RESOLUTION NO. 2022-15

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN AN INTERLOCAL AGREEMENT.

WHEREAS, pursuant to the Utah Interlocal Cooperation Act, Utah Code Annotated, Section 11-13-1, et seq., 1953 as amended, governmental entities are allowed to enter into agreements for the joint provision of services; and

WHEREAS, Vineyard, Utah having determined that it is in the public interest and welfare of its residents has negotiated an agreement with Timpanogos Special Service District for sewer treatment services to be provided to the city.

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF VINEYARD AS FOLLOWS:

1. The Vineyard City Council authorizes the mayor to sign the agreement titled 2022 Amended and Restated Sewer Treatment Services Contract and Collection Maintenance Agreement, in the form attached hereto as Exhibit A.

2. This resolution shall take effect upon passing.

Passed and dated this 15th day of June, 2022.

Mayor

Attest:

Recorder

VINEYARD Seal UTAH

PASSAGE BY MUNICIPAL COUNCIL
ROLL CALL VOTE

RESOLUTION NO 2022-15

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN AN INTERLOCAL AGREEMENT.

ROLL CALL VOTE:

	MOTION	SECOND	AYES	NAYS	ABSENT
MAYOR JULIE FULLMER			X		
COUNCILMEMBER TYCE FLAKE	X		X		
COUNCILMEMBER AMBER RASMUSSEN			X		
COUNCILMEMBER MARDI SIFUENTES			X		
COUNCILMEMBER CRISTY WELSH		X	X		
TOTALS			5		

This Resolution was passed by the City Council of Vineyard Utah on the 15th day of June 2022, by a roll call vote as described above.

CITY RECORDER'S CERTIFICATE AND ATTEST

This Resolution was recorded in the office of the Vineyard City Recorder on the 16th day of June 2022.

I hereby certify and attest that the foregoing constitutes a true and accurate record of proceedings with respect to Resolution No. 2022-15

ATTEST:

Vineyard City Recorder

VINEYARD Seal UTAH

2022 AMENDED AND RESTATED SEWER TREATMENT SERVICES CONTRACT AND COLLECTION MAINTENANCE AGREEMENT

THIS AGREEMENT, made and entered into as of the ____ day of _____, 2022, by and between the TIMPANOGOS SPECIAL SERVICE DISTRICT, Utah County, Utah, a body politic and corporate and a quasi-municipal public corporation, distinct from each county and municipality in which it is located, of the State of Utah (the "District"), and VINEYARD CITY, Utah County, State of Utah, a municipal corporation of the State of Utah (the "City"),

Witnesseth:

WHEREAS, the City and the District previously entered into a Sewer Treatment Services Contract and/or extensions, amendments and/or Supplementary Agreements thereto as well as a Collection Systems Maintenance Agreement (the "Prior Service Contracts") for the purpose of defining and establishing their respective rights and responsibilities with respect to sewage treatment service, the construction, operation and maintenance of sewage treatment and sludge disposal facilities by the District, and collection systems maintenance to serve the City; and

WHEREAS, the District and the City desire to restate, amend and modify the agreement between them originally contained in the Prior Service Contracts in order to continue their rights and responsibilities with respect to sewage treatment services, the construction, operation and maintenance of sewage treatment and sludge disposal facilities of the District and collection systems maintenance to serve the City and other municipalities;

NOW, THEREFORE, the District and the City hereby agree and covenant as follows:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 101. (a) Unless the context otherwise requires, the terms in this Section defined shall, for all purposes of the Agreement, have the meanings herein specified.

"Agreement" means this 2022 Sewer Treatment Services Contract as amended and supplemented from time to time.

"City" means Vineyard City, Utah County, Utah, a municipal corporation duly organized under the laws of Utah.

"City Council" means the City Council of the City or any successor governing body of the City as provided by law.

"Collection System" means the sewage facilities of the City used in connection with the collection and disposal of sewage, including improvements, extensions, and additions thereto which may be made while this Agreement remains in effect.

"District" means the Timpanogos Special Service District, Utah County, Utah, a special service district located in the State of Utah duly organized and existing under the provisions of the Utah Special Service District Act.

"System" means the sewage treatment facilities of the District, and all other improvements, facilities, or property used in connection with the collection, treatment and disposal of sewage, including all improvements, extensions, and additions thereto which may be made while this Agreement remains in effect, and including all property, real, personal and mixed, of every nature now or hereafter owned by the District and used or useful in the operation of its sewage treatment facilities.

"Televising Unit" means the equipment capable of televising and recording the condition of sewer lines.

"Combination Unit" means the equipment capable of cleaning sewer lines.

"Unit" refers to a Televising Unit and a Combination Unit collectively.

Section 102. The Agreement is adopted pursuant to the provisions of the Limited Purpose Local Government Entities Title 17D, Chapter 1, and Title 17B, Chapter 1 of the *Utah Code Annotated* (1953, as amended).

Section 103. This Agreement is entered into for the purpose of providing for the sale by the District and the purchase by the City of sewage treatment services provided by the System and to establish and define the rights and responsibilities of the District and the City with respect to operation, service and maintenance of the System.

Section 104. This Agreement replaces and supersedes in their entirety the Prior Service Contracts.

ARTICLE II

TREATMENT SERVICES TO BE PROVIDED

Section 201. From time to time the District has constructed, added to, improved or extended the System and anticipates that it will do so in the future as well as it shall continue to operate and maintain the System. The System shall at all times be operated and maintained in compliance with applicable State and Federal discharge requirements. The District shall at all times obtain and maintain all necessary licenses and permits required to operate and maintain the System and shall comply with all applicable laws and regulations.

Section 202. The District shall provide sewage treatment services to the City in accordance with the terms and provisions of this Agreement. Should the capacity of the System be exceeded, the City shall continue to have access to the System on a proportional basis with other cities located within the boundaries of the District, based on a proportion taken from a comparison of a 3-year history of the volume and character of sewage discharge by each such city.

ARTICLE III

COLLECTION SYSTEMS MAINTENANCE

Section 301. The District shall have the following duties and obligations regarding system maintenance, (the "Collection Systems Maintenance"):

(a) From time-to-time the District shall televise, record and clean portions of the existing sewer system of the City (except for service lateral lines), report the results thereof to the City and, upon written request of the City, make available to the City for reviewing and copying any video tape taken of the lines.

(b) The District shall televise new interceptor lines installed from time to time in the City to check for leaks in said lines, report the results thereof to the City and, upon written request of the City, make available to the City for reviewing and copying any video tape taken of the lines.

(c) Each calendar year, the District shall, if requested by the City, televise and/or clean the sewer system of the City and new interceptor lines installed in the City as provided above, for a percentage of normal working time in each calendar year less four weeks which is at least equal to the percentage of the City's portion of the total influent to the District in the preceding calendar year of all political subdivisions within the District that utilize the

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(c) Each calendar year, the District shall, if requested by the City, televise and/or clean the sewer system of the City and new interceptor lines installed in the City as provided above, for a percentage of normal working time in each calendar year less four weeks which is at least equal to the percentage of the City's portion of the total influent to the District in the preceding calendar year of all political subdivisions within the District that utilize the

Collection Maintenance Services provided herein. The District shall not be required to provide service to the City in any calendar year in excess of the above-stated percentage unless emergency conditions require additional service.

(d) The District shall provide the City with a schedule setting forth the respective sewer lines to be serviced, the service to be performed on the lines, and the dates such services will be performed on the lines (the "Service Schedule"). The District shall provide the City with the Service Schedule at least thirty (30) days prior to the time of the scheduled services. The District may deviate from the Service Schedule in the event of emergencies which occur in other municipalities for which the District has similar obligations to provide services with the Unit. In the event of any emergency which requires the District to deviate from the Service Schedule, the District shall promptly notify the City of the need to deviate from the Service Schedule and shall within five (5) business days provide the City with a revised Service Schedule.

(e) The District shall clean the sewer lines of the City in cases of emergency (except for house service lateral lines), when so notified by the City that an emergency exists.

Section 302. The City shall have the following duties and obligations regarding Collection Systems Maintenance:

(a) The City shall be responsible for any necessary construction and repairs of its sewer system, including any necessary repair of defects discovered by the District while using the Unit.

(b) The City shall, as funding becomes available, maintain its manholes up to

grade, at the proper elevation, and easily accessible to the District. The District will not be required to provide any service for lines where the related manholes are not up to grade, at the proper elevation and easily accessible to the District.

(c) The City shall provide one City employee to assist the District in operating and using the Unit when traffic control requires three people to operate and manage the Unit and when one operator of the Unit is required to enter a manhole. The City shall also provide one City employee to assist the District in operating and using the Unit when one of the two District employees trained to operate the Unit is ill, on vacation or for any other reason is unable to operate the Unit. If no City employee is available to assist when specified, the service to the City will be rescheduled as promptly as possible in relation to the District's obligation to provide services to other municipalities.

(d) In the case of emergencies related to the sewer system, the City shall send a City employee to assess the emergency situation.

Section 303. As to Collection Systems Maintenance, the Parties further agree as follows:

(a) The District shall have no liability for any flooding or damage resulting from the condition or proper cleaning of the sewer lines, and the City assumes all responsibility and liability for any such flooding or damage.

(b) The District shall be under no obligation under this Agreement with respect to the cleaning or other service of house service lateral lines or other privately owned lateral lines.

(c) Each party hereto shall be liable for, and shall hold the other harmless from, all costs, damages, and losses resulting from the negligence of said party or its respective

agents, officers, employees or servants. Failure to discover a latent defect or problem in the structural integrity of the lines shall not be considered negligence.

(d) It is understood by the parties hereto that the cleaning function of the Unit is accomplished by force of liquid under pressure. The parties hereto agree that the City shall be liable for any cost, damage or loss resulting from or related to the existing conditions of the line such as, but not limited to, protruding lateral lines or weak tile lines.

(e) As provided for in Article IV of this Agreement, the provisions for Collection Systems Maintenance set forth herein do not and nothing herein shall be interpreted to constitute a transfer of any interest whatsoever in and to the sewer lines within the City's sewer system and the District expressly agrees that the City shall continue to own all such sewer lines within its sewer system.

ARTICLE IV

CITY RESPONSIBLE FOR OWN SYSTEM AND PRESERVATION OF DISTRICT'S SYSTEM

Section 401. The City hereby acknowledges that it shall bear any and all costs of constructing, operating, maintaining, and repairing its sewage Collection System, including lines necessary to extend said system to the interceptor lines constructed or owned by the District and that the District shall not bear any such costs or be responsible for constructing, operating, maintaining, adding to or improving said system of the City.

Section 402. Delivered herewith is a map that depicts the location of the District's interceptor lines and the City's Collection System. The City shall not take any action that could interfere with the operation and maintenance of the District's interceptor lines, including, but not limited to, modifying or vacating public rights of ways or public utility easements.

Section 403. The location of the District's System and the location of that System's connection with the City's Collection System are **PROTECTED RECORDS** as the disclosure of such could jeopardize the life or safety of an individual and/or jeopardize the security of governmental property, or governmental programs from damage or use contrary to the law or public policy. As such no such disclosure is permitted except as may be permitted by the Utah Governmental Records Access and Management Act.

ARTICLE V

INDUSTRIAL AND OTHER SPECIAL DISCHARGES

Section 501. The District has and will maintain and update a Pretreatment Program that is approved by the State of Utah and complies with Federal pretreatment standards, including those contained in 40 CFR (Code of Federal Regulations) Part 403 (the "Pretreatment Program"). The Pretreatment Program is to prevent the introduction of pollutants into the System which will interfere with the operation of the System or contaminate the resulting sewage sludge; prevent the introduction of pollutants into the System which will pass through the treatment works into receiving waters or the atmosphere or otherwise be incompatible with the work; and, improve opportunities to recycle and reclaim wastewaters and the sludge resulting from wastewater treatment. The City shall adopt by ordinance, at least as stringent, the District's Pretreatment Program as may be amended from time to time.

Section 502. The District reserves the right to approve or disapprove the discharge of any wastes other than sewage to any sewer system which sends wastewater to the System. All industrial discharge of any wastes other than sanitary facility wastes shall require prior written approval of the District, shall comply with Federal pre-treatment standards, and shall be subject to special charges

as determined by the District. Discharges of unusual wastes from other sources shall also be subject to prior written approval of the District.

Section 503. Special permits granted for industrial or other unusual discharges may be revoked by the District upon ninety (90) days' notice from the District to the City, if, as determined by the District, the discharge results in excessive operational problems or constitutes an unexpectedly large threat to the integrity of the System, which cannot be recompensed by increasing the special charge. Any discharges after such ninety (90) day period shall be considered unapproved and shall be subject to the conditions above stated.

ARTICLE VI

COST OF SERVICES AND PAYMENT

Section 601. The City hereby agrees to promptly pay all charges which are assessed by the District in accordance with this Agreement.

Section 602. Each city and other user of the District facilities shall be billed monthly or at such greater time intervals as shall be determined by the District. In no event shall the District bill the City less frequently than annually. Such amount so billed shall be due and payable within thirty (30) days after the date of the billing.

Section 603. Special charges for wastes other than sewage shall include, without limitation, any costs of operation and maintenance occasioned by the character of such wastes and any damages to the System, or any fines or other penalties or costs resulting from loss of proper operation of the System due to the unapproved discharge within the City or area served by the District.

Section 604. The District shall provide that sufficient revenue is generated to pay all costs for the operation and maintenance of the System. The costs shall be distributed to all users of the System in proportion to each user's contribution to the total loading of the System. Factors such as strength (BOD and TSS), volume and nutrient factors shall be considered and included as the basis for the user's contribution to ensure a proportional distribution of operation and maintenance costs to each user or user class.

Section 605. The District shall determine the total annual costs of operation and maintenance of the System which are necessary to maintain the capacity and performance for which such works were designed and constructed. The total annual cost of operation and maintenance shall include, but is not limited to, amounts paid by the District for improvement, repair, replacement or for the acquisition of any type of equipment related to the System, for salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, insurance expenses, for legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services, training of personnel, taxes, payments in lieu of taxes and other governmental charges imposed by any entity other than the District, fuel costs, payments for the purchase of water for use in connection with the construction and operation of the System, costs of utility services and other auxiliary services, and any other current expenses or obligations required to be paid by the District under the provisions of any bond resolution or indenture or by law, all to the extent properly allocable to the System. For purposes of this Article VI, the District shall include in its costs of operation and maintenance charged to the City and other users of the System services all costs imposed on the District by any bond resolution or indenture, including, without limitation, all costs

of debt service and payments or deposits for reserve funds in connection with any bonds or other obligations of the District and all costs necessary to comply with the covenants and obligations of the District contained in such bond resolutions or indentures. To the extent that debt service of the District is actually paid from the proceeds of taxes actually levied and collected by the District on all taxable property in the boundaries of the District, such debt service shall be excluded for purposes of determining charges to the City for System services.

Section 606. To determine the proportion of each user's wastewater contribution, the District has installed and maintains metering stations throughout the District. The District owns and has the sole right to maintain each metering station, except for that meter located at the lift station identified on Exhibit A attached hereto (the "Vineyard Lift Station Meter"), which is owned, operated and maintained by the City. The District upon reasonable notice shall have the right to test the Vineyard Lift Station Meter to verify the accuracy of the meter. The City upon reasonable notice shall have the right to test any meter applicable to the City's wastewater contribution to verify the accuracy of the meter. Delivered herewith is a map that depicts the location of the meter(s) applicable to the City's wastewater contribution. In determining the proportion of each user's wastewater contribution, the District shall measure and take into account the following:

1. Each user's monthly volume of wastewater. The amount used as the total monthly volume of wastewater shall include infiltration and inflow.

2. Each user's monthly poundage of 5-day 20 degree centigrade biochemical oxygen demand which has been discharged to the System.

3. Each user's monthly suspended solids poundage which has been discharged to the System.

4. Nutrient factors imposed by any regulatory body.

Section 607. If the City requests additional metering stations, all such metering station(s) must be approved by the District's staff as meeting all District standards. The District will arrange for and pay all costs for the meter(s) and the installation of the meter(s). The District will then bill the City for the reimbursement of all such meter costs. All other costs, including furnishing and installing the vault, flume, electrical pad, electrical panel, Rocky Mountain Power and services, and associated appurtenances will be provided and paid by the City. Upon completion, inspection, and approval, the metering station(s) shall be owned by the District.

Section 608. The District shall review the total annual cost of operation and maintenance as well as each user's wastewater contribution on an annual basis and shall revise the service charges as necessary to assure equity of the service charges assessed to the City and other users, and to assure that sufficient funds are obtained to adequately operate and maintain the System, including payment of the debt of the District.

Section 609. The City and other users of the System will be charged a certain amount for each one thousand (1,000) gallons of wastewater treated; plus, a certain amount per pound of Biochemical Oxygen Demand, a certain amount per pound of Suspended Solids, and nutrient factors imposed by any regulatory body, to be determined by the District, considering the factors herein mentioned. The rates shall be re-established annually or more frequently if so determined by the District Administrative Board.

Section 610. The District shall have no power to demand that the City make payment for any charges due under this Article VI from it to the District from monies raised by the City by taxation, but such charges may be solely payable from charges the City makes to the users of its

own sewage Collection System. All amounts due and owing to the District from the City under this Agreement shall be treated by the city as operation and maintenance costs of the City's sewer system. Notwithstanding the foregoing sentences in this Section 6010, it is understood that the City is free to make payments due under this Agreement from any available monies it may have on hand at the time such payments are due.

Section 611. The City covenants and agrees to impose rates and charges on its sewer customers in amounts sufficient to make all payments called for under this Article VI and to properly operate and maintain, at its own expense, its sewer Collection System.

Section 612. Pursuant to Utah Code Ann. § 10-8-38(2)(a)(i) and in compliance with the Utah Board of Health regulations, the City shall provide for mandatory connection where its sewer Collection System is reasonably available and feasible within 300 feet of any property line with any building used for human occupancy and will make a reasonable charge for the use thereof and shall enact all ordinances and make all necessary amendments to resolutions necessary for it to do so.

Section 613. The City is obligated to pay only for treatment services rendered to it during the month or other longer service period for which it is to receive a bill.

ARTICLE VII

IMPACT FEES

Section 701. In order to provide and pay for expanded capacity to the System and to provide the District with increased ability to provide sewer treatment services to the City, the District has in the past and may in the future acquire additional facilities or improve or expand existing facilities to accommodate new growth within the District ("Expansion Facilities").

Section 702. Pursuant to Section 11-36a-101 et seq. Utah Code Annotated (1953, as amended), the District has adopted a resolution establishing an Impact Fee to pay for the Expansion Facilities and may further amend the Impact Fee. The District hereby represents and warrants to the City that the District has complied and shall comply with the applicable statutory provisions of the Utah Code to lawfully impose the Impact Fee. The City hereby agrees to develop, maintain and update a topographical master plan for sewer service within its boundaries upon which the District may rely in planning for future development. Any connection to the District's collection system may only be where the District approves.

Section 703. The District and the City agree that the Impact Fee shall be applied, to the extent received by the District, to the costs to the District of acquiring, constructing and improving the Expansion Facilities as a part of the System, and that to the extent, but only to the extent, that such Impact Fees are paid to and available to the District, the District will not include the costs of the Expansion Facilities in calculating its service charges to be apportioned among the Contracting Cities in accordance with Article VI. To the extent the Impact Fees received are inadequate or unavailable to pay the costs of providing or paying for the Expansion Facilities, then such costs in excess of the available Impact Fees shall be treated and charged as service charges in accordance with Article VI. To the extent the Impact Fees received in any year exceed the amount needed to pay the costs of providing the Expansion Facilities, then the excess shall be (a) held for payment of, or applied to the early redemption of bonds issued to finance the Expansion Facilities, (b) applied to growth-related improvements to the System, as evidenced and supported by written plans and analyses adopted by the District in the exercise of its sole business judgment, or (c) applied to any combination thereof. It is expected by the parties hereto that the costs of providing the Expansion

Facilities will consist principally of the payment of debt service, including, but not limited to, principal, interest, redemption premiums, paying agent, registrar, trustee fees, engineering costs, legal fees and bond costs, on bonds of the District issued to finance the acquisition, construction and improvement of the Expansion Facilities or the direct payment of the costs of acquisition, construction and improvement of the Expansion Facilities, or both.

Section 704. The City agrees that the payment of the Impact Fee by applicants for a building permit from the City shall be a condition of development and that no building permit shall be issued until the required Impact Fee is paid. The amount of the Impact Fee shall be established by resolution of the District and may change from time to time.

Section 705. The City shall calculate and collect the Impact Fee for and on behalf of the District and shall remit to the District all Impact Fees collected sixty (60) days following the 20th of the month in which such fees are received by the City. Any Impact Fees collected by the City that are not remitted to the District within the time specified shall accrue interest at the annual rate of three percent (3%) calculated daily, which interest the City shall pay to the District. The City and District may establish an agreed upon administrative fee to be paid to the City for the collection of the Impact Fee on behalf of the District.

Section 706. The Impact Fee is based on information contained in duly adopted Impact Fee Facilities Plans and Analysis. Each City shall collect from each applicant for building permits the amount of the Impact Fee in accordance with the formulas provided by the District.

Section 707. The City shall provide to the District by the 20th of each month, a summary of all residential permits issued during the prior month and copies of all non-residential permits issued during the prior month. At no more than a quarterly basis, if requested by the District, at no fee to

the District, and at reasonable times, the City shall allow the District to audit City building permit records and the Impact Fees assessed and collected to determine whether the impact fees were properly assessed and collected. If the Impact Fee collected by the City was improperly assessed and/or collected after receiving notice of the formulas and fees from the District, the City shall be responsible to pay to the District the difference between the amount collected and the amount that should have been charged together with interest thereon calculated at the rate of three percent (3%) per annum, calculated daily. The District shall give the City thirty days written notice of any amounts owed under this Section. Interest on the amount owed will not begin to accrue until the day after the expiration of the thirty-day notice period. The District shall have nine months to review and or audit the Impact Fees assessed and collected by the City which period shall commence the day after the City delivers to the District the summary of residential permits issued or in the case of non-residential permits the day after copies of the actual permits are delivered to the District. After the expiration of the nine-month period, the District may not assess the City any amount owed by reason of a difference between the amount collected and the amount that should have been collected. Once assessed, the District shall have whatever applicable statute of limitations applies to collect the amount assessed as provided in this Section 707 and interest thereon.

ARTICLE VIII

REPRESENTATIONS OF THE CITY

Section 801. The City hereby warrants and represents that (a) its existing indebtedness for all purposes does not exceed the limit provided in Article XIV, Section 4, of the Constitution of the State of Utah, (b) it has the power to enter into this Agreement and all necessary action has been

taken by its City Council to authorize the execution and delivery of this Agreement, and (c) this Agreement does not conflict with, and the execution and performance by the City hereof will not constitute a breach of or a default under any contract, lease, court order, administrative rule, regulation or law to which the City or its properties or either of them are subject or by which it is bound.

ARTICLE IX

INSPECTION OF RECORDS

Section 901. At no more than a quarterly basis, if requested by the City, and at reasonable times, the District shall, upon request of the City, make available its books and records for inspection by the duly authorized agents of the City at no fee to the City.

ARTICLE X

FORCE MAJEURE

Section 1001. If, by reason of *Force Majeure*, either party shall be unable in whole or in part to perform its obligations hereunder, said party shall not be deemed in default during the continuance of such inability and shall not incur any liability for its failure to perform its obligations hereunder. Each party shall use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from performing such obligations; provided, however, the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the affected party, and it shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in its judgment unfavorable to it. *"Force Majeure"* means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of

any kind of the government of the United States of America or of the State of Utah or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; pandemics, floods; explosions; breakage or accidents to machinery, transmission pipes or canals from a cause not reasonably within the control of a party; or any other cause or event not reasonably within the control of that party.

ARTICLE XI

THIRD PARTY CLAIMS

Section 1101. This Agreement is not intended to be a third-party beneficiary contract for the benefit of the retail sewer customers of the City and no such third party shall have any cause of action against the District for any failure by the District to take and receive sewage as provided for herein or for any breach or default by the District hereunder. In addition, no such third party shall have any rights hereunder which would in any way restrict the rights of the District and the City to modify or terminate this Agreement at any time or in any manner. To the extent that the City has any legal duty and authority to defend or indemnify the District against any claims of the City's customers, retail or residential, it shall do so. It is expressly understood and agreed that such duty does not extend to any activities of the District not directly related to the treatment of wastewater and sewage, *e.g.*, claims resulting from automobile accidents involving District equipment, etc.

ARTICLE XII

MAINTENANCE OF DISTRICT REVENUES

Section 1201. Except as provided in Section 1202 below, the City, so far as it legally may, covenants and agrees that, during the term of this Agreement (a) it will not grant a franchise for the operation of any competing sewer system within its boundaries located within Utah County until

termination of this Agreement in accordance with Article XIII hereof, (b) it will not itself treat sewage, and (c) it will maintain its corporate identity and shall make no attempt to cause its corporate existence to be abolished.

Section 1202. If as of the date of this Agreement the City is treating any portion of its waste water by a facility other than the District's System, the City, so far as it legally may covenants and agrees that (a) it will not grant a franchise for the operation of any competing sewer system to treat sewage originating from within the boundaries of the District's service area located within Utah County until termination of this Agreement in accordance with Article XIV hereof, (b) it will not itself treat sewage originating from within the boundaries of the District's service area located within Utah County , and (c) it will maintain its corporate identity and shall make no attempt to cause its corporate existence to be abolished.

ARTICLE XIII

DEFAULT

Section 1301. In the event the CITY defaults in the payment of any charges or fees arising hereunder and such default remains uncured for thirty (30) days after the City's receipt of written notice of such default, the District, in its sole discretion will try in good faith to settle any dispute with the city, but may exercise any remedy available to it under the law to collect the default, including the withholding of services.

Section 1302. In the event of any default in the performance of any obligation hereunder or any breach of any term hereunder by a party, the other party shall be entitled, in addition to any other remedy which may be available hereunder or under applicable law, to recover from the defaulting party its costs incurred in enforcing its rights hereunder or seeking damages for any

breach hereof, including reasonable attorneys' fees, whether such costs are incurred through litigation or otherwise.

Section 1303. The remedies available in this Article shall be cumulative and in addition to any other remedies which may be available hereunder or under applicable law, and no election by either party to exercise, modify or waive any remedy on any occasion shall be deemed to be an election to exercise, modify or waive the same or any other remedy on any other occasion.

ARTICLE XIV

TERMINATION

Section 1401. Unless hereafter modified in a writing signed by all parties hereto, this Agreement shall have and be for a term of twenty-five (25) years from the date of its execution by the parties hereto.

ARTICLE XV

ASSIGNMENT

Section 1501. Neither the District nor the City shall transfer or assign any of the rights or delegate any of the duties of this Agreement without the prior written consent of the other.

ARTICLE XVI

COMPLETE AGREEMENT; MODIFICATION

Section 1601. This Agreement constitutes the full and complete agreement by and between the parties as to the matters covered hereby, and supersedes all prior oral or written agreements, representations, conversations or understandings of the parties.

Section 1602. The terms of this Agreement shall not be altered, amended or modified, except by written agreement of the parties hereto. Such modification or amendment shall be duly filed with the secretary of the District and with the city recorder of the City.

ARTICLE XVII

SEVERABILITY

Section 1701. It is hereby declared that all parts of this Agreement are severable, and if any section, paragraph, clause or provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Agreement.

ARTICLE XVIII

BINDING EFFECT

Section 1801. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective officers, employees, agents, representatives, successors and assigns (in the event assignment is approved as provided in Article XV hereof).

[*signature page follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective duly authorized representatives as of the day and year first above written and shall be effective as of that date.

"DISTRICT"

TIMPANOGOS SPECIAL SERVICE DISTRICT

By_____
Chairperson, Advisory Board

ATTEST:

_____
Secretary of District
[SEAL]

"CITY"
[VINEYARD CITY]

By_____
Mayor

ATTEST:

_____
City Recorder
[SEAL]

1597293.3

DISTRICT ATTORNEY REVIEW AND APPROVAL

Martha Wingate of the law firm of Ray Quinney & Nebeker P.C., duly licensed to practice law in the State of Utah, as the attorney authorized to represent the District for review of this Agreement as to proper form and compliance with applicable law pursuant to Utah Code Ann. § 11-13-202.5(3), does hereby opine that the Agreement is in proper form and compliance with applicable law.

DATED:_____ RAY QUINNEY & NEBEKER P.C.

By_____
Martha Wingate
Attorney for Timpanogos Special Service District

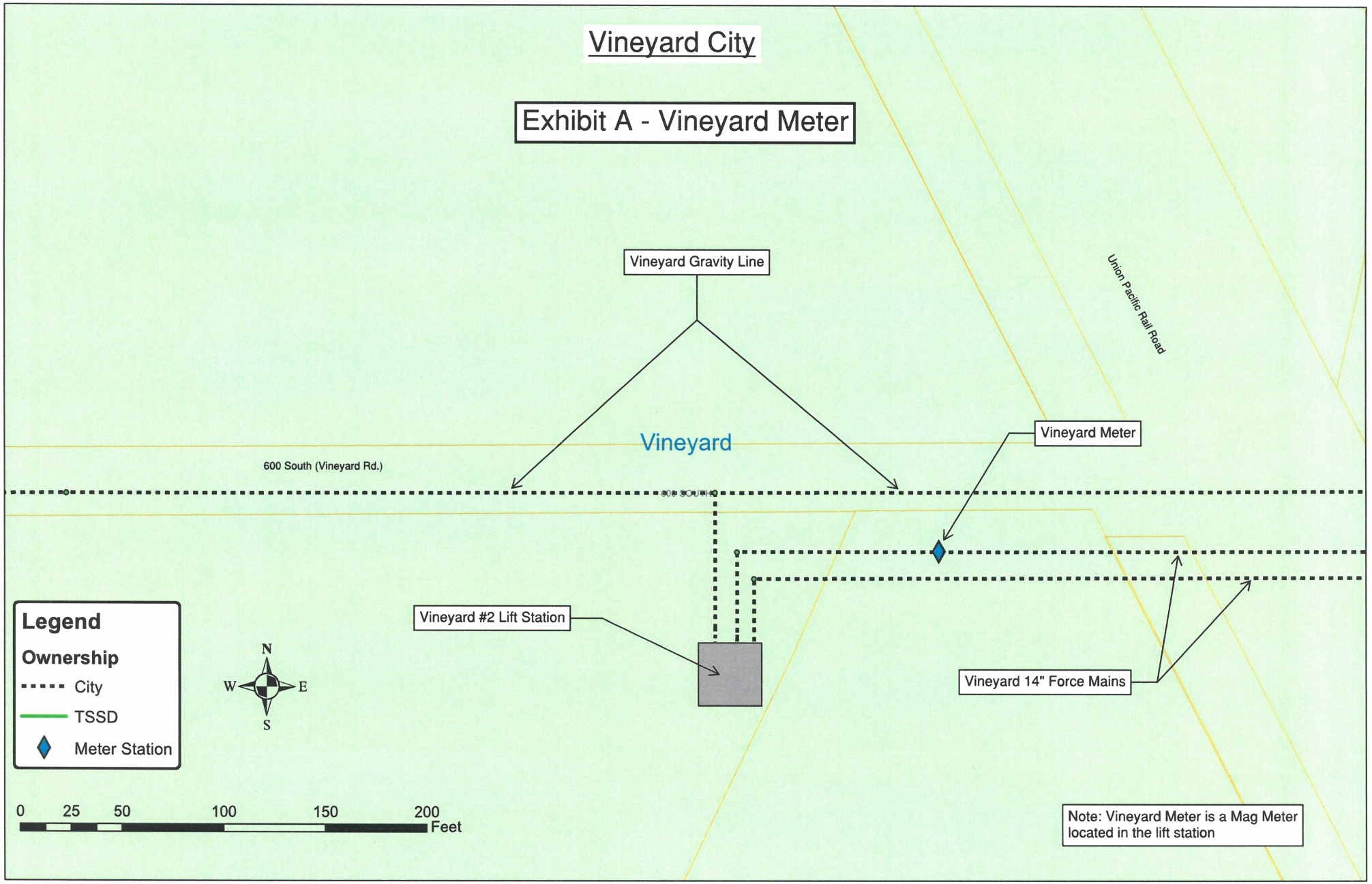
CITY ATTORNEY REVIEW AND APPROVAL

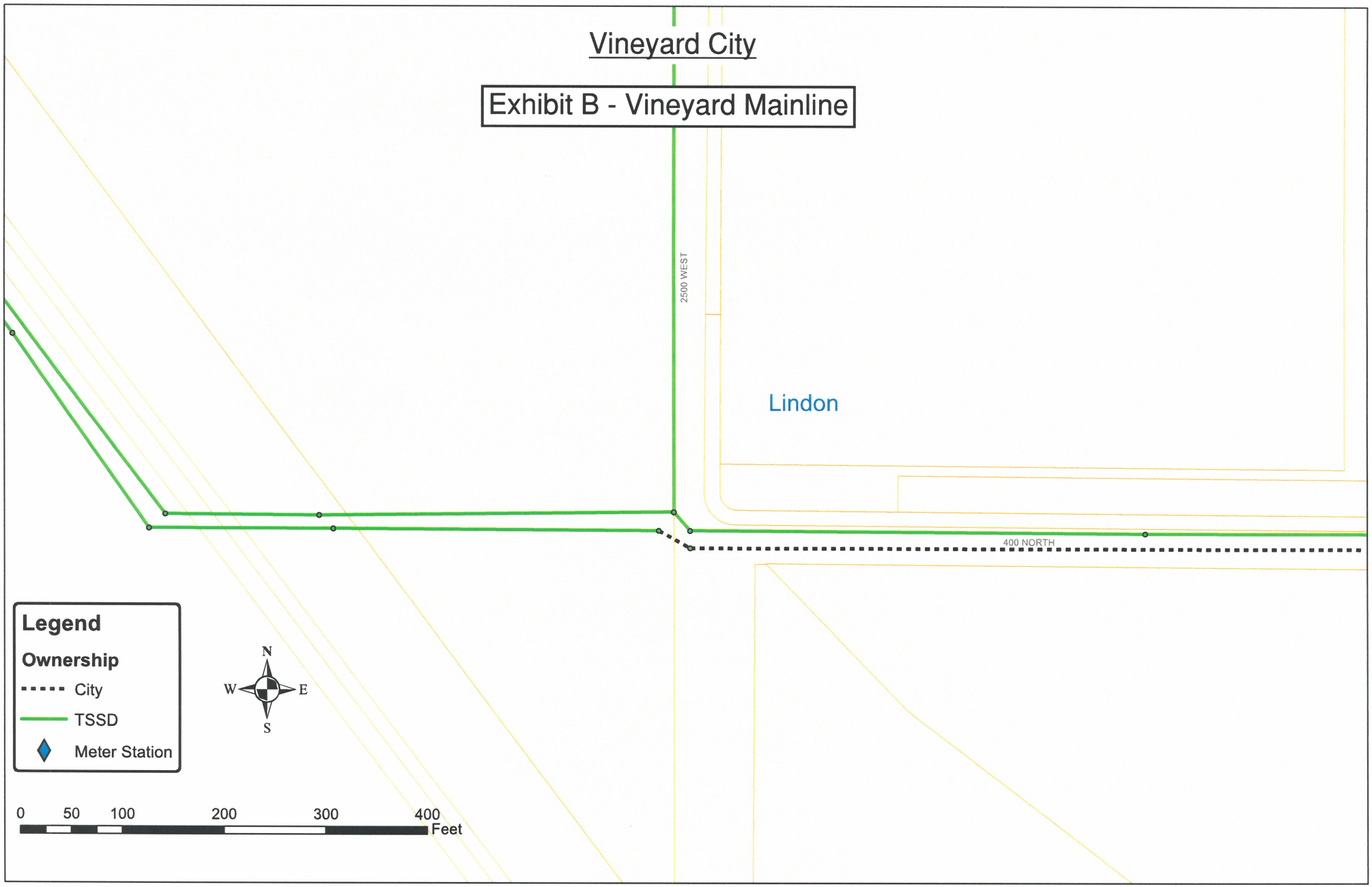
_____ of the law firm of _____, duly licensed to practice law in the State of Utah, as the attorney authorized to represent the City for review of this Agreement as to proper form and compliance with applicable law pursuant to Utah Code Ann. § 11-13-202.5(3), does hereby opine that the Agreement is in proper form and compliance with applicable law.

DATED:_____ _____

By_____

Attorney for _____City


Vineyard City
Exhibit A - Vineyard Meter
Vineyard Gravity Line
Union Pacific Rail Road
Vineyard
Vineyard Meter
600 South (Vineyard Rd.)
Vineyard #2 Lift Station
Vineyard 14" Force Mains
Legend
Ownership
City
TSSD
Meter Station
N
W
E
S
0 25 50 100 150 200
Feet
Note: Vineyard Meter is a Mag Meter located in the lift station


Vineyard City
Exhibit B - Vineyard Mainline
2500 WEST
Lindon
400 NORTH
Legend
Ownership
City
TSSD
Meter Station
N
W
E
S
0
50
100
200
300
400
Feet