be limited exclusively to the Revenues, as defined in the Contract, that are generated under the Contract. Borrower’s obligation to repay the Note is contingent upon the availability of Revenues generated under the Contract in excess of the UIA Revenue Requirement, as

defined in the Contract. Borrower is not obligated to utilize any other funds to repay this Note.

3. Interest Accruals. The unpaid principal balance will bear interest at the rate set forth in Section 3.5(e) of the Contract.

4. Interest Calculation Basis. All interest accruing under this Note shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

5. Payments of Principal and Accrued Interest.

(a) Beginning on _____, Borrower shall make monthly installment payments to Lender of principal and accrued interest on the unpaid Principal Indebtedness in the amount of _____ (\$ _____) each.

(b) The entire unpaid Principal Indebtedness, together with all accrued and unpaid interest thereon, if not sooner paid, shall be due and payable in full on the Maturity Date.

6. Place of Payment. All payments under this Note shall be made in lawful money of the United States of America at Lender's offices at _____ Utah, or at such other place as Lender may from time to time designate. All payments on this Note shall, at the option of Lender, be applied first to the payment of accrued interest and after all such interest has been paid, any remainder shall be applied toward the reduction of the Principal Indebtedness.

7. Default Rate of Interest. During any period of time which an Event of Default has occurred and is continuing, interest shall accrue against the outstanding Principal Indebtedness evidenced hereby at a rate equal to the otherwise effective rate of interest under this Note plus five percent (5.0%) per annum, calculated on the basis of a 360-day year for the actual number of days elapsed.

8. Prepayment. Borrower may prepay all or a portion of the amount owed earlier than it is due.

9. Late Fee Charges. If any payment required by this Note not received by Lender within ten (10) days after such payment is due, a late fee charge equal to five percent (5.0%) of such late payment shall be due and payable.

10. Incorporation of Contract. The terms, conditions, covenants, provisions, stipulations and agreements of the Contract are hereby made a part of this Note by reference to such document in the same manner and with the same effect as if the Contract were fully set forth herein. Borrower hereby covenants and promises to abide by and comply with each and every covenant and condition set forth in this Note and the Contract.

11. Application of Payments. All payments on this Note shall, at the option of Lender, be applied first to the payment of accrued interest and after all such interest has been paid, any remainder shall be applied toward repayment of any additional advances

Lender has made hereunder which have not already been added to the Principal Indebtedness then outstanding, and the balance, if any, toward the reduction of the Principal Indebtedness.

12. Waivers, Substitution of Security. Borrower waives presentment for payment, notice of dishonor and protest, and consents to any extension of time with respect to any payment due under this Note, to any substitution or release of collateral, and to the addition or release of any party. No waiver of any payment under this Note shall operate as a waiver of any other payment. No delay or failure of Lender in the exercise of any right or remedy provided for under this Note shall be deemed a waiver of such right by Lender, and no exercise of any right or remedy shall be deemed a waiver of any other right or remedy which Lender may have.

13. Governing Law. This Note is to be construed in accordance with the laws of the State of Utah, without giving effect to principles of conflicts of laws.

14. General. Time is of the essence hereof. Upon the occurrence and continuance of an Event of Default, Lender shall have, in addition to all rights and remedies available to Lender at law or in equity, all rights and remedies allowed under Utah law.

DATED effective as of the date first above written.

[Signatures appear on following pages.]

BORROWER:

UTAH INFRASTRUCTURE AGENCY

By: _____
Chair

LENDER:

_____, UTAH

(SEAL)

By: _____
Mayor

ATTEST AND COUNTERSIGN:

By: _____
City Recorder

Mayor

Rick Rosenberg

City Manager

Brock Jacobsen



City Council

Denny Drake

Wendell Gubler

Leina Mathis

Ben Shakespeare

Jarett Waite

CITY COUNCIL

Meeting Date: November 10, 2021

Agenda Item: 6

Applicant: Gary Hall

Requested by: GARY HALL

Subject: Award bid for SCADA system and Hassell substation upgrade.

Description:

I have received bids for the Hassell Substation upgrade and new SCADA system (Supervisory Control and Data Acquisition). We had \$200,000 approved for the substation upgrade in this years budget, the bid I would like to award goes to Eaton for \$169,336. This bid includes the new SCADA system and the upgrades needed in the Hassell Substation for the SCADA system to be able to communicate with the substation equipment.

Recommendation: Approval

Cost: \$169,336.00

Legal Approval: N/A

Finance Approval: Yes

Budget Approval: Yes

Attachments:

https://sccity.org/wp-content/uploads/formidable/41/EATON-Santa-Clara-SCADA-Proposal_v1.pdf



Powering Business Worldwide

Proposal for

Santa Clara, UT

SCADA System and Hassell Substation Recloser Replacement Project

Provided by

Eaton Corporation
Eaton Electrical Services and Systems
Utility Transmission & Automation



Powering Business Worldwide

Summary

Date October 27, 2021
Attention Gary Hall
Customer Santa Clara City Power
Project 2022 SCADA System and Hassell Substation recloser replacement.
Location Santa Clara City Yard

Scope of Work

Eaton Corporation is pleased to provide the following products and services.

New Panel List-

Quantity 4- Form-6 recloser control panels for the Parley Hassell Substation.
Quantity 1- Outdoor control power battery enclosure for the Parley Hassell Substation.

SCADA Main Control Panel- Eaton will provide the programming, hardware, panel retrofit labor, site commissioning, site acceptance testing, project management, and training for the replacement SCADA system. Existing ACS Prism components will be removed and a new ethernet switch, substation processor, and I/O module will be installed on the panel backpan. GNSS Satellite time will be connected to the new substation processor in this location. Communications with the new Wheeler CAT paralleling controls are included provided that the interface is either Modbus or DNP3 (ethernet or rs-485). Generator hardwired outputs can be accommodated by our proposal hardware up to 8 signals.

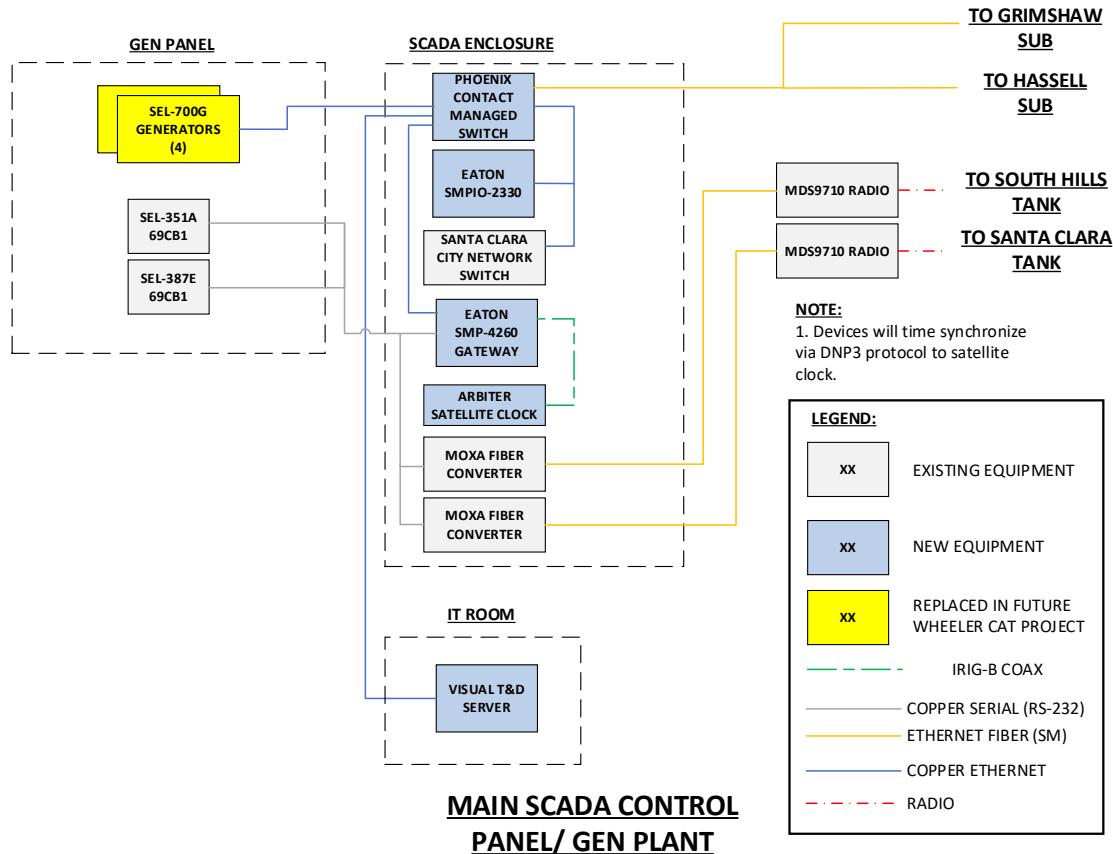
New Material List (terminal blocks, mounting hardware, and DC control power breakers not listed)-

1	EATON SG-4260 SUBSTATION GATEWAY
1	EATON SMPIO-2330 SUBSTATION I/O MODULE
1	PHOENIX CONTACT ETHERNET SWITCH
2	PHOENIX CONTACT DC-DC CONVERTER
1	PHOENIX CONTACT STEP DIODE 24VDC
2	MOXA SINGLE MODE FIBER TO RS-232 CONVERTERS, ST ENDS, WIDE TEMP
1	GNSS SATELLITE CLOCK ANTENNA



Powering Business Worldwide

Main SCADA Panel Network Architecture-



Eaton Scope Exception-

1. Eaton is requesting Santa Clara City Power mount the GNSS satellite antenna on the exterior of the main Generator building and run the IRIG-B coaxial cable conduit to the Main SCADA panel. Eaton will provide the GNSS antenna, coaxial cable, and antenna mounting bracket.
2. The GNSS antenna must be mounted near the roofline with an unobstructed view of the sky, to make a satellite signal connection.



Powering Business Worldwide

Parley Hassell Substation Panel- Eaton will provide the programming, hardware, panel retrofit labor, site commissioning, site acceptance testing, and project management for the existing ACS panel and a new battery outdoor panel. Existing ACS Prism components will be removed and a new ethernet switch and substation processor will be installed on the ACS panel backpan. System satellite time will be distributed from the Main SCADA panel gateway to all recloser control panels in this location.

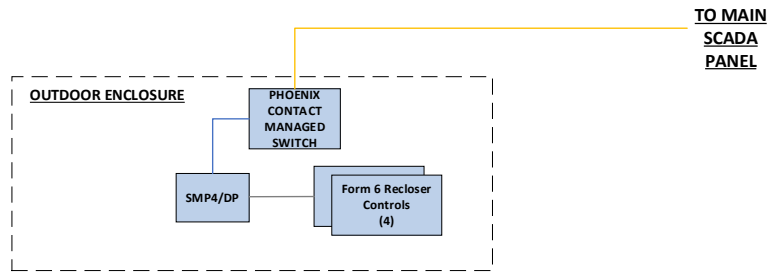
New Material List (terminal blocks, mounting hardware, and DC control power breakers not listed)-

4	EATON FORM-6 RECLOSER CONTROL YARD MOUNT
1	EATON SMP4/DP GATEWAY
1	PHOENIX CONTACT ETHERNET SWITCH
1	PHOENIX CONTACT QUINT4-DIODE/48VDC
2	PHOENIX CONTACT DC-DC CONVERTER 1
1	PHOENIX CONTACT POWER SUPPLY
1	PHOENIX CONTACT DC-DC CONVERTER 2
1	PHOENIX CONTACT UNINTERRUPTED POWER SUPPLY
1	STEEL BATTERY ENCLOSURE, 20" X 20" X 8".
1	PHOENIX CONTACT AGM BATTERIES
1	BATTERY ENCLOSURE THERMOMETER
1	BATTERY ENCLOSURE COOLING FAN



Powering Business Worldwide

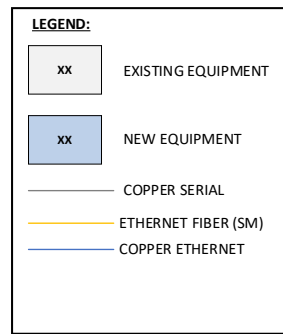
Parley Hassell Panel Network Architecture-



NOTE:

1. Devices will time synchronize via DNP3 protocol to satellite clock.

HASSELL SUBSTATION



Eaton Scope Exceptions-

Eaton is requesting Santa Clara City Power perform the following work at the Parley Hassell Substation:

1. Mount the new control power battery panel adjacent to the existing ACS prism panel
2. Run 1 conduit between the panels for battery power distribution.
3. Mount and connect the new Eaton Recloser control panels (quantity 4).
4. Where new cables and control power wires are required, Eaton is requesting Santa Clara City Power to perform that work.
5. Eaton is also requesting information for the 120VAC control power circuit feeding the existing ACS Prism control panel. If larger control power breakers/ transformers/ wires are required, that work is under the scope of Santa Clara City Power.

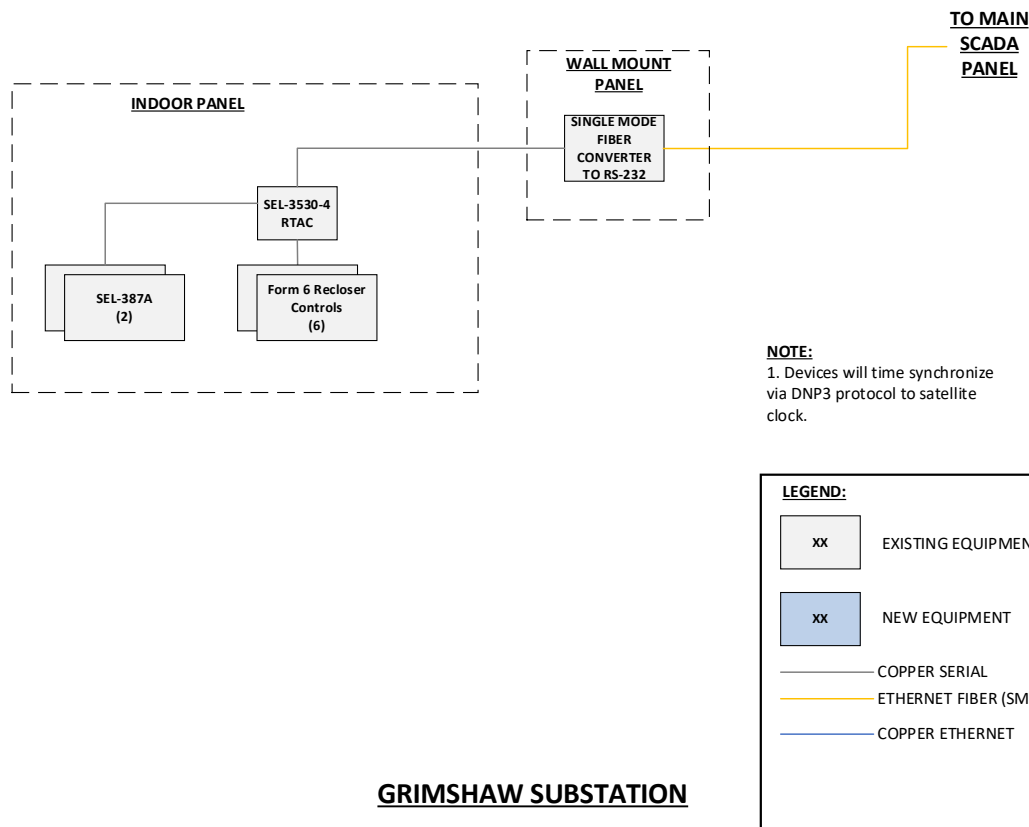


Powering Business Worldwide

Grimshaw Substation Panel- Eaton will provide the programming, site commissioning, site acceptance testing, project management, and training for the replacement SCADA system. The new Eaton SCADA system will communicate to/through the existing SEL RTAC in this location. System satellite time will be distributed from the Main SCADA panel gateway to all recloser controllers in this location.

New Material List- N/A

Grimshaw Substation Panel Network Architecture-



Eaton Scope Exception-

1. The Eaton SCADA replacement scope includes reading/writing system information into the existing SEL RTAC at the Grimshaw Substation. If there is an inability to use the installed RTAC program for the SCADA replacement, or if an existing material issue is found that prevents existing RTAC program use, then that additional work isn't included in this proposal and price.



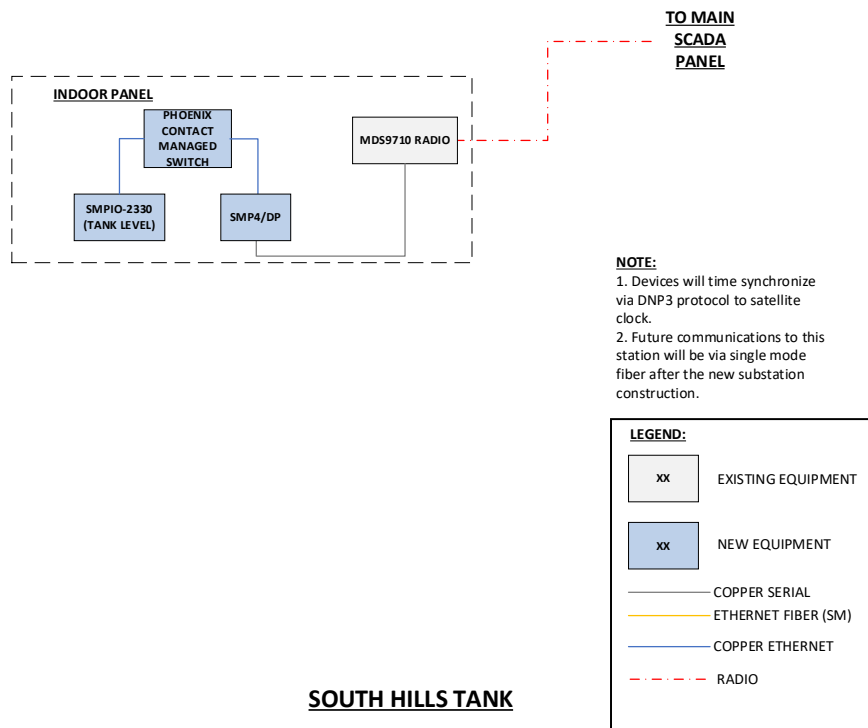
Powering Business Worldwide

South Hills Tank Panel- Eaton will provide the programming, hardware, panel retrofit labor, site commissioning, site acceptance testing, and project management for the new SCADA system. Existing ACS Prism components will be removed and a new ethernet switch, substation processor, control power battery, and I/O module will be installed on the existing panel backpan. An ethernet switch with fiber ports is being installed at this stage to prepare for a new fiber connection when the new substation is constructed. System satellite time will be distributed from the Main SCADA panel gateway to the substation gateway in this location.

New Material List (terminal blocks, mounting hardware, and DC control power breakers not listed)-

1	EATON SMP4/DP GATEWAY
1	PHOENIX CONTACT ETHERNET SWITCH
1	PHOENIX CONTACT POWER SUPPLY
1	PHOENIX CONTACT UNINTERRUPTED POWER SUPPLY
1	PHOENIX CONTACT BATTERY MODULE

South Hills Tank Panel Network Architecture-



Eaton Scope Exception-

1. Future SCADA integration of the South Hills pumpstation, new Switchgear building, or fiber communications replacement (for Radio communications) would fall under a future maintenance contract or proposal.

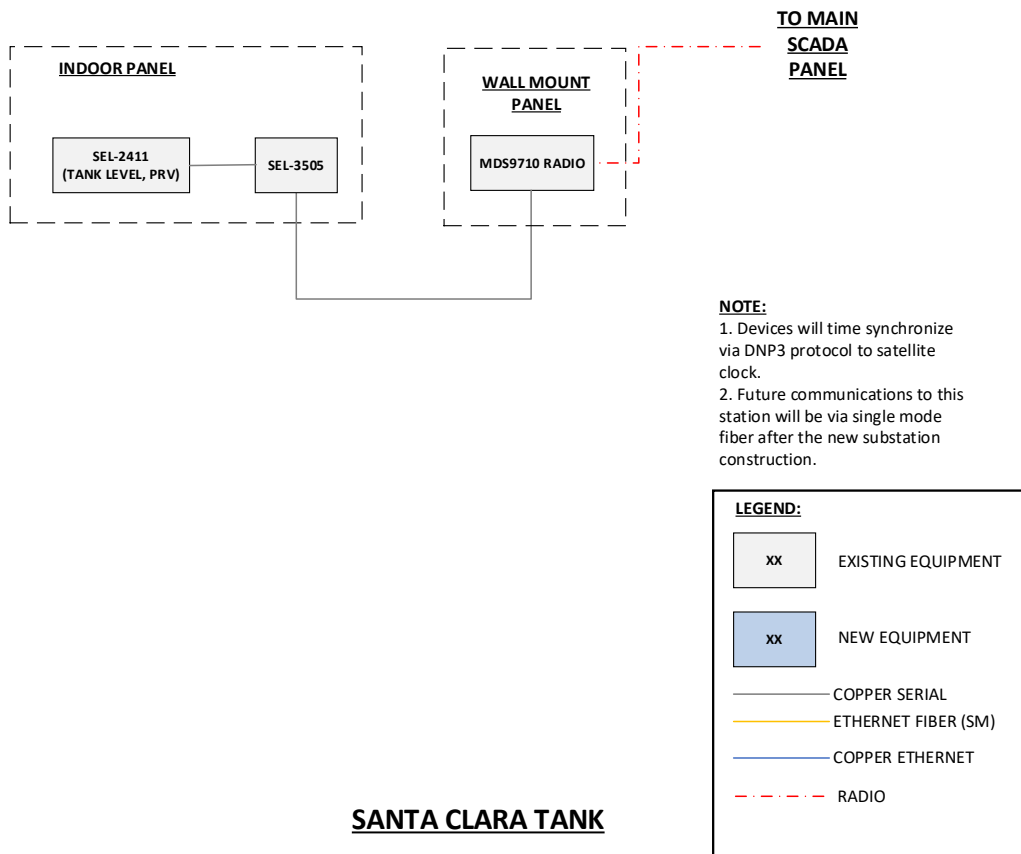


Powering Business Worldwide

Santa Clara Tank Panel- Eaton will provide the programming, hardware, site commissioning, site acceptance testing, and project management for the new SCADA system. The new Eaton SCADA system will communicate to/through the existing SEL RTAC in this location. System satellite time will be distributed from the Main SCADA panel gateway to the substation gateway in this location.

New Material List- N/A

Santa Clara Tank Panel Network Architecture-



Eaton Scope Exception-

1. The Eaton SCADA replacement scope includes reading system information from the existing SEL RTAC in the Santa Clara Tank panel. If there is an inability to use the installed RTAC program for the SCADA replacement, or if an existing material issue prevents existing RTAC program use, then that additional work isn't included in this proposal and price.



Powering Business Worldwide

Visual T&D SCADA System- Eaton will provide the programming, hardware, site commissioning, site acceptance testing, and project management for the new SCADA system. The Visual T&D SCADA application will run on a customer IT server that facilitates communication with the main substation gateway (SG-4260) in the SCADA main control panel. Data point trending, event logging, remote notifications, and web browser HMI screens will be completed under the project scope.

New Material List

1	VISUAL T&D 10K POINTS
1	VISUAL T&D CLIENT LICENSE
1	VISUAL T&D ALARM NOTIFICATION
1	VISUAL T&D EVENT FILE PROCESSING
3	VISUAL T&D MAINTENANCE 3 YEAR SUPPORT

Timeline of Execution

Order Entry-

Hassell Substation Battery Panel Fabrication – 12 weeks lead time

Phoenix Contact Material Order- 6 weeks lead time

Eaton Material Order- 14 weeks lead time for Recloser control panels and 12 weeks for other material

Moxa Material Order- 26 weeks lead time (existing SCADA converters used in the interim, if unused during commissioning these parts go into site spare parts inventory)

Disclaimers

Additional work and travel required outside of the listed project scope will be charged at hourly Engineering and travel rates.



Powering Business Worldwide

Project Price

Eaton is pleased to provide a fixed price for this project in the amount of **\$169,336.**

Contact Information

Thank you for the opportunity to quote your project. If you have any questions, please feel free to contact me at your convenience.

Vincent W White
Eaton Electrical Services & Systems (EESS)
Utility Transmission & Automation
Systems Application Engineer
mobile: (425) 306-2906
vincentwwhite@eaton.com

Terms and Conditions

Eaton Corporation will provide a two-year warranty on the panel retrofit work and material. A 10-year warranty covers the CL-6 recloser controls, SMP SG-4260 and SMPIO-2330. A 5-year warranty covers the SMP4/DP. The extended warranty is by EESS for the overall project and Eaton EAS for the applicable devices.

Eaton Electrical has established THE POWER MANAGEMENT APPLICATION SUPPORT to assist our customers address product application issues. The HOT LINE is available 24 hours a day, 7 days a week. The Application support line phone number is 1-800-809-2772, option #4 to talk with our application experts.

These prices are valid for thirty days.

Selling Policy 25-000 applies (Copies Attached).



Powering Business Worldwide

Please reference this negotiation number on all correspondence. After an order is reconciled, cancellation charges will apply at a rate of 10% up to \$1,000 in addition to any actual costs incurred including any restocking fees or penalties.

Prices will remain firm for 180 days from date of receipt of order. After 180 days, prices will be escalated 0.5% for each additional 30-day period, or portion thereof, from the date of the order to the date of the system startup services, unless other conditions have been previously negotiated.

The following terms and conditions shall apply to quotations, proposals, contracts, and agreements covering the sale of Power Systems Controls from Eaton Electrical Engineering Services and Systems (the "Contract") and are supplemental to the terms and conditions set forth in Eaton Electrical Standard Terms and Conditions of Sale, Selling Policy 25-000, which are incorporated by reference in the Contract. Except as they may be specifically modified by the following, all terms, conditions, and limitations set forth in Selling Policy 25-000 shall apply to the sale of any Power System Controls.

1. Equipment Warranty. All Eaton Electrical equipment sold pursuant to the Contract shall be warranted against defects in manufacturing or materials in accordance with the Warranty for Products set forth in Selling Policy 25-000. Third party products supplied as part of the Power Management System shall be warranted in accordance with the manufacturers' warranty policies.
2. Power Management System Warranty. Eaton Electrical Inc. warrants that the Power Management System sold pursuant to the Contract (the "System") will perform in accordance with the description and specifications set forth in the System Proposal provided by Eaton Electrical. Claims by Buyer for failure to conform to the description and specifications set forth in the System Proposal must be made in writing, or verbally with confirmation in writing, within ninety (90) days of the date of System Acceptance, which is the date when Eaton Electrical determines that the System is performing in accordance with the description and specifications set forth in the System Proposal. Except for the foregoing warranty to meet the description and specifications set forth in the System Proposal, Eaton Electrical disclaims the implied warranties of merchantability and fitness for a particular purpose.
3. Beneficial Use. Should the System be put into operation by the Buyer prior to the date of System Acceptance, then the System shall be deemed to be providing beneficial use to the Buyer. From the date of commencement of such beneficial



Powering Business Worldwide

use until the date of System Acceptance, the Buyer shall be responsible, and shall reimburse Eaton Electrical, for all cost and expense to install the System to the extent such cost and expense exceeds the cost and expense included in the Contract price. All such cost and expense shall be invoiced to Buyer on a time and material basis, and such invoice(s) shall be due and payable within thirty (30) days of the date of the invoice.