

WASATCH PEAKS RANCH UTILITY DISTRICT

36 S. State Street
Suite 500
Salt Lake City, UT 84111

NOTICE OF REGULAR MEETING AND AGENDA

DATE: Tuesday, May 28, 2024

TIME: 5:30 p.m.

LOCATION: 36 S. State Street
Suite 500
Salt Lake City, UT 84111

You can also attend the meeting in the following ways:

1. Online Microsoft Teams Meeting via link below:

ACCESS:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NTIwYWUwNjMtMWM0MS00NGFmLTk2NDgtOTk3ODQ1NGNhMGFk%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%225b9f6fa2-e9dd-42cc-bfd8-f7dd2ed196a6%22%7d

2. To join via telephone, dial 720-547-5281 and enter the following information:
Conference ID: 459 194 784#

BOARD OF TRUSTEES

Gary Derck
Vance Bostock
Ed Schultz

PUBLIC NOTICE is hereby given that the Board of Trustees (the “Board”), of WPR Utility District (the “District”), will hold a meeting of the Board on Tuesday, May 28, 2024, commencing at 5:15 p.m., at 36 South State Street, Suite 500, Salt Lake City, Utah, 84111 and via Microsoft Teams, at which time the Board shall proceed according to the following agenda:

“As the Chair of the Board of Trustees of the WPR Utility District, I hereby call this regular meeting of the Board to order at 5:15 P.M. on Tuesday, May 28, 2024, at 36 S State Street, Suite 500, Salt Lake City, UT 84111. In compliance with the requirements of Utah’s Open and Public Meetings Law: (i) notice of this meeting has been duly posted and published, and (ii) this meeting is being recorded and minutes of the meeting, in its entirety, are being kept.”

I. ADMINISTRATIVE MATTERS

- A. Call to order.
- B. Public comment.

Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

- C. Review and consider approval of minutes from March 26, 2024 regular meeting (enclosure).

II. FINANCIAL MATTERS

- A. Review and consider acceptance of March 31, 2024 Unaudited Financial Statements (enclosure).
- B. Approve and/or ratify approval of payment of claims (enclosure).
- C. Consider approval of tentative operating and capital budget for fiscal year 2025 and set a public hearing to take public comment on the same (to be distributed by District Treasurer and District Clerk).
- D. Discuss implementation of fees beginning July 1, 2024.

III. OPERATIONAL MATTERS

- A. Review and consider approval of Resolution Adopting Uniform Rules, Regulations, Specifications and Guidelines for Municipal Water and Sanitary Sewer Service (enclosure).
- B. Review and consider approval of Water Usage Fee Study (enclosure).

IV. MANAGER’S MATTERS

V. LEGAL MATTERS

- A. Ratify approval of Phase 2A North Improvement Completion Agreement.
- B. Ratify approval of Phase 2A South Improvement Completion Agreement.
- C. Ratify approval of Phase 3A Improvement Completion Agreement.
- D. Review and consider approval of Phase 5 Improvement Completion Agreement.
- E. Review and consider approval of MGSID Interlocal Agreement (enclosure).

VI. TRUSTEES' MATTERS

VII. OTHER BUSINESS

A. Schedule Truth in Taxation meeting.

VIII. ADJOURNMENT

[This notice to be posted at the District office, published on the Utah Public Notice Website at least 24 hours prior to the meeting.]

Mitchell Lee

District Clerk

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF TRUSTEES OF THE
WASATCH PEAKS RANCH UTILITY DISTRICT (THE “DISTRICT”)
HELD
MARCH 26, 2024

A special meeting of the Board of Trustees of the Wasatch Peaks Ranch Utility District (referred to hereafter as the “Board”) was convened on Tuesday, March 26, 2024, at 5:15 p.m., at 36 S. State Street, Suite 500, Salt Lake City, Utah 84111. This District Board meeting was also held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Trustees In Attendance Were:

Vance Bostock, Chair (via Microsoft Teams)
Ed Schultz, Vice Chair
Gary Derck, Secretary

Also, In Attendance Were:

Josh Miller and Shelby Clymer, CliftonLarsonAllen LLP (“CLA”) (via Microsoft Teams)
Evan Tufts, District Treasurer (via Microsoft Teams)
D. Brent Rose, Clyde Snow & Sessions, P.C. (via Microsoft Teams)
Nate Bell, WPR Development Company (via Microsoft Teams)
Jenny Robinson; Wasatch Peaks Ranch

ADMINISTRATIVE MATTERS

Call to Order: The meeting was called to order at 5:16 p.m. by Trustee Bostock, who recited the following:

“As the Chair of the Board of Trustees of the WPR Road and Fire District, I hereby call this regular meeting of the Board to order at 5:16 P.M. on March 26, 2024, at 36 S State Street, Suite 500, Salt Lake City, UT 84111. In compliance with the requirements of Utah’s Open and Public Meetings Law: (i) notice of this meeting has been duly posted and published, and (ii) this meeting is being recorded and minutes of the meeting, in its entirety, are being kept.”

Public Comment: The Chair noted that there was no one from the public in attendance or participating electronically.

Minutes from February 27, 2024 Special Meeting: Following discussion, Trustee Schultz made a motion to approve the Minutes from February 27, 2024 Special Meeting. Trustee Derck seconded the motion. The motion passed unanimously.

FINANCIAL

Payment of Claims: Ms. Clymer reviewed the claims with the Board.

RECORD OF PROCEEDINGS

MATTERS

Following review, Trustee Derck made a motion to ratify approval of the payment of claims in the amount of \$18,891.61. Trustee Schultz seconded the motion. The motion passed unanimously.

Public Hearing on the Amendment of the Budget for Calendar Year 2024 and Consider Adoption of the Same: Ms. Clymer presented the budget amendment to the Board. Trustee Bostock opened the public hearing on the amendment of the budget for calendar year 2024 at 5:26 p.m. No public comments were made and the Board closed the public hearing at 5:27 p.m.

Trustee Schultz made a motion to adopt the amendment to the budget for calendar year 2024, as presented. Trustee Derck seconded the motion. The motion passed unanimously.

OPERATIONAL MATTERS

None.

MANAGER MATTERS

Utilization of Website: Mr. Miller presented options for utilizing the District website. Discussion ensued and Mr. Miller will follow up further with the Board.

CliftonLarsonAllen LLP Master Services Agreement and related Statements of Work for 2024: Ms. Clymer reviewed the agreements with the Board. Following review, Trustee Schultz made a motion to approve the CliftonLarsonAllen LLP Master Services Agreement and related Statements of Work for 2024. Trustee Derck seconded the motion. The motion passed unanimously.

LEGAL MATTERS

Attorney Rose provided an update on the Rules and Regulations for the Board. No action was taken.

TRUSTEES' MATTERS

None.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, Trustee Bostock adjourned the meeting at 5:30 p.m.

Respectfully submitted,

By _____
District Chair

RECORD OF PROCEEDINGS

Attest:

District Clerk

DRAFT

WASATCH PEAKS RANCH UTILITY DISTRICT

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March 31, 2024
Financial Highlights
As of April 15, 2024

Listed below are some noteworthy items as they relate to the March 31, 2024 Financial Statements of the District:

- Through March 31, 2024, the District collected \$141,473 in tax revenue compared to the budget of \$141,632 with a difference of \$159. At this time, we expect the full amount will be collected by the District before fiscal year-end.
- The District has recognized water service fees of \$199,789 primarily for snowmaking but also includes other commercial usage for the golf course and Oaks Lodge. Additional revenue is expected for Q2 2024. Construction water usage fees and water connection fees may be recognized in the spring.
- Total expenditures through March, excluding contributed infrastructure, total \$1,363,804 compared to an annual budget of \$2,738,307. The primary variances are as follows:
 - The Weber Basin contract amount for 2024 came in at \$1,138,877 compared to the budget of \$1,163,820. The budget assumed a 5% increase from the prior year amount of \$1,108,400. The actual increase was 2.75%.
 - Repairs and maintenance – wells costs total \$36,995 compared to an annual budget of \$5,000.
 - Meter box costs (connection costs) were budgeted at \$261,457. These costs are anticipated closer to fiscal year-end.
 - No costs have been incurred yet for Contract operator, Construction inspector, Equipment rental/purchase, or Emergency repair contractor. These expenditures may be incurred in the last quarter of the fiscal year but will likely be pushed into next year.
 - Utilities, which represents costs incurred with Rocky Mountain Power, total \$99,610 through March.
 - Legal fees stand at \$34,323 which is \$14,323 higher than the annual budget. Costs incurred include time spent on infrastructure acquisition and matters for the District related to the PID financing.
- The District has received Developer advances of \$1,167,086 through March of which the majority covered the annual payment to Weber Basin. Although reported as a revenue on the fund basis statements, this amount constitutes a long-term liability of the District and is eligible for reimbursement in the future with available revenues.
- The District recognized infrastructure costs of \$57,262,877 in December. These are contributed to the District and financed by the WPR Public Infrastructure District. Although reported as an expenditures on the fund basis statements, this amount constitutes a capital asset of the District.

**Wasatch Peaks Ranch Utility District
Balance Sheet - Governmental Funds
March 31, 2024**

	General	Total
Assets		
Checking Account	\$ 226,387.25	\$ 226,387.25
Accounts Receivable	3,600.00	3,600.00
Total Assets	\$ 229,987.25	\$ 229,987.25
 Liabilities		
Accounts Payable	\$ 22,834.66	\$ 22,834.66
Total Liabilities	22,834.66	22,834.66
 Fund Balances	207,152.59	207,152.59
 Liabilities and Fund Balances	\$ 229,987.25	\$ 229,987.25

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Wasatch Peaks Ranch Utility District
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2024

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 141,632.00	\$ 141,473.15	\$ 158.85
Contribution of infrastructure	57,262,877.00	57,262,877.00	-
Water service fees	941,570.00	191,888.52	749,681.48
Construction water usage fees	67,500.00	7,900.00	59,600.00
Water connection fees	355,000.00	-	355,000.00
Total Revenue	<u>58,768,579.00</u>	<u>57,604,138.67</u>	<u>1,164,440.33</u>
Expenditures			
Accounting	25,000.00	13,939.35	11,060.65
Dues and membership	1,000.00	-	1,000.00
Insurance	3,000.00	3,000.00	-
District management	22,000.00	12,523.36	9,476.64
Billing	10,878.00	-	10,878.00
Legal	20,000.00	34,323.24	(14,323.24)
Banking fees	400.00	182.64	217.36
Contract operator	35,000.00	-	35,000.00
Construction inspector	40,000.00	-	40,000.00
Training and safety	1,500.00	-	1,500.00
Tools	14,000.00	-	14,000.00
Equipment rental/purchase	32,500.00	-	32,500.00
Meter box costs (connection costs)	261,457.00	-	261,457.00
Construction water equipment	4,100.00	-	4,100.00
Emergency repair contractor	20,000.00	-	20,000.00
Operating supplies - system	20,000.00	2,660.35	17,339.65
Repairs and maintenance - wells	5,000.00	36,995.37	(31,995.37)
Repairs and maintenance - pump stations	5,000.00	-	5,000.00
Water sampling	5,000.00	-	5,000.00
Software and website	750.00	644.00	106.00
Professional services	4,000.00	1,494.00	2,506.00
Utilities	938,926.00	99,610.45	839,315.55
Weber Basin annual water contract	1,163,820.00	1,138,877.00	24,943.00
SCADA system	5,000.00	10,131.97	(5,131.97)
200 ERU standby	5,000.00	5,000.00	-
Website	-	432.00	(432.00)
Engineering	20,000.00	3,989.96	16,010.04
Contingency	74,976.00	-	74,976.00
Recognition of contributed infrastructure	57,262,877.00	57,262,877.00	-
Total Expenditures	<u>60,001,184.00</u>	<u>58,626,680.69</u>	<u>1,374,503.31</u>
Other Financing Sources (Uses)			
Developer advance	1,194,058.00	1,167,085.78	26,972.22
Total Other Financing Sources (Uses)	<u>1,194,058.00</u>	<u>1,167,085.78</u>	<u>26,972.22</u>
Net Change in Fund Balances	(38,547.00)	144,543.76	(183,090.76)
Fund Balance - Beginning	63,152.00	62,608.83	543.17
Fund Balance - Ending	<u>\$ 24,605.00</u>	<u>\$ 207,152.59</u>	<u>\$ (182,547.59)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Wasatch Peaks Ranch Utility District
Interim Claims
3/20/2024 - 5/22/2024
Presented at the May 28, 2024 Board Meeting

Paid claims for the period of March 20, 2024 through May 22, 2024

<u>Process Date</u>	<u>Vendor</u>	<u>Invoice Number</u>	<u>Amount</u>
3/22/2024	All West Communications	5591900MAR	\$ 121.02
3/22/2024	Rocky Mountain Power	62399550-003MAR24	15,761.26
4/19/2024	Aqua Engineering	27315	210.00
4/19/2024	SKM Engineering, LLC	27236	2,271.25
4/19/2024	Streamline	85BDOB59-0020	50.00
5/7/2024	All West Communications	5591900APR	119.23
5/7/2024	Aqua Engineering	27459	210.00
5/7/2024	Blue Line Technologies, Inc.	Multiple	504.00
5/7/2024	CliftonLarsonAllen LLP	L241277433	4,376.93
5/7/2024	CliftonLarsonAllen LLP	L241243851	5,986.03
5/7/2024	Clyde Snow & Sessions	187962	6,209.26
5/7/2024	Core & Main	T372929	33,694.40
5/7/2024	Streamline	Multiple	780.00
5/16/2024	Young Ford Inc	05142024	64,500.35
Total Paid			\$ 134,793.73

Unpaid claims at May 22, 2024

<u>Date</u>	<u>Vendor</u>	<u>Invoice Number</u>	<u>Amount</u>
04/01/2024	Core & Main	U627872	997.23
04/15/2024	USA Bluebook	INV00334534	202.63
04/17/2024	USA Bluebook	INV00337248	1,359.06
04/30/2024	Clyde Snow & Sessions	188562	75.00
05/09/2024	Chemtech-Ford, Inc	24E0637	60.00
05/13/2024	Core & Main	U868695	1,720.48
05/31/2024	All West Communications	5591900MAY	121.02
Total Unpaid			\$ 4,535.42
Total Claims to Ratify		Grand Total	\$ 139,329.15

DRAFT– 9 May 2024 (DBR)



A

Resolution Adopting Uniform Rules,
Regulations, Specifications and Guidelines

DRAFT– 9 May 2024 (DBR)

for Municipal Water and Sanitary Sewer Service

Effective _____

WASATCH PEAKS RANCH UTILITY DISTRICT

RESOLUTION NO. _____

A RESOLUTION ADOPTING UNIFORM RULES AND REGULATIONS FOR MUNICIPAL WATER AND SANITARY SEWER SERVICE

WHEREAS, the Board of Trustees (the “Board”), of the Wasatch Peaks Ranch Utility District, a political subdivision of the State of Utah, organized and existing pursuant to the laws of the State of Utah (the “District”), has determined it to be in its own best interest, and in the interest of the general health, safety and welfare of the citizens it serves within the District, that the District adopt this Resolution (“Resolution”), for the purpose of promulgating uniform rules and regulations governing municipal water service and sanitary sewer services to be provided by the District within its service area, as herein set forth;

NOW, THEREFORE, be it resolved by the Board s follows:

SECTION 1 GENERAL

The District by this Resolution hereby adopts the following Uniform Rules and Regulations governing municipal water and sanitary sewer services to be provided by the District (the “Regulations”).

SECTION 2 DEFINITION OF KEY TERMS

2.1 Act. Collectively, the Utah Local District Act, Title 17B-1-101 *et seq.*, Utah Code Ann. (1953), as amended, and the Utah Water Improvement District Act, Title 17B-2a-401 *et seq.*, Utah Code Ann. (1953), as amended.

2.2 Customer. As defined in Section 17B-1-904(1)(b) of the Act, the owner of real property to which the District shall provide culinary water and sanitary sewer service in conformance with the provisions of Section 5 herein. Consistent with the provisions of said section of the Act, the owner of a rented or leased Premises is deemed to be the Customer for said Premises being served.

2.3 District Facilities. Collectively, the District’s Main Water System and Main Sewer System, as defined herein.

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2.4 Governing Board. The duly elected Board of Trustees of the District having such powers as shall be enumerated in Section 17B-1-302 Utah Code Ann. (1953), as the same may be amended from time to time, and those powers necessarily implied therefrom.

2.5 Individual Sewer System. The sewer lateral pipeline and related equipment and facilities extending from the Main Sewer System at the Sewer Point of Connection, as defined in Section 2.9 herein, on the Customer’s side thereof, to the Premises of the Customer being served (the “Sewer Service Lateral”), and including all other sewer pipelines, fixtures, equipment and facilities situated within the Premises being served.

2.6 Individual Water System. The water lateral pipeline and related equipment and facilities extending from the Water Meter Assembly at the Water Point of Connection on the Main Water System, on the Customer’s side thereof, to the Premises of the Customer being served (the “Water Service Lateral”), and including all other water pipelines, fixtures, equipment and facilities situated within the Premises being served.

2.7 Main Water System. The water storage reservoirs, water wells, main water transmission pipelines, pumps and pump stations, motors, valves, water meters, and all systems, facilities and equipment related thereto and associated therewith, which are now or may hereafter be owned, operated and maintained by the District and utilized for the development, storage, diversion, production, transportation and distribution of water to individual Customers, within the service area of the District, as adjusted from time-to-time. The Main Water System shall extend up to and include the water meter assembly (the “Water Meter Assembly,” including the water meter, meter setter, meter box, back-flow prevention valve, shutoff valve, read-out gauges and appurtenances), situated at the point of the connection of the Main Water System to the Water Service Lateral running to the Premises of the individual Customer being served (the “Water Point of Connection”).

2.8 Premises. Any lot or parcel of real property, the legal title of which is owned by a Customer, to which municipal water and sanitary sewer services are to be provided by the District through District Facilities as set forth in Section 5 herein.

2.9 Main Sewer System. The sewer transmission pipelines, pumps and pump stations, motors, valves, flow meters, and all systems, facilities and equipment related thereto and associated therewith, which are now or may hereafter be owned, operated and maintained by the District and utilized for the collection, transportation and treatment of sanitary sewerage within the service area of the District, as adjusted from time-to-time. The Main Sewer System shall extend up to and include the pipe fitting situated at the point of the connection of the Main Sewer System with the Sewer Service Lateral running to the Premises of the Customer being served (the “Sewer Point of Connection”).

SECTION 3 PURPOSE

The District shall provide, and the owners of all lots and parcels of real property located within the authorized service area of the District shall be required to receive retail municipal water service and sanitary sewer service from the District, which said services shall be provided in conformance with and expressly subject to the rules and regulations set forth in this Resolution and all duly adopted policies and procedures with respect thereto, as shall be promulgated and amended by the Governing Board from time-to-time. Services will be provided through the Main Water System and Main Sewer System of the District developed and/or acquired by the District for this purpose through construction, purchase, dedication, lease, contract or condemnation, or any combination of the foregoing, or through any other lawful means available to the

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District under its express or implied powers. This Resolution has been adopted to promote the orderly construction, operation, maintenance, repair, replacement and enlargement of the Main Water System and Main Sewer System operated by the District, and to establish a uniform set of rules and regulations, contractual in nature, as conditions precedent to the District providing municipal water and sanitary service to Customers within the service area of the District.

SECTION 4 MAIN WATER SYSTEM AND SEWER SYSTEM DESIGN AND CONSTRUCTION

4.1 Infrastructure Acquisition and Reimbursement Agreement Requirements. Requirements pertaining to the construction of the District Facilities, and the transfer of the same to the District by Wasatch Peaks Ranch, LLC, the developer of Wasatch Peaks Ranch (the “Developer”), is set forth in that certain Infrastructure Acquisition and Reimbursement Agreement by and between WPR Utility District, WPR Road and Fire District, Wasatch Peaks Ranch Public Infrastructure District and Wasatch Peaks Ranch, LLC, dated _____ (the “Infrastructure Acquisition and Reimbursement Agreement”), a copy of which is attached as EXHIBIT “A” hereto. In addition to the requirements set forth in said agreement by which the District is bound, the provisions set forth in this Section 4 shall apply to the design, construction and acceptance of all District Facilities.

4.2 Main Water and Sewer Design Standards and Specifications.

4.2.1 Design and Construction of District Facilities. The District Facilities for each succeeding phase of the Developer’s development (“Development Phase”), shall be designed and constructed in strict conformance with the requirements of these Regulations and with the Main Water and Sewer System Design Standards and Specifications attached as EXHIBIT “B” hereto (the “Main Water and Sewer System Design Standards and Specifications”). Any amendments to the Main Water and Sewer System Design Standards and Specifications which may be promulgated by the Governing Board from tie-to-time shall replace and supersede the Main Water and Sewer System Design Standards and Specifications initially attached hereto.

4.2.1 Dedication and Easements.

(a) The District Facilities shall be installed in streets dedicated or to be dedicated as public streets and/or within public easements and rights-of-way which have been granted or shall be granted to the District.

(b) If District Facilities are to be constructed and installed outside of a public street or existing dedicated public utility easement, the Developer, at no cost to the District, shall obtain and grant to the District such perpetual public utility easements and rights-of-way as shall be necessary for the District to own, manage, operate, maintain, repair and replace the District Facilities to be situated within said easements. In order to facilitate the District’s long-term maintenance and repair of those portions of the District Facilities which are to be constructed and installed within new public utility easements, the Developer agrees as follows:

(1) The location and width of any new public utility easement to be granted to the District for the District Facilities shall be as specified by the District.

(2) The form and substance of all such grants of easement shall be reviewed and accepted by the District prior to recordation by the Developer. All easements shall be recorded by the
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Developer at its sole expense prior to transfer of the District Facilities pursuant to the Infrastructure Acquisition Agreement.

4.3 Preliminary Plan. Prior to the commencement of construction of any District Facilities to be acquired by the District in connection with the next Development Phase, the Developer shall submit to the District, for its review and approval, all construction drawings, plans and profiles for the District Facilities (the “Preliminary Plan”). The Preliminary Plan shall be reviewed internally by the District and in consultation with its consulting engineer. The Developer shall cooperate in good faith with the District in the review of the Preliminary Plan and in revising and conforming it to satisfy the requirements of the District.

4.4 Review and Inspection Fee. The Developer shall pay to the District a Plan Review and Inspection Fee (the “Main System Review and Inspection Fee”), for each lot to be developed in connection with the next Development Phase. The Main System Review and Inspection Fee required to be paid hereunder is to cover the costs incurred by the District in reviewing any required grants of easement, the Preliminary Plan and to cover the necessary inspections of the District Facilities provided for herein, including, without limitation, District administrative costs, internal personnel review costs, and consulting engineering and attorney’s fees, costs and charges, two and other costs and expenses incurred and to be incurred by the District with regard to the purposes for which the fee is paid. Upon the written request of the Developer, the District will provide an itemized accounting of all such expenses incurred by the District. The Review and Inspection Fee shall be due and payable as billed by the District and payment thereof shall be made prior to the issuance by the District of a Notice to Proceed with Construction as provided in Section 4.6.4 below.

4.5 Final Plan.

4.5.1 Final Plan Requirements. The Developer shall prepare and submit to the District a final set of construction drawings, plans and profiles (the “Final Plan”), in conformance with the following:

(a) The Final Plan shall comply with the Main Water and Sewer Design and Construction Standards and Specifications and incorporate all changes and requirements mandated by the District pursuant to the Preliminary Plan review and approval process.

(b) The Final Plan submittal shall be reviewed internally by the District and in consultation with its consulting engineer. The Developer shall cooperate with the District in revising and conforming the Final Plan to the requirements of the District and its engineer.

(c) The Final Plan must be approved and executed by the District and designated Morgan County officials, as applicable. In no event shall any construction or installation of the District Facilities for the applicable Development Phase be commenced by the Developer or its contractors without the Final Plan being approved and executed by the District.

4.5.2 Division of Drinking Water Approval. The Developer shall deliver the Final Plan to the Utah Division of Drinking Water for its review and approval. Upon compliance with all Division of Drinking Water regulations, the Division of Drinking Water shall issue an operating permit authorizing the District to operate the District Facilities, which permit must be issued prior and as a condition to the District providing culinary water and sanitary sewer service to the Development Phase.

4.6 Construction of District Facilities.

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4.6.1 Pre-construction Meeting. After receiving approval by the District of the Final Plan and prior to the commencement of construction of the District Facilities, the Developer and its contractors shall be required to attend a pre-construction meeting, as scheduled by the District, to be attended by the Developer and its contractors, District personnel and its consulting engineers, building officials of Morgan County, if applicable, and others as determined by the District or the Developer, for the purpose of reviewing the terms and provisions of these Regulations, coordinating the construction and responding to questions. The Developer shall deliver to the District a CD containing the CAD file for the Project at the pre-construction meeting.

4.6.2 Governmental Agency Permits. Prior to commencement of construction of the District Facilities, the Developer shall, at its sole cost and expense, secure, or cause to be secured, any and all approvals and permits which may be required by any other governmental agency having jurisdiction over the work.

4.6.3 Insurance. During the period beginning with commencement of any construction work related to the District Facilities and ending on the date that is the end of the warranty period, the Developer shall furnish, or cause to be furnished, to the District satisfactory certificates of insurance from reputable insurance companies evidencing death, bodily injury and property damage insurance policies in the amount of Two Million Dollars (\$2,000,000) single limit, naming the District as an additional insured. Certificates of insurance shall be submitted to the District at the Pre-construction Meeting. The Developer shall require that all contractors performing work in connection with the District Facilities shall be obligated to maintain adequate workman's compensation insurance and public liability coverage. The Developer shall not commence any work in connection with the construction and installation of the District Facilities until the required certificates of insurance have been submitted to the District.

4.6.4 Notice to Proceed with Construction. At such time as: (i) Developer has paid the Main System Review and Inspection Fee, (ii) District has approved and executed the Final Plan; (iii) Developer has delivered the CD containing the CAD file for the District Facilities for the Development Phase; (iv) Developer has obtained all required governmental agency approvals and permits; (v) Developer has delivered the certificates of insurance; and (vi) Developer has posted the Improvement Assurance required pursuant to Section 4.7 herein; the District shall issue a "Notice to Proceed with Construction."

4.6.5 Construction.

(a) The Developer shall be required to furnish all materials and equipment as shall be necessary for the construction and installation of the District Facilities.

(b) The District Facilities shall be constructed and installed by the Developer, at Developer's sole cost and expense, in accordance with the Main System Design Standards and Specifications, the Final Plan, or otherwise as approved by the District, and in conformance with the Infrastructure Acquisition Agreement.

(c) The Developer agrees that all work performed in connection with the construction and installation of the District Facilities shall be of the highest quality and be performed in a safe, workmanlike manner.

(d) District officials and its engineers shall have the reasonable right of access to the District Facilities and any portion thereof during the period of construction and during the Warranty Period

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addressed in Section 4.7.1 herein, to inspect and observe the District Facilities and any work thereon, and for all other purposes necessarily incident to this Agreement and the Infrastructure Acquisition Agreement.

(e) District representatives will comply with the Developer’s standard safety rules while on the work site.

4.6.6 Periodic Inspection, Testing and Approvals.

(a) The District and its engineers shall perform periodic inspections and testing of the District Facilities while the same are being installed by the Developer or its contractors.

(b) No work on District Facilities requiring any excavation shall be covered over unless and until the same has been inspected and approved by the District’s representatives or other governmental entities having jurisdiction over the particular District Facilities involved. If any excavation is backfilled prior to inspection, the Developer, upon request from the District, shall be obligated to re-open the trench for inspection and the same shall not be re-covered until the appropriate inspections have been performed and all required approvals have been received, all at Developer’s sole cost and expense.

(c) The District shall conduct such tests as it shall deem necessary, and all tests specified by the District’s engineer to be performed shall be at the Developer’s sole cost and expense.

(d) The Developer shall promptly repair and/or replace any work and /or materials found by the District during the course of its inspections to be defective or which is otherwise not in conformity with the District’s Main Systems Design Standards and Specifications, as required by the District consistent with the Final Plan approved by the District, all at Developer’s sole cost and expense.

(e) The Developer shall promptly correct and/or redo any work that fails to conform to the requirements of Main System Design Standards and Specifications, and shall remedy any defects due to faulty materials, equipment, or workmanship, as required by the District, at Developer’s sole cost and expense.

4.6.7 Completion of Construction; Final Construction Approval.

(a) After completion of construction of the District Facilities, or any portion thereof as determined by the District, the District shall perform an inspection (the “Final Completion Inspection”). The Developer shall cooperate with the District in completing any punch-listed items identified during the Final Completion Inspection as a condition to the District’s approval thereof. All required County approvals shall be obtained as a condition precedent to District approval.

(b) The actual interconnection of the newly-constructed District Facilities with the existing District Facilities shall be done by the Developer under the direct supervision of the District.

(c) At such time as the Developer has fully completed and the District has finally approved the punch-listed items identified in the Final Completion Inspection, and all newly-constructed District Facilities have been interconnected to the District’s existing District Facilities, the District shall issue its final approval on all construction (“Notice of Final Construction Approval”) Proceedings shall thereupon be initiated for the transfer of the newly-constructed District Facilities to the District pursuant to the terms of the Infrastructure Acquisition Agreement.

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(d) The Improvement Assurance Warranty Period set forth in Section 4.7 herein shall commence to run upon the issuance by the District of the Notice of Final Construction Approval.

(e) Subsequent to the issuance of the Notice of Final Construction Approval, the District shall cause the Developer to prepare or cause to be prepared, a minimum of three sets of final “as-built” drawings for all District Facilities, at the Developer’s sole cost and expense. If the as-builts are prepared by a consultant of the Developer, then the selection of such a consultant shall be by mutual agreement between the District and the Developer. The District shall retain one set of as-builts, one set shall be delivered to the Developer, and one set to the Utah Division of Drinking Water. The Developer shall provide to the District an itemization of all construction costs expended by the Developer in connection with the construction of the District Facilities, which information the District is required by its auditors to obtain for District audit purposes.

4.6.8 Final Acceptance of the District Facilities. The District shall issue its notice of final acceptance of the District Facilities (“Notice of Final Acceptance Facilities”), upon satisfaction of the following:

- (a) The issuance by the District of a Notice of Final Construction Approval;
- (b) Payment in full of all fees and charges due and owing in connection with the newly-constructed District Facilities as set forth in this Section 4; and
- (c) The posting with the District of the Improvement Assurance, as defined in Section 4.7 below.

4.7 Warranty of Construction; Improvement Assurance.

4.7.1 Improvement Assurance Warranty; Warranty Period. The Developer shall warrant and guaranty that all District Facilities shall be free of defects in materials or workmanship for a period of one (1) year from the date of commencement of the Improvement Assurance warranty period commencing as of the date of the Final Notice of Construction Approval (the “Warranty Period”).

(a) If at any time during the Warranty Period any materials or workmanship furnished by the Developer shall prove defective or be found in disrepair, Developer shall, upon written notice from the District, promptly repair or replace the defective materials and/or work to the satisfaction of the District at Developer’s sole cost and expense.

(b) During the Warranty Period, the Developer, at its expense, shall be required to keep all manholes, valve and meter boxes, drains and lines in good repair and free from all rock, dirt and other debris in order to assure the District has unobstructed access for periodic inspections during the Warranty Period.

4.7.2 Improvement Assurance. The Developer’s Improvement Assurance warranty obligation shall be secured by the posting of Improvement Assurance with the District in the form of: (i) a bond; (ii) letter of credit; (iii) by the establishment of a cash escrow account with a reputable bank or surety company licensed to do business in the State of Utah; or (iv) other security as shall be approved by the District and its attorney (the “Improvement Assurance”). The Improvement Assurance shall be in an amount equal to ten percent (10%) of the District’s engineer’s original estimated cost of completion which, for the purpose of these

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Regulations shall be defined to be the Developer’s contractor’s bid or offering price for construction and completion of the District Facilities (the “Developer’s Original Bid Price”), as reviewed and approved by the District. A complete written Itemization of the Developer’s Original Bid Price shall be provided by the Developer to the District prior and as a condition to the issuance by the District of a Notice to Proceed with Construction as defined in Section ____ herein (“Original Bid Price Itemization”). Notwithstanding the foregoing, in the event the Developer can prove following final completion of construction, that the actual cost of construction of the District Facilities is less than the Developer’s Original Bid Price as shown on the attached Original Bid Price Itemization, then, upon written approval of the District, the Improvement Assurance shall be recalculated as ten percent 10% of the proven actual cost of completion of the District Facilities. The Improvement Assurance shall be posted with the District prior to the District’s issuance of the Notice of Final Construction Approval.

(c) Release of Improvement Assurance. At the end of the Warranty Period, and upon request by Developer, the District shall perform a final inspection of the District Facilities (the “Final Warranty Inspection”). The Final Warranty Inspection shall include, but not be limited to a televised inspection of all sanitary sewer lines within the Project. The Developer shall be required to repair or replace any defective materials and/or work then existing related to the District Facilities to the satisfaction of the District. Upon completion of the Final Warranty Inspection and final approval by the District, the District shall issue to the Developer a Notice of Termination of Warranty and Release of Improvement Assurance; whereupon the Improvement Assurance shall be released by the District, after written notice from the District, as the case may be, to the Developer.

SECTION 5 SERVICE TO INDIVIDUAL CUSTOMERS

5.1 Municipal Water and Sanitary Sewer Service to District Customers.

5.1.1 In conformance with the provisions of Section 17B-1-903 of the Act, before furnishing water or providing sewer services to a Premises, the District shall require the owner of the Premises or an agent duly authorized by the District pursuant to a legal power of attorney, to submit a written Application for Service and Agreement in conformance with the provisions of Section 5.2.1 herein, signed by the District or the District’s duly authorized agent in behalf of the District, agreeing to pay for all water furnished or sewer service provided to the Premises, whether occupied by the owner or by a tenant or other occupant, according to these Regulations.

5.1.2 All Customers, as a condition to water and sewer service, shall be required to pay all water and sewer service fees and charges imposed by the District pursuant to Section 6 and otherwise comply with these Regulations as they now exist or as they may be established and/or amended from time-to-time in the future.

5.2 Service to New Connections. To initiate municipal water and sanitary sewer service for a new connection, the Customer shall be required to complete and submit an Application for Service and Agreement on a form provided by the District in conformance with the following:

5.2.1 Design and Construction of Individual Water and Sewer Systems; Review and Inspection Fee.

(a) The Individual Water and Sewer Systems serving each Premises to be served by

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the District shall be designed and constructed in strict conformance with the requirements of this Agreement and with the Individual System Design Standards and Specifications attached as EXHIBIT “C” hereto (the “Individual System Design Standards and Specifications”), at the Customer’s sole cost and expense. Any amendments to the Individual System Design Standards and Specifications which may be promulgated by the Governing Board from time-to-time shall replace and supersede the Individual System Design Standards and Specifications initially attached hereto. The Individual Service Application required pursuant to Section 5.2.2 below shall require a written statement signed by the Customer wherein the Customer affirms that he, she or it has read, understands and will comply with the District’s Individual System Design Standards and Specifications and these Regulations regarding the installation and repair of the Customer’s Individual Water and Sewer Systems.

(b) The Customer shall be required to pay to the District an Individual System Review and Inspection Fee (the “Individual System Review and Inspection Fee”), for the Premises to be served. The Individual System Review and Inspection Fee required to be paid hereunder is to cover the costs incurred by the District to cover the necessary inspections of the Customer’s Individual Water and Sewer Systems, including, without limitation, District administrative costs, internal personnel review costs, and consulting engineering fees, costs and charges, and other costs and expenses incurred and to be incurred by the District, which shall be due and payable as billed by the District. Payment in full of the Individual System Review and Inspection Fee by the Customer shall be a condition precedent to water and sewer service from the District. Upon the written request of the Customer, the District will provide an itemized accounting of all such expenses incurred by the District.

5.2.2 Individual Water and Sewer System Construction and Installation.

(a) Each Customer shall pay a water connection fee and a sewer connection fee in such amounts as shall be determined from time-to-time by separate resolution of the Governing Board (collectively, “Connection Fees”), which shall be used by the District to pay actual out-of-pocket costs and expenses incurred by the District relative to a new connection, including, but not limited to its inspection of the Individual Water System and Individual Sewer System constructed and installed by the Customer and/or its contractor.

(b) The Water Meter Assembly for each new water connection shall be acquired, constructed and installed in strict conformance with the District’s Individual System Design Standards and Specifications. A shutoff valve shall be installed as part of the Water Meter Assembly on the Service Lateral at the Water Connection Point to be located at the property line of the Premises or street right-of-way line.

(c) The Customer, at its sole cost and expense, shall acquire, construct, install and connect the Individual Water System and Individual Sewer System serving the Premises in conformance with and subject to the District’s Individual System Design Standards and Specifications.

(d) New service connections to the Main Water System and Main Sewer System and repairs to existing Water and Sewer Service Laterals shall be excavated, constructed and installed only by contractors qualified and authorized to proceed under the provisions of Section 5.2.2(e) below. No water shall pass through the water meter from the Main Water System to a Premises, and no sewer shall be discharged into the Main Sewer System from a Premises unless and until the District has inspected and approved the respective connections. Upon the District’s inspection and approval thereof, and its written receipt of the municipal water and sewer connection fees, the District shall turn water on to the Customer’s Premises.

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(e) No individual, entity, contractor or other party may commence the work necessary to connect any Premises to the Main Water System or Main Sewer System, or make repairs to any Water and Sewer Service Laterals connected to the Main Water System and Main Sewer System without first making application to the District and qualifying in conformance with the following:

(1) To qualify, every contractor, person or entity intending to connect a Water Service Lateral to the Main Water System or a Sewer Service Lateral to the Main Sewer System, or to repair existing Water and Sewer Service Laterals connected to the Main Water System and Main Sewer System (the “Contractor”), shall submit an application to the District (the “Contractor Application”).

(2) The Contractor Application shall be completed on a form supplied by the District which includes the name of the Contractor, the Contractor’s business name, contractor license number, insurance company, principal owner or supervisor of the work, and the name and telephone number of every person supervising a crew which will be qualified to work for the Contractor within the District. The Contractor Application shall include a written statement signed by the Contractor wherein the Contractor affirms that he has read, understands and will comply with the District’s Design Standards and Specifications and these Regulations regarding the installation and repair of a Water Service Lateral and/or Sewer Service Lateral.

(3) The Contractor Application shall be accompanied by a License and Permit Bond in favor of the District in an amount of not less than \$5,000.00 to assure that the Contractor will comply with Individual System Design Standards and Specifications and these Regulations. The License and Permit Bond may consist of a cash bond, a deposit of funds in escrow in an amount determined by the District, or a corporate surety bond by a qualified insurer licensed to do business in the State of Utah.

(4) The Contractor shall, as part of the Contractor Application: (i) provide to the District a diagram of and plan for the proposed Water Connection Point and Sewer Connection Point for approval; (ii) secure a permit from WPR Road and Fire District, and Morgan County, if necessary, to cut the road and excavate in the roadway and agree to maintain strict compliance with WPR Road and Fire District standards for excavation and restoration of the road; (iii) provide to the District a current certificate of liability insurance demonstrating that the contractor who will perform the work has in force a comprehensive liability policy with limits of not less than \$1,000,000.00 per occurrence and \$1,000,000.00 per individual for payment of loss; (iv) provide a current certificate of workmen’s compensation and employer’s liability insurance or a Utah State approved workmen’s compensation insurance waiver, (v) notify WPR Road and Fire District in the event of any road closing so as to facilitate rerouting of emergency vehicles.

(5) If the Contractor furnishes the required bond, and is not subject to contractor license complaints, other known noncompliance or workmanship complaints and demonstrates satisfactory knowledge of the procedures necessary to complete the work in a satisfactory manner, the District may find that the Contractor is qualified to perform the work as required by this section and he may commence the same.

(f) No water connection of any size shall be made unless and until the diagram and plan for the connection have been approved by the District and impact fees, if any, which may be due and owing with respect to the new connection have been paid pursuant to the provisions of Section 6.2.2 below.

(g) All Water Service Laterals and Sewer Service Laterals, and the acquisition, construction, installation and connection of the same with the Main Water System and Main Sewer System of {02279607-1 }

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the District, and all other aspects of the Individual Water System and Individual Sewer System shall, at all times, be in strict compliance with all District Individual System Design Standards and Specifications, as amended from time-to-time.

5.3 Sale or Transfer of a Premises. Each Customer shall report to the District’s business office, the sale or transfer of the Premises and request the termination of municipal water service to the Premises pursuant to the provisions of Section 6.3.1. The District, upon receipt of this written notice and request, shall read the meter and shall, at its option, close the shutoff valve and terminate water service to the Customer’s Premises. The subsequent Customer shall be required to make a formal application for renewed service to the home or structure on a form provided by the District. As a precondition to renewed service, the new Customer shall sign a service agreement on a form provided by the District in which the new Customer shall agree to pay all fees, services and other charges imposed by the District and to comply with these Regulations. Subject to payment to the District of a resumption of service fee in an amount to be determined from time-to-time by separate resolution of the Governing Board, upon compliance with all of the foregoing terms and conditions of this subsection, water and sewer service shall be restored to the Premises.

SECTION 6 WATER AND SEWER SERVICE FEES AND CHARGES

6.1 Imposition of Service Fees and Charges. The District shall impose municipal water and sanitary sewer service fees and charges upon each water and sewer service connection for the purpose of: (i) purchasing, using, leasing or obtaining water and sources of water supply; (ii) operating, repairing, maintaining, replacing, rebuilding or making capital improvements to the District Facilities; (iii) establishing and funding a reserve fund to cover major repairs, improvements and replacement of the District Facilities; (iv) paying debt service on bonds, notes, contracts and other obligations of the District; (v) paying insurance on the District Facilities and the District; (vi) complying with local, state and federal laws, ordinances, statutes and regulations governing the ownership, operation and maintenance of the District Facilities; (vii) paying legal and other professional and consulting fees and charges, and (viii) paying and providing for and/or accomplishing all other purposes, items, obligations or services as shall be necessary or desirable to enable the District to provide water and sewer service to its Customers in conformance with applicable State law.

6.2 Service Fees, Impact Fees, Other Fees and Charges. Service Fees, impact fees and other fees and charges may be established, from time-to-time, by the Governing Board and imposed in conformance with the following:

6.2.1 Water and Sewer Service Fees. Water and Sewer Service fees shall be established by the District and paid by the Customer in conformance with the following:

(a) Service Fees. The District shall impose fees for municipal water and sanitary sewer service as follows:

(1) Water Service Fee. The Water Service Fee shall consist jointly of: (i) a base water availability charge, which shall be due and payable in full whether any water is actually used by the Customer in any one month or not; and (ii) a usage charge which shall be based upon an established rate per gallon for the total quantity of water that passes through each Water Meter Assembly of the Customer through which the Customer is served in any one month. The Water Service rate per gallon upon which the Water Service Fee for each Customer is calculated shall be set by the Governing Board by separate resolution and

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may be changed from time-to-time all at the discretion of the Governing Board in conformance with the applicable provisions of the Act.

(2) Sewer Service Fee. The Sewer Service Fee shall be a flat fee duly established from time-to-time by resolution of the Governing Board, sufficient in amount to cover all service and treatment fees charged by Mountain Green Sewer Improvement District to WPRUD for services it provides to the District, plus all administrative and other costs and expenses incurred by the District in connection with providing sewer services to District Customers, The amount of the Sewer Service Fee may be changed from time-to-time at the discretion of the Governing Board in conformance with the applicable provisions of the Act.

(3) Separate Service Zones; Appeal of Fee Amount. As permitted by applicable State law, the Governing Board may establish separate service zones within the District’s service area so as to enable the District to establish fees for service which reflect the actual cost of providing such service in a given area. As required by law, a Customer shall have the right of appeal to the District’s Governing Board as to whether the service fee or inspection fee imposed reflects the reasonable estimated cost of delivering the service for which the fee has been imposed. A Customer who makes such an appeal may petition for judicial review of the Governing Board’s final determination.

(4) Leakage. As provided in Section 8.4.2 herein, each individual Customer shall bear the sole and separate responsibility for operation, maintenance, repair and replacement of the Customer’s Individual Water System. The District shall neither accept nor bear any responsibility for any leaks within the Customer’s Individual Water System; therefore, in the event a leak shall occur in a Customer’s Individual Water System, the Customer shall nevertheless pay the calculated Water Service Fee and the Sewer Service Fee, as billed by the District, based upon the total quantity of water that passed through each Water Meter Assembly during the billing period, and no credit shall be given for water passing through the Water Meter Assembly that may not have actually been used by the Customer or for sewer that may not have actually been treated by the District for the Customer, due to the existence of any such leak.

(b) Billing. As authorized pursuant to Section 17B-1-901 of the Act, the Water Service Fee and the Sewer Service Fee (collectively, “Service Fees”), shall be combined into a single consolidated billing statement, and shall be billed monthly or on such other interval as established by the Governing Board, and shall be in addition to all other fees and charges lawfully imposed by the District. The District may establish an electronic billing system and provide for billing and payment pursuant thereto for all or some customers of the District, in its discretion.

(c) Delinquencies. Any bill for Service Fees not timely paid by a Customer shall be deemed delinquent. In the event of a delinquency for non-payment of Service Fees, the District may impose a resumption of service fee, and late charges and interest on any unpaid portion thereof. The amount of any such resumption of service fee, late charge and the interest rate due thereon shall be imposed by separate resolution of the Governing Board, which may be revised from time-to-time at the discretion of the Board. A delinquency may subject a Customer to termination of service as provided in Section 6.3.2 herein.

6.2.2 Impact Fees. The District, in its discretion, may impose Impact Fees which shall be levied by the District and paid by the Customer, as required pursuant to an impact fee schedule to be promulgated by the District, from time-to-time, in conformance with and subject to the provisions of the Utah Impact Fees Act, '11-36-101 *et seq.*, Utah Code Ann. (1953), as amended.

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6.2.3 Other Fees and Charges. The District may, from time-to-time, impose such other fees and charges as the Governing Board may determine to be necessary, as authorized by, and imposed in conformance with and subject to the applicable requirements of the Act.

6.2.4 Landlord Liability for Payment. The legal owner of any rented or leased Premises receiving municipal water and sanitary sewer service from the District (“Landlord”), shall be responsible to the District for payment of all Service Fees and other fees and charges for services to the Premises owned by the District, and the District and not the tenant or lessee of any rental property owned by the District shall be billed by the District for said water and sewer service.

(a) Notice of Termination to Tenant. In the event a Landlord is delinquent in the payment of Service Fees in connection with any leased Premises, the District shall provide notice to the tenant of the rental property or tenant of each unit within the rental property that the Landlord is delinquent in the payment of Service Fees and that water service to the rental property may be terminated for non-payment thereof.

(b) Vacant Premises. If there remains an unpaid balance on any Service Fee or other fee or charge lawfully imposed, upon the vacation of the Premises being served by a renter, lessee or other occupant, the District shall terminate water service until the delinquent account has been paid in full, together with interest, penalties and costs of collection including reasonable attorney’s fees, and the resumption of service fee imposed by the District. The District may also terminate water service to a vacant leased Premises in order to prevent freezing or other damage to the District’s property or the District’s Main Water System.

6.3 Termination of Service

6.3.1 Upon Request of the Customer.

(a) Service to the Premises of a Customer may be terminated by the District upon the Customer’s request to the District. Upon receipt of said request, service to the Premises shall be terminated and remain terminated unless and until: (i) the District notifies the Customer, in writing, that service to the Premises is to be reinstated in conformance with the provisions of Section 6.4 hereof, or (ii) a successor owner of the Premises executes a new service agreement.

(b) A Landlord shall not be authorized to utilize District water and the threat to terminate or the termination of water service to any rental property or rental unit within a rental property as a means of enforcing the collection of delinquent rent from the tenant of the property or unit being served by the District.

6.3.2 For Non-Payment of Service Fees and Charges.

(a) In conformance with the provisions of Section 17B-1-901 and 903 of the Act, in the event of non-payment of Service Fees and/or other fees and charges imposed by the District, the District may initiate proceedings to terminate water service to the delinquent Premises, and the District shall refuse to restore water service unless and until all delinquent Service Fees, together with accrued interest thereon and a resumption of service fee have been paid in full.

(b) Prior to terminating water service to the Premises, the District shall provide written notice of the delinquency to the Customer, pursuant to which the Customer shall be given an

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opportunity to cure the default. The Customer may request a hearing of the Governing Board regarding any such delinquency, and petition for the resumption of services without payment of any resumption of service charges due and owing as a result of the delinquency which the Governing Board may grant in its sole discretion. In the event a delinquency is not cured within the period provided for in the notice, the District shall terminate water service to the Premises. The Customer shall be required to pay a resumption of service fee in conformance with the provisions of Section 6.2.1(c) in addition to curing the delinquencies as a condition to the resumption of water service to the Premises.

6.3.3 In the Event of Contamination. In the event the District, as a result of water sampling, has reasonable cause to believe that the municipal water supply of the District is being contaminated in any way from the Premises, the District may temporarily terminate water service to the Premises until the source of the contamination has been removed and/or the contamination or threat of contamination has been rectified to the satisfaction of the District; whereupon, water service to the Premises shall be restored pursuant to Section 6.4 herein.

6.4 Reinstatement of Service. Service to a Premises in which water service has been terminated pursuant to Section 6.3 above shall only be reinstated by duly authorized District personnel. Turning on water that has been turned off by order of the District by anyone other than authorized District personnel is strictly prohibited. A tampering charge shall be assessed and/or court action may be taken for any unauthorized turn-on, turn-off of District water, theft of District water, or tampering or vandalizing any of the District Facilities, and the Customer shall further be obligated to reimburse the District for all legal fees, court costs and other costs incurred by the District in the event of such legal action. The Customer shall further pay and be responsible for any unauthorized use of water at the Premises, if any, during the period of termination.

6.5 Collection of Delinquent Service Fees and Charges.

6.5.1 The terms and provisions of this Section 5.5 are set forth pursuant to and are in conformance with the terms and provisions of Section 17B-1-904 *et seq.* of the Act.

6.5.2 As used in this Section:

(a) “Collection Costs” means an amount, not to exceed \$20, to reimburse the District for expenses associated with its efforts to collect past due service fees from a Customer.

(b) “Damages” means an amount equal to the greater of \$100 and triple the past due service fees.

(c) “Default Date” means the date on which payment for Service Fees becomes past due.

(d) “Past Due Service Fees” means service fees that on or after the Default Date have not been paid.

(e) “Pre-litigation Damages” means an amount that is equal to the greater of \$50 and triple the past due service fees.

6.5.3 A Customer is liable to a local district for Past Due Service Fees and Collection Costs if:

- (a) the Customer has not paid Service Fees before the default date;
- (b) the District mails the Customer notice as provided in Subsection 5.5.5; and
- (c) the Past Due Service Fees remain unpaid 15 days after the District has mailed notice to the Customer as provided herein.

6.5.4 If the Customer has not paid the District the Past Due Service Fees and Collection Costs within 30 days after the District mails notice, the District may make an offer to the Customer that the District will forego filing a civil action under Subsection 6.5.5 if the Customer pays the District an amount that:

- (a) consists of the Past Due Service Fees, Collection Costs, Pre-litigation Damages, and, if District retains an attorney to recover the Past Due Service Fees, a reasonable attorney fee not to exceed \$50; and
- (b) if the Customer's Premises is residential, may not exceed \$100.

6.5.5 Each notice under Subsection 6.5.3(b) shall be in writing, be mailed to the Customer by the United States mail, postage prepaid; notify the customer that if the Past Due Service Fees are not paid within 15 days after the day on which the District mailed notice, the Customer is liable for the Past Due Service Fees and Collection Costs; and the District may file a civil action if the Customer does not pay the Past Due Service Fees and Collection Costs to the District within 30 calendar days from the day on which the District mailed notice.

(a) The notice shall be in substantially the following form:

Date: _____
 To: _____
 Service address: _____

 Account or invoice number(s): _____
 Date(s) of service: _____
 Amount past due: _____

You are hereby notified that water or sewer service fees (or both) owed by you are in default. In accordance with Section 17B-1-902, Utah Code Annotated, if you do not pay the past due amount within 15 days from the day on which this notice was mailed to you, you are liable for the past due amount together with collection costs of \$20.

You are further notified that if you do not pay the past due amount and the \$20 collection costs within 30 calendar days from the day on which this notice was mailed to you, an appropriate civil legal action may be filed against you for the past due amount, interest, court costs, attorney fees, and damages in an amount equal to the greater of \$100 or triple the past due amounts, but the

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combined total of all these amounts may not exceed \$200 if your property is residential.

(Signed) _____
 WPR Utility District
 [Address]
 [Telephone number]

(b) Written notice under this Section is conclusively presumed to have been given if the notice is properly deposited in the United States mail, postage prepaid, by certified or registered mail, return receipt requested; and addressed to the customer at the Customer's address as it appears in the records of the local district, or last-known address.

6.5.6 The District may file a civil action against the Customer if the Customer fails to pay the Past Due Service Fees and Collection Costs within 30 calendar days from the date on which the District mailed notice as set forth above.

(a) In a civil action, a Customer is liable to the District for an amount that consists of Past Due Service Fees, Collection Costs, interest, court costs, a reasonable attorney fee, and damages; and if the Customer's Premises is residential, may not exceed \$200.

(b) The District may not file a civil action under this Subsection unless the Customer has failed to pay the Past Due Service Fees and Collection Costs within 30 days from the day on which the district mailed notice.

(c) All amounts charged or collected as Pre-litigation Damages or as damages shall be paid to and be the property of the District and may not be retained by any other person. The District may not contract for a person to retain any amounts charged or collected as pre-litigation Damages or as damages.

6.5.7 This section shall not be construed so as to limit the District from obtaining relief to which it may be entitled under other applicable statutes or causes of action.

6.6 Certification of Lien for Delinquencies.

6.6.1 In addition to and notwithstanding the provisions of Section 5.5, pursuant to the provisions of Section 17B-1-902 of the Act, any unpaid Service Fees and charges, including reasonable attorney's fees incurred through collection, that are delinquent as of June 1 of an year shall be certified by the Clerk of the District to the treasurer of Morgan County; whereupon, the amount of delinquent Service Fees and charges, together with accrued interest and penalties thereon, and attorney's fees, shall immediately upon certification become a lien on the delinquent Premises on a parity with and collectible at the same time and in the same manner as general property taxes are a lien on the Premises and are collectible. All methods of enforcement available for the collection of general county property taxes, including sale of the Premises, shall be available for the collection of delinquent Service Fees and charges.

6.6.2 Unless a valid lien has been established as provided in Section 6.6.1, has not been satisfied, and has not been terminated by a sale as provided in Section 17B-1-902(2), the District may not:

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(a) use a Customer's failure to pay for water and sewer services provided to the Customer's Premises as a basis for not furnishing water or providing sewer service to the Premises after ownership of the Premises is transferred to a subsequent owner; or

(b) require an owner to pay for water that was furnished or sewer service that was provided to the Premises before the owner's ownership.

6.7 Other Remedies Available. The aforesaid remedies set forth in this Section 6 shall be in addition to, and not in lieu of, any and all other remedies legally available to the District, at law or in equity, for the collection of delinquent Service Fees and charges.

SECTION 7 CROSS CONNECTION CONTROL AND BACKFLOW PREVENTION

7.1 Definitions. As used in this Section 7, the following definitions shall apply:

7.1.1 District Manager. The person designated to be in charge of the District's Main Water System, and who is invested among other things with the authority and responsibility for the implementation of an effective Cross Connection Control program and for the enforcement of the provisions of this ordinance.

7.1.2 Approved Backflow Assembly. An assembly accepted by the Utah State Department of Environmental Quality, Utah State Rules for Public Drinking Water Systems ("UPDWR"), and the Plumbing Code as adopted by the State of Utah (the "Plumbing Code"), as meeting an applicable specification or as suitable for the proposed use.

7.1.3 Auxiliary Water Supply. Any water supply on or available to the premises other than the purveyor's public water supply will be considered as an auxiliary water supply. These auxiliary waters may include water from another purveyor's public potable water supply, secondary irrigation water, or any natural source(s) such as a private well, spring, river, stream, etc., or "used water" or "industrial fluids". These waters may be contaminated or polluted, or they may be objectionable and constitute an unacceptable water source over which the District does not have authority.

7.1.4 Backflow. The reversal of the normal flow of water caused by back-pressure or back-siphonage.

7.1.5 Back-Pressure. The reversal of the normal flow of water or other liquids, mixtures, or substances from a region of high pressure to a region of lower pressure caused by an increase of pressure in the downstream piping.

7.1.6 Back-Siphonage. The reversal of the normal flow of water or other liquids, mixtures, or substances under vacuum conditions caused by a sub-atmospheric pressure in the potable water system.

7.1.7 Backflow Prevention Device. An assembly or device designed to prevent backflow. Specifications for backflow prevention assemblies and devices are contained within the UPDWR and the Plumbing Code.

7.1.8 Cross Connection. Any actual or potential connection between the public water system or the consumer's water system and any other source or auxiliary supply through which it is possible to

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introduce anything else. This would include temporary conditions, such as dual source connections, swing connections, removable sections, four-way plug valves, spools, dummy sections of pipe, swivel or change-over devices, sliding multipoint tubes, or other plumbing arrangements.

7.1.9 Contamination. Means a quality degradation of the potable water supply by a toxic substance that is introduced which poses a threat to public health. This would include sewage, industrial fluids, irrigation chemicals, boiler compounds, waste liquids, or any other materials not suitable for human consumption.

7.1.10 Cross Connection Control. A connection between a potable water system and an auxiliary supply or other Cross Connections with an approved Backflow Prevention Device properly installed and maintained so that it will continuously afford the protection commensurate with the degree of hazard.

7.1.11 Cross Connection Containment. The installation of an approved Backflow Prevention Device at the Water Point of Connection to any Customer’s Premises for Cross Connection Control.

7.2 Cross Connection Control and Backflow Prevention Policy and Purpose. The Cross Connection Control and Backflow prevention regulations set forth in this Section 7 are promulgated by the Governing Board for the purpose of protecting the potable water supply of the District from contamination and/or pollution from any Cross Connections existing or potential; and to assure that approved Backflow Prevention Devices are tested when put into service and at least on an annual basis thereafter. The Regulations in this Section 7 are in compliance with Section R309.105.12 of the UPDWR and the Plumbing Code.

7.2.1 District Policy.

(a) Consistent with State law, it is against the policy of the District, as the operator of the District’s public drinking water system as defined by the Utah Division of Drinking Water, to allow at any connection to the District’s Main Water System, under any of the following which are strictly prohibited:

(1) To install or use any physical connection or arrangement of piping or fixtures, which may allow any fluid or substances unsuitable for human consumption to enter the District Main Water System, as per the Plumbing Code.

(2) To install, or cause to have installed, any connection, arrangement, or fixtures without a Backflow Prevention Device unless arranged otherwise by the District or authorized representative of the District.

(3) To incorrectly install, cause, or allow to be incorrectly installed, any Backflow Prevention Device required by the currently adopted Plumbing Code, as amended from time-to-time.

(b) Administration of this policy shall be in accordance with the terms and provisions of these Regulations, as amended from time-to-time by the Governing Board, and most recently approved Cross Connection Control Program of the State of Utah. In the event of any conflict of terms, the latter shall control. A copy of the Cross Connection Control Program manual may be viewed and/or downloaded from the state Division of Drinking Water’s website at drinkingwater.utah.gov. Backflow Prevention Devices, as required by law shall be required to be tested at least annually. The District, or duly authorized agent of the District, shall prepare and maintain a Backflow Assembly Information sheet on all such devices and test

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results shall be maintained for a period of no less than five (5) years.

(c) The control or elimination of Cross Connections and the criteria for determining the degree of hazard and prescribing appropriate levels of protection shall be in accordance with the Plumbing Code and the UPDWR. Water service to any Premises shall be contingent upon the customer providing appropriate Cross Connection Control if determined necessary. Determinations and enforcement shall be the responsibility of the District Manager in conjunction with the Morgan County plumbing/building inspector. Water service may be refused or terminated to any Premises where an unprotected Cross Connection may allow contamination or pollutants to Backflow into the District’s Main Water System.

(d) Authorized employees of the District with proper identification, shall have access at reasonable hours of the day, to all areas of a premise or building to which drinking water is supplied for the purpose of conducting Cross Connection hazard assessment surveys. Water service may be refused or terminated, or maximum Backflow Prevention may be required, to the Premises where access to perform surveys is denied, where unprotected Cross Connections are located, or in the event that installed assemblies are not tested and maintained as required by State and local regulations.

(e) Before any water service is terminated, in conformance with due process, the violating Customer shall be notified, in writing, and be provided a reasonable time for compliance to be achieved in accordance with these Regulations. However, in the event of an actual backflow incident which endangers the public health, water service may be terminated by the District immediately and not be restored until the Cross Connection is either eliminated or adequately protected.

7.1.2 Purpose. The Regulations set forth in this Section 7 are enacted to accomplish the following purposes:

(a) To protect the public drinking water supply of the District from the possibility of contamination by requiring Cross Connection and Backflow prevention in conformance with these Regulations. Compliance with the minimum safety requirements of the Regulations will be considered reasonable and due diligence in preventing the Backflow of contaminants into the System.

(b) To promote the reasonable elimination or control of Cross Connections within the piping and plumbing fixtures of the Customer’s Individual Water System, as defined herein, pursuant to the requirements of these Regulations.

(c) To provide for the administration of a continuing program of Cross Connection and Backflow prevention which will systematically examine the risk and effectively prevent the contamination of the District’s public drinking water within the District’s Main Water System.

7.3 Responsibilities.

7.3.1 Responsibility of the District.

(a) The District shall be responsible for the protection of the District Main Water System from the foreseeable condition leading to the possible contamination or pollution of the drinking water system due to the Backflow of contaminants or pollutants into the drinking water supply.

(b) Drinking water system surveys/inspections of the Customer’s Individual Water

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System shall be conducted or caused to be conducted by individuals deemed qualified by and representing the District. Survey records shall indicate compliance with the UPDWR and the Plumbing Code. All such records will be maintained by the District.

(c) The District shall schedule and notify in writing, all Customers of the need for the periodic system survey to ensure compliance with existing applicable minimum health and safety standards.

(d) Selection of an approved Backflow Prevention Device for containment protection required at the Customer's Water Point of Connection shall be determined from the results of the Cross Connection hazard assessment survey.

7.3.2 Responsibility of the Customer.

(a) To comply with these Regulations, as a term and condition of water supply and the Customer's acceptance of service is admittance of his/her awareness of his/her responsibilities as a water system user.

(b) To purchase, install, and arrange testing and maintenance of any Backflow Prevention Device required to comply with these Regulations. Failure to comply with these Regulations shall constitute grounds for discontinuation of service.

(c) Ensuring that in the event of a Backflow Prevention Device installation, repair, or relocation, that the same is performed by individuals having the appropriate licensure from the Utah Division of Professional Licensing for such work.

7.3.3 Responsibility of the District Manager.

(a) The District Manager's responsibility to enforce the applicable sections of the Plumbing Code begins at the Customer's Water Point of Connection and continues throughout the length of the Customer's Individual Water System.

(b) The District Manager shall review all plans to ensure that unprotected Cross Connections are not an integral part of the Customer's Individual Water System. If a Cross Connection cannot be eliminated, it must be protected by the installation of an air gap or an approved Backflow Prevention Device, in accordance with the Plumbing Code.

7.3.4 Responsibility of the Certified Backflow Technician. Whether the District Manager, an employee of the District, or an independent contractor is retained to function as the District's Certified Backflow Technician, to survey, test, repair, or maintain backflow prevention assemblies (the "Certified Backflow Technician"), the Certified Backflow Technician shall have the following responsibilities:

(a) Ensuring that acceptable testing equipment and procedures are used for testing or repairing of Backflow Prevention Devices.

(b) Recording all testing and/or repairs and submit report forms to the Customer and the District within 30 days of work performed.

(c) Reporting to the District of any failed Backflow Prevention Device test within 5

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days of work performed.

(d) Ensuring that replacement parts are equal in quality to parts originally supplied by the manufacturer of the Backflow Prevention Device being repaired.

(e) Ensuring that the design, material, or operational characteristics of the Backflow Prevention Device are not changed during testing, repair, or maintenance.

(f) Performing all tests of the Backflow Prevention Devices and being responsible for the competence and accuracy of all tests and reports.

(g) Ensuring that his or her license is current and that the testing equipment being used is acceptable to the State of Utah and is in proper operating condition.

(h) Being equipped with, and competent to use, all necessary tools, gauges, and other equipment necessary to properly test, and maintain Backflow Prevention Devices.

7.4 Requirements.

7.4.1 No water service connection to any Premises shall be installed or maintained by the District unless the water supply is protected as required by the UPDWR, the Plumbing Code and these Regulations. Water service shall be discontinued by the District after written notice and an opportunity to be heard by the Governing Board of the violation and an appropriate time suspension for voluntary compliance, if:

(a) A Backflow Prevention Device is not installed, tested, and maintained as required by the UPDWR, the Plumbing Code and these Regulations for Cross Connection Control, or

(b) If it is found that a Backflow Prevention Device has been removed or by-passed,
or

(c) If an unprotected Cross Connection exists on the Premises, or

(d) If the Cross Connection hazard assessment survey has not been conducted.

Service will not be restored until such conditions or defects have been fully corrected as determined by the District Manager or his designee.

7.4.2 The Customer's Individual Water System shall be open for a Cross Connection hazard assessment survey at all reasonable times to authorized representatives of the District to determine whether Cross Connections or other structural or sanitary hazards, including violation of the UPDWR, the Plumbing Code and these Regulations exist.

7.4.3 An approved Backflow Prevention Device shall be installed on the service line of the identified Customer's Individual Water System, at or near the property line or immediately inside the building being served; but, in all cases, before the first branch line leading off the service line.

7.4.4 The type of Backflow Prevention Device to be installed shall be determined by the District.

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7.4.5 It shall be the responsibility of the Customer at any Premises where Backflow Prevention Devices are installed to have certified surveys; inspections, and operational tests at the Customer’s sole expense.

7.4.6 All Backflow Prevention Devices shall be tested within ten (10) working days of installation, relocation, or repair and annually thereafter. In processes where the District deems the hazard to be significant, he/she may require tests at a more frequent interval.

7.4.7 Backflow Prevention Devices shall be installed with 12 inches of surrounding clearance, and safely and readily accessible to Certified Backflow Technician and the District. No Backflow Prevention Devices shall be installed so as to create a safety hazard. (Example: Installed over an electrical panel, steam pipes, boilers, or other unsafe location).

7.5 Violation of these Regulations. A violation of with respect to Section 7 of these Regulations exists if there has not been any corrective action taken by the Customer within ten (10) days of the written notification of the deficiencies as noted within the survey or test results. The District shall then deny or immediately discontinue service to the Premises by providing a physical break in the service line until the Customer has corrected the condition(s) in conformance with all State and local regulations and statutes relating to plumbing, safe drinking water suppliers, and these Regulations.

SECTION 8 MISCELLANEOUS PROVISIONS

8.1. Metered Use Required. All uses of water from the Main Water System, except fire hydrants, shall be metered.

8.1.1 Unauthorized Use Prohibited. Anyone using water through an unmetered connection, without the express prior authorization of the District, shall be prosecuted under the theft of services statutes of the State of Utah.

8.1.2 One Structure Per Meter. Not more than one structure or building shall be connected to any one meter; however, multiple dwelling units may be served by a single metered connection, subject to the prior, written approval of the District as determined, in its sole discretion, on a case-by-case basis.

8.2 Meters, Meter Reading and Maintenance.

8.2.1 Meter Inspection and Reading. Customers shall not obstruct in any way the ability of authorized District personnel to gain access to water meters for periodic inspection, reading and maintenance. The cost of removing any physical obstructions may be charged by the District to the Customer as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 6 herein. Meters shall be read at intervals as shall be determined by the Governing Board. In the event that one reading covers consumption for more than one month, water consumption shall be prorated equally to each month. By connecting to the Main Water System, and agreeing to receive service from the District, a Customer shall be deemed to have consented to granting access to the Customer’s Premises by District personnel for the purpose of reading water meters. In the event water meters were installed within any building or structure receiving water services, and without a remote readout device, the owner and/or occupant of the Premises shall be

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required to permit access to the water meter reader for meter reading purposes during normal business hours, and as an express condition to continued water service.

8.2.2 Meter Error. In the event that a meter malfunctions and a reliable reading is not possible, charges shall be estimated by comparing the past known water usage through the malfunctioning water meter to that of adjoining or similar properties where the past and current month's use is known, or, by reference to the past water usage through the malfunctioning water meter during a corresponding time of the year. Where such data is unavailable, then estimates shall be made by comparing the past known water usage of similar or adjoining properties, and averaging the same.

8.2.3 Meter Testing. If a Customer contests the accuracy of his water meter, which when removed and tested proves to be accurately calibrated or under-reading, any costs incurred by the District in the removal, replacing, testing and recalibrating of a meter shall be charged to a Customer on the Customer's next water bill as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 5 herein. If the water meter is over-reading, there will be no charge for the repair to the meter, and appropriate adjustments will be made on the Customer's next water bill. Adjustments shall not be made for any period greater than three months. Meter errors of three percent (3%) or less shall be deemed to be accurate readings, warranting no adjustments. If, upon a second meter reading (as requested by the Customer) within a six (6) month period for the purpose of determining meter error, and the meter is found to be accurately calibrated, a re-reading charge shall be included in the next billing to Customer as a special water service fee and be enforceable and collectible in conformance with the provisions of Section 5 herein. These charges shall be as set forth by a separate rate resolution adopted by the Governing Board of the District.

8.2.4 Meter Tampering. It shall be a violation of these Regulations to tamper with or bypass any water meter for the purpose of causing it to produce inaccurate readings or for bypassing the meter so as to obtain unmetered water. Willful consumption of water through a water meter known to be damaged, bypassed or tampered with, shall constitute a theft of service and shall be prosecuted under the statutes of the State of Utah.

8.3 Vacant Lots. Requests for water service may be accepted from Customers owning vacant lots. Such requests shall be accompanied by a signed service agreement and the required connection fee at the then current rate, which shall entitle the Customer to have a meter installed for the purpose of serving the Customer's vacant lot. As a condition to water service, the Customer shall be required to pay all Service Fees and other fees and charges imposed by the District pursuant to Section 6.2 and otherwise comply with these and all other lawful rules and regulations of the District as they now exist or as they may be established and/or amended in the future.

8.4 Title to District Facilities and Service Laterals, Operation and Maintenance

8.4.1 The District shall hold title to all District Facilities and shall operate, maintain, repair and replace the same, at its expense, in perpetuity. The District shall own and maintain the Water Meter Assembly regardless of whether the same were installed at the property line or otherwise within the Premises of the Customer.

8.4.2 Each individual Customer shall own and shall bear the sole and separate responsibility for operation, maintenance, repair and replacement of the Customer's Individual Water System and Individual Sewer System. The District shall not accept nor bear any responsibility for any leaks, or damages caused by
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leakage, within the Individual Water System and/or Individual Sewer System. The District may, without incurring any liability whatsoever, make emergency repairs to the Individual Water System and Individual Sewer System in order to mitigate damage, prevent waste of water, and to prevent contamination of the District's water supply. Any such repairs shall be at the Customer's sole expense and shall be billed to the Customer by the District. The Customer shall pay any such bill within 30 days of its date. Any such charge shall be considered a special fee for water service, the payment of which shall be enforceable and collectible in conformance with the provisions of Section 6 herein. The Customer, by accepting water service from the District, grants a license to the District to enter upon the Premises of the Customer for the purpose of making said emergency repairs.

8.4.3 Each Customer shall be responsible to repair, replace or otherwise correct any component of the Customer's Individual Sewer System as necessary to prevent leaking water, groundwater or other water from excessively infiltrating or otherwise flowing into District Sewer Facilities through a pipeline, manhole or related facility within the Customer's Individual Sewer System (collectively referred to herein as "Infiltration"). In the event the District is aware of, has reason to believe or otherwise suspects that such Infiltration is occurring within the Customer's Individual Sewer System, the Customer, by accepting sewer service from the District, grants to the District, and its duly authorized employees, agents and contractors bearing proper credentials and identification, a license to enter upon the Premises of the Customer for the purpose of inspecting, sampling, testing, videoing, and/or otherwise determining the existence and/or extent of any Infiltration.

(a) If, upon inspection, Infiltration is not found, all costs and expenses incurred in connection with such inspection and testing shall be the sole responsibility of the District.

(b) If Infiltration is found, all costs and expenses incurred in connection with such inspection and testing, as well as all costs incurred in the repair and or replacement of the facilities through which the Infiltration is occurring, shall be the sole responsibility of the Customer. The Customer shall have thirty (30) days within which to make the necessary repair or replacement to stop the Infiltration, from the date of notice by the District to the Customer, unless a greater time period is allowed, in writing, by the District in its sole discretion.

(c) In the event the Customer fails to make the necessary repair or replacement within the time authorized by the District, the District may, without incurring any liability whatsoever, enter upon the Premises of the Customer to make such repairs and or replacement to the Individual Sewer System in order to stop the Infiltration. Any such repair or replacement shall be at the Customer's sole expense and shall be due and payable as billed by the District. The Customer shall pay any such bill within 30 days of its date. Any such charge shall be considered a special fee for water service, the payment of which shall be enforceable and collectible in conformance with the provisions of Section 5 herein.

8.5 Temporary Suspension of Service. The District hereby reserve the right, at any time, to shut off the water anywhere within its Main Water System for the purpose of making any repairs and/or extensions to the Main Water System or Main Sewer System, or for other temporary purposes, and no liability, claim or cause of action shall be made against the District by reason of any breakage, or for any damages that may result from the temporary shutting down of any portion of the Main Water System for repair and maintenance purposes, or by reason of the stoppage of water or interruption of water service due to the scarcity of water, damage to any water work or facility of the District, or any other cause beyond the reasonable control of the District.

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8.6 Fire Hydrants. Water may be withdrawn from District fire hydrants for temporary use subject to and in conformance with the following:

8.6.1 Fire Agency Use. Any local or state fire suppression entity or agency is hereby authorized to withdraw water from any fire hydrant or hydrants in the case of fire and to use the water for fire suppression purposes at any time without any notice to the District.

8.6.2 Private Use. Individual or entities may connect to and withdraw water from a District fire hydrant, on a temporary basis only, subject to and in conformance with the following:

(a) Any individual or entity desiring to connect to and withdraw water from a District fire hydrant shall first be required to obtain from the District a Temporary Fire Hydrant Use Permit, wherein the terms and conditions pertaining to said use and the required fees and charges to be paid shall be enumerated. Compliance with said terms and conditions and payment of the requisite fees and charges shall be a condition precedent to said use.

(b) In addition, the connection and the withdrawal of water from a District fire hydrant for temporary use shall be subject to compliance with all rules and regulations promulgated and adopted by the WPR Road and Fire District for such purpose and otherwise.

8.6.3 Unauthorized Connection and Use of Fire Hydrants. Any unauthorized connection to and use of water from a District fire hydrant shall be a violation of these Regulations and shall constitute a theft of services which shall be prosecuted by the District under the statutes of the State of Utah.

8.7 Water Conservation. Customers within the District shall be encouraged to voluntarily conserve water to the extent possible and to follow District recommendations pertaining to indoor plumbing requirements and outdoor use of water including irrigation systems, plant types and other matters as determined by the District from time-to-time.

8.8 Wasting of Water Prohibited. It is a violation of these Regulations to waste water, and to allow any appliance, fixture, equipment, sprinkler system, faucets, or other similar water using facility to leak, overflow or operate in a wasteful manner.

8.9 Compliance with Applicable Laws and Regulations. The District shall comply with all applicable local, state and federal laws, ordinances, statutes and regulations which now or may hereafter govern the ownership, operation, maintenance, repair and replacement of the Main Water System and Main Sewer System, including the District's water rights and sources of water supply, and shall impose such additional rules and regulations as shall be necessary to fully implement and comply with the same.

8.10 Amendments to These Regulations. These Regulations may be changed and amended from time to time by appropriate action of the Governing Board. No exceptions to these Regulations will be permitted without the prior written approval of the Governing Board of District.

8.11 Emergency Situations. In times of water storage due to drought or any other natural or man-made conditions or occurrences, the District shall have full authority to declare a water emergency, and to ration or otherwise regulate the distribution and use of water from the Main Water System. Such action by the Governing Board may include a moratorium on new water connections until the emergency has been alleviated.

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8.12 Savings Clause. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid by a court of law, such determination shall not affect the validity of the remaining portions of this resolution, which shall remain binding and enforceable against the Customers of the District.

8.13 Captions. The section and paragraph headings contained in this Resolution are for the purposes of reference only and shall not limit, expand or otherwise affect the construction of any provisions hereof.

8.14 Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

8.15 Enforcement. In addition to termination of water service and other remedies provided by law and in equity, the District shall be entitled to file an action to force compliance with these rules and regulations by injunctive and other appropriate relief consistent with applicable State law.

8.16 Effective Date. This Resolution shall be in full force and effect from and after the date of passage and adoption hereof.

PASSED AND UNANIMOUSLY ADOPTED this ____ day of _____, 2024.

WASATCH PEAKS RANCH UTILITY DISTRICT

By: _____
Chair, Board of Trustees



May 7, 2024

Wasatch Peaks Ranch Utility District
Attn: Nathan Bell, District Manager
4175 N Morgan Valley Drive
Morgan, UT 84050

**RE: Letter Proposal
Water Rate Review – Wasatch Peaks Ranch Utility District**

Dear Mr. Bell:

Advanced Engineering and Environmental Services, LLC (d/b/a “AE2S Nexus”) proposes to provide water rate review services (Assignment) to the Wasatch Peaks Ranch Water District (WPR Utility District). WPR Utility District is the sole water provider for the rapidly growing private community of Wasatch Peaks Resort (WPR). WPR is in Morgan County, Utah, which is approximately an hour northeast of Salt Lake City. By the final buildout (15 to 20 year time horizon), WPR is planned to have approximately 500 residences (400 single-family and 100 townhomes), several amenity buildings, ski operations, and an 18-hole golf course.

WPR’s water system is partially constructed at present and planned to be comprised of culinary and secondary water distribution systems supplied by several wells at full operation. Contracted services are being used for the management of the water system currently, with plans to hire three full-time employees in the coming years in addition to their existing District Manager position. Wastewater services exist for the WPR; however, operation is the responsibility of Mountain Green Improvement District and outside the purview of the WPR Utility District.

The WPR has an adequate water rights portfolio and does not require additional acquisitions beyond their existing contract with Weber Basin Water Conservation District. The contract includes an annual payment of roughly \$1.2 million per year for 2,500 acre-feet of water supply and includes a small percentage increase annually. Primary water uses are for snowmaking (up to 80 million gallons per year), golf course irrigation (40 million gallons per year), residential use, and lawn watering.

We understand WPR Utility District is in a growth phase and appreciate that you want to set a good precedent now to help sustain your utility services into the future. This involves having defensible rates that can form the basis of your rate structure for new homes as well as creating a path forward to fund future needs.

While WPR is still in development, there may not be a need for a highly detailed or complex rate study so we are focused on providing expert advice on your current approach and helping to establish the backbone of information now that can help result in a better rate setting process into the future. We outline the proposed scope of services below.

Wasatch Peaks Ranch – Nathan Bell, General Manager

RE: Letter Proposal for Water Rate Review - Wasatch Peaks Ranch Utility District

May 1, 2024

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Scope of Services

As we look to assist WPR Utility District with establishing defensible rates, AE2S Nexus proposes to perform the following specific tasks:

Water Rates Review and Cross-Check

- Assemble a list of information needs, including budgets, revenue reports, billing data, debt schedules, planned capital improvements, and cash balances.
- Populate preliminary rate model to assess current revenue requirements, including consideration of overhead and operating expenses, proposed equipment and capital additions, debt service obligations, and long-term reserves.
- Complete a revenue adequacy cross-check based on provided information, such as existing rates, projected customer accounts, and other applicable fees.
- Review existing rate design and provide improvement recommendations related to fixed versus volumetric charges for culinary and secondary water systems.

Deliverables

- Up to two electronic meetings with staff to discuss findings and recommendations.
- Preliminary rate model in Excel format.
- Brief technical memorandum documenting the review process and recommendations.

Fees

AE2S Nexus proposed to render services on a lump sum basis not to exceed \$10,000.

Schedule

AE2S Nexus shall use commercially reasonable efforts to complete Basic Services within a reasonable time period.

Thank you for the opportunity to assist in this project and we look forward to working with you. Should you have any further questions or concerns on this proposal, please do not hesitate to reach out to me at ryan.graf@ae2s.com or by phone at (218) 791-5847.

Submitted in Service,



Ryan Graf

AE2S Nexus

May 15, 2024

Recorded at the Request of:
 Mountain Green Sewer Improvement District
 5455 West Old Highway Road
 Mountain Green, Utah 84050

Above Space For Recorder's Use Only

**SEWER SERVICE AGREEMENT
 AND
 INTERLOCAL AGREEMENT
 (Wasatch Peaks Ranch Project – Situated Outside of MGSID Legal Boundaries)**

THIS SEWER SERVICE INTERLOCAL AGREEMENT (“*Agreement*”), is made and entered into effective this ____ day of _____, 2024 (the “*Effective Date*”), by and among MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT, a Utah special District (“*MGSID*”), and WASATCH PEAKS RANCH UTILITY DISTRICT, a Utah special District, (“*WPRUD*”), and WASATCH PEAKS RANCH, LLC, a Delaware limited liability company (“*Wasatch Peaks Ranch*,” or “*WPR*”). (MGSID, WPRUD and Wasatch Peaks Ranch, are sometimes referred to herein individually as a “*Party*” and collectively as the “*Parties*.”) To the extent allowed by applicable laws, this Agreement, as between the MGSID and WPRUD shall constitute an interlocal agreement as authorized under and pursuant to the Utah Interlocal Cooperation Act, Title 11, Chapter 13 of the Utah Code, and a general agreement as pertaining to MGSID, WPRUD, as public entities and Wasatch Peaks Ranch as a private entity.

RECITALS

A. Wasatch Peaks Ranch owns and is developing a private planned recreational community located on property owned by Wasatch Peaks Ranch (the “*Development Property*”), in Morgan County, Utah (the “*County*”), said property being more particularly described and depicted in EXHIBIT “A” attached, which property is situated outside of MGSID’s legal boundaries. Wasatch Peaks Ranch is developing the Development Property, in phases over time, into a private club, for members only, to include residential and commercial development as well as the development of private ski, golf, and other recreation amenities and related improvements for its members (the “*WPR Project*”). The current WPR Project phasing plan is depicted in EXHIBIT “B” hereto.

B. MGSID is an improvement district, organized and existing under and pursuant to the provisions of Utah Code Ann. § 17B-2a-401 et seq, the Utah Improvement District Act, and including all applicable provisions of Utah Code Ann. Title 17B, Chapter 1, Provisions Applicable to All Local Districts (collectively, including subsequent amendments and replacements, the “*Statute*”), authorized and established for the purpose of providing sanitary sewer collection, transmission and treatment services as provided for in the Statute. In furtherance of its authority, MGSID owns and operates a system of sanitary sewer collection lines, sewer transmission lines, sewer treatment lagoons, a sewage treatment plant that is being expanded, and related equipment and facilities (the “*MGSID System*”), all utilized in providing its services and otherwise for carrying out its purposes as established.

C. MGSID is authorized pursuant to the provisions of Section 17B-1-103(1) of the Statute to enter into such other agreements as the MGSID’s governing board of trustees (the “*MGSID Board*”) considers

May 15, 2024

necessary, convenient, or desirable to carry out the purposes of MGSID; and (iii) to perform any act or exercise any power reasonably necessary for the efficient operation of MGSID in carrying out its powers and purposes; and pursuant to Section 17B-1-103(2)(s) MGSID may contract with another political subdivision of the state to allow the other political subdivision to use MGSID's surplus ... capacity ... upon the terms and for the consideration ... that the district's board of trustees considers to be in the best interests of the district and the public.

D. MGSID and Wasatch Peaks Ranch have previously entered into that certain *Out of District Agreement*, dated October 15, 2020, as amended by the First Amendment to Out of District Service Agreement and Joinder Agreement, dated September 22, 2021 (collectively, the "*Out of District Agreement*"), pursuant to which MGSID agreed to be the sanitary sewer authority, as defined in Utah Code Section 17-27a-103, with respect to the WPR Project, and to provide to the WPR Project the sanitary sewer services provided and subject to the terms and conditions set forth in said agreement.

E. Section 3.3 of the Out of District Agreement provides as follows:

"If a local district (the "Local District"), as described in Utah Code Title 17B, is formed to provide sewer service within the Development, this Agreement may be amended with the written consent of MGSID and the Local District to have Improvements conveyed to the Local District and service provided to the Development through an interlocal agreement between MGSID and the Local District or in such other manner as the Parties may deem mutually beneficial."

F. Subsequent to the execution of the Out of District Agreement, WPRUD was created as a local district (now referred to under the Statute as a "special district"), organized and existing under and pursuant to the provisions of the "Statute", established for the purpose of providing, among other things, services including the operation of a sewage system and the operation of a system, or one or more components of a system, for the collection, storage, retention, control, conservation, treatment, supplying, distribution, or reclamation of sewage, as authorized under the Statute. It is the purpose and intent of Wasatch Peaks Ranch and WPRUD, with the concurrence of MGSID, that Wasatch Peaks Ranch shall construct, install and transfer to WPRUD, in phases over time, concurrent with each WPR Project development phase, a system of sanitary sewer collection lines, sewer transmission lines, lift stations and related equipment and facilities (the "*WPRUD Sewer System*"), as defined in Section 2(a) below, which is to be utilized in providing all necessary sanitary sewer services within the WPR Project, and otherwise for carrying out its purposes of said District as established.

G. Pursuant to the provisions of Section 17B-1-103(2) of the Statute, both WPRUD and MGSID are authorized to: (i) to acquire or construct works, facilities, and improvements necessary or convenient to the full exercise of WPRUD'S or MGSID's powers, and to operate, control, maintain, and use those works, facilities, and improvements; (ii) to enter into contracts that WPRUD's governing board of trustees (the "*WPRUD Board*") or the MGSID Board considers necessary, convenient, or desirable to carry out the purposes of WPRUD or MGSID; and (iii) to perform any act or exercise any power reasonably necessary for the efficient operation of WPRUD or MGSID, as appropriate in carrying out its purposes.

H. It is acknowledged by the Parties that WPRUD is the "local district" referenced in and provided for in Section 3.3. of the Out of District Service Agreement, and that this Agreement is the agreement referenced in said Section.

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I. The MGSID Board has found and determined that MGSID will benefit from the addition of the WPR Project into the MGSID's service area and that there is a demonstrable public benefit to providing sanitary sewer collection and treatment services to the WPR Project as a regional sanitary sewer and wastewater treatment provider and that such is preferred over the operation of multiple, smaller collection and treatment systems. As such, MGSID is willing to provide sanitary sewer collection and treatment services for the WPR Project in conformance with and subject to the terms and conditions set forth in this Agreement and the standards, rules, regulations and policies of MGSID, as duly amended, replaced and/or expanded from time-to-time (collectively, the "*MGSID Rules and Regulations*").

J. The Parties acknowledge that it may be more expensive for MGSID to serve the WPR Project as compared with other areas served by MGSID and, consequently, the WPR Project may constitute one or more separate service areas for purposes of charging customer service fees imposed by MGSID as provided in Subsection 5(e)(1)(C).

K. This Agreement contains various general requirements and conditions for the design, construction and installation of the sanitary sewer collection and transmission systems to be developed by Wasatch Peaks Ranch and conveyed to WPRUD in connection with the WPR Project, but the Parties recognize that all sanitary sewer improvements will be designed, constructed and installed in conformance with the design plans and specifications of MGSID; however, if MGSID has no applicable design plans and specifications in place, applicable Snyderville Basin Water Reclamation District design plans and specifications shall apply until such time as MGSID adopts design plans and specifications for such purpose (collectively, "*Sewer System Specifications*"), and the design, construction and installation of said improvements shall be reviewed, approved, inspected and accepted as a condition to MGSID providing sanitary sewer collection and treatment services to the WPR Project.

L. It is the purpose and intent of the Parties that this Agreement is intended to apply to and govern sanitary sewer service provided by MGSID to all phases within the WPR Project, as they are developed by Wasatch Peaks, over time, subject to the terms and conditions hereof.

M. Pursuant to the provisions of the Utah Interlocal Cooperation Act, §11-13-101, *et seq.*, Utah Code Ann., 1953, as amended (the "*Interlocal Act*"), any power or powers, privileges or authority exercised or capable of exercise by a public agency of the state (defined to include any political subdivision of the state), may be exercised and enjoyed jointly with any other public agency, and any two or more public agencies may enter into agreements with one another for joint or cooperative action pursuant to the Interlocal Act.

N. The MGSID Board and the WPRUD Board have found and determined that the execution of this Agreement is mutually beneficial in carrying out the purpose and intent of Section 3.3 of the Out of District Service Agreement, and that this Agreement shall amend and supersede the Out of District Service Agreement in its entirety.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. MGSID AGREEMENT TO PROVIDE SEWER SERVICE TO THE WPR PROJECT.

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(a) Agreement to Provide Sewer Service.

(1) Agreement to Include Development Phases in Service Area and Provide Service. For purposes of this Agreement, an “ERU”, or “Equivalent Residential Unit” is the equivalent of the sanitary sewer needs of one typical single family residence located within MGSID. In order to provide the immediate certainty that Wasatch Peaks Ranch needs up front with respect to its planning for sanitary sewer collection, transmission and treatment service for the entirety of the WPR Project, and to facilitate, for each development phase within the WPR Project (each, a “*Development Phase*”), the design and engineering of the WPRUD Sewer System facilities as more particularly defined in Subsection 2(a) below, MGSID hereby agrees, in conformance with and subject to the provisions of Sections 4 and 5 herein, to include the WPR Project within its designated service area and that at all times MGSID shall have and maintain sufficient capacity to provide sanitary sewer collection and treatment services for each Development Phase of the WPR Project, sufficient to serve the sanitary sewer demands of up to a total of 750 ERUs, including residential units and common amenities as contemplated in the Morgan County Resort Special District (RSD) approved by the Morgan County Commission on October 30, 2019, representing a total of 750 ERUs (the “*Total Sewer Service Entitlement*”), subject to the terms and conditions set forth in this Agreement and in conformance with then current duly adopted MGSID Rules and Regulations, which may be amended from time-to-time by the MGSID Board.

(2) WPRUD No Obligation to Connect. Nothing in this Agreement, however, shall obligate WPRUD to connect onto the MGSID’s Sewer System and receive sanitary sewer service from MGSID if Wasatch Peaks Ranch elects not to move forward with any one or all of subsequent phases of its WPR Project; with the understanding and agreement that if Wasatch Peaks Ranch does determine to proceed, the terms and provisions of this Agreement shall apply and be in full force and effect with respect to sanitary sewer service for the entirety of the WPR Project and with the further understanding and agreement that, if Wasatch Peaks Ranch has not made a determination to not proceed as provided above within 5 years after the Effective Date of this Agreement, this Subsection (2) shall thereafter be null and void.

(3) Reasonable Diligence in Providing Service. Subsequent to application by Wasatch Peaks Ranch and subject to the execution of appropriate will-serve letters by WPRUD as required pursuant to the provisions of Subsection 1(i), MGSID hereby agrees to use reasonable diligence to provide regular and uninterrupted sewer service to the WPR Project but shall not be liable for damages, breach of contract, or otherwise, to WPR, WPRUD, or any landowner, resident, guest, club member or other person for failure, suspension, diminution, or other variations of service occasioned by, or in consequence of, any cause beyond the reasonable control of MGSID, including, but not limited to, acts of God or of the public enemy, fires, floods, earthquakes, or other catastrophes, strikes or failure or breakdown of transmission or other facilities.

(4) Annexation Not Required. Notwithstanding any other prior representation or agreement to the contrary, Wasatch Peaks Ranch shall have no obligation to annex the Development Property into the legal boundaries of MGSID, and MGSID agrees, pursuant to its legal authority under the Statute, that it shall perpetually provide sanitary sewer service to the WPR Project, in conformance with and subject to the MGSID Rules and Regulations, even though the Development Property is and remains situated outside the District’s legal boundaries provided, however, notwithstanding anything in this Agreement to the contrary, that MGSID shall have the right, so long as an area being served lies outside MGSID’s boundaries, to charge a higher service rate than that paid by connections situated within MGSID’s boundary in recognition of the fact that customers located within MGSID pay property taxes in addition to service fees. The increased fee shall be based upon a capital facilities plan and associated fees

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analysis duly adopted by MGSID that reflects the actual cost of providing service to connections outside of MGSID's boundaries.

(5) Restrictions to Implementation. MGSID agrees to advise WPR and WPRUD of any legal, regulatory or other restrictions of which MGSID is aware that may affect MGSID's obligations under this Agreement and its anticipated implementation.

(b) Current Existing Treatment Plant Capacity and Plant Expansion Plan. The Parties acknowledge that approximately 1,247 ERUs are currently being served by the MGSID System, with capacity within the current treatment plant facility to accommodate the service of up to a total of 1,800 ERUs. MGSID's current plan, subject to change, for expansion of its treatment plant facility is as follows:

<u>PHASE</u>	<u>TOTAL ERUs</u>	<u>COMPLETION*</u>
Phase 1 Expansion	4,615**	2025

* Current Estimate, subject to Subsection 1(b)(3) below.

** Cumulative, including the initial 1,800 ERUs

(c) Allocation and Reservation of Current Capacity. Subject to and conditioned upon performance by WPRUD and WPR as provided in this Agreement, MGSID guarantees that it shall allocate, hold and reserve existing capacity in the MGSID System so that as development occurs, and WPR connections come on line, that there remains at all times sufficient capacity available to enable MGSID to provide service to an additional 200 Equivalent Residential Units, subject to Subsection 1(e) below; provided that WPR has applied for a "Will Service Commitment" from MGSID regarding the additional 200 ERUs and is current in paying the annual stand-by fee for the same, consistent with Section 1(e) below. For purposes of this Subsection, "additional Equivalent Residential Units" means ERUs in addition to those for which impact fees have been paid and the structure, whether it be a single family residence or a common amenity, has been connected to the sewer system and is receiving sanitary sewer service. At a mutually agreed upon time or once 550 ERUs are connected to the sanitary sewer system, as provided in the immediately preceding sentence, the commitment to reserve an additional 200 ERUs shall diminish by 1 as each subsequent ERU is connected.

(d) Allocation and Reservation of Capacity Subsequent to Completion of the Phase 1 Expansion. The Parties hereby acknowledge that MGSID is currently moving forward with its Phase I sewer treatment plant expansion, and that MGSID agrees, in good faith, to expeditiously advance its Phase I sewer treatment plant expansion, with the understanding that a portion of the Phase 1 expansion capacity shall be allocated and expressly reserved for the use and benefit of Wasatch Peaks Ranch, consistent with Subsection 1(c) above, up to the Total Sewer Service Entitlement of 750 ERUs, subject to Subsection 1(e) immediately below.

(e) Securing and Guaranteeing the Reservation of Capacity. The reservation of capacity by WPRUD shall be secured and guaranteed by the yearly payment of lawfully adopted will serve/ stand-by fees, all in conformance with the terms and conditions of this Agreement and then current and duly adopted MGSID Rules and Regulations.

(1) Wasatch Peaks Ranch shall have no authority to change the number of or size of facilities, or increase the total number of connections to be made to the MGSID Sewer System beyond the {02255841-1 }

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Total Sewer Service Requirement without: (i) first giving written notice to MGSID of the proposed change and/or the number of additional connections, and (ii) obtaining MGSID Board approval of the same, which approval shall not be unreasonable withheld, conditioned or delayed. If approved, prior to making any such change, Wasatch Peaks Ranch shall be required to pay MGSID any additional impact, inspection, hookup/connection, annual and/or other fees which may then be due and owing consistent with then current and duly adopted MGSID Rules and Regulations.

(2) Prior to the development of any new Development Phase within the WPR Project, WPRUD shall be required to first complete and submit to MGSID a development application for such phase, in the form and with the content required by MGSID (“*Development Application*”), setting forth, among other things, the number of ERUs requested to be served in connection with that Development Phase. The Development Application shall be submitted prior to or in connection with the Preliminary Plan for such Development Phase.

(f) Pre-purchase of ERUs. WPRUD may pre-purchase guaranteed connections to the MGSID System for additional ERUs beyond the number of ERUs within a particular Development Phase for which impact fees have not already been paid to the MGSID, not to exceed the Total Sewer Service Entitlement, as approved by the MGSID Board, which approval will not be unreasonably conditioned, withheld or delayed, at the then current impact fee rate, and thereafter shall pay annual stand-by fees thereon, all in conformance with the provisions of MGSID Rules and Regulations as they may exist at the time of payment.

(g) Compliance with Law. Wasatch Peaks Ranch shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations pertaining to Wasatch Peaks Ranch’s activities relating to the design, construction and installation of each component of the WPRUID Sewer System, and any portion thereof, including, without limitation, the MGSID’s standards and specifications, all County and other applicable laws, ordinances, rules and regulations and MGSID Rules and Regulations, as they may exist from time-to-time.

(h) MGSID Project Support. MGSID agrees to support the WPR Project and the design and construction of the WPRUD Sewer System through attendance at agency meetings as reasonably requested by Wasatch Peaks Ranch, including, but not limited to UDOT, Union Pacific Railroad, U.S. Army Corps of Engineers, Weber Basin Water Conservancy District, Bureau of Reclamation, the Utah Department of Environmental Quality, and various utility pipeline companies, provided that in doing so MGSID will not incur any reasonable unreimbursed out of pocket expenses, consistent with the requirements of this Agreement.

(i) County Sewer Service Authority. Upon execution of this Agreement, subject to Section 6, Default and Termination herein, WPRUD, subject to the terms and conditions of this agreement, is hereby designated, for purposes of the County Land Use, Development and Management Act, Title 17, Chapter 27a of the Utah Code, to be the exclusive sanitary sewer authority with respect to the WPR Project, and is thus authorized to review and sign plats as the sewer service provider for the WPR Project and deliver will-serve letters as required herein, subject to WPRUD Rules and Regulations, consistent with MGSID Rules and Regulations as provided for in this Agreement.

2. WPRUD SEWER SYSTEM AND MGSID FACILITIES.

(a) WPRUD Sewer System Defined. The WPRUD Sewer System is more particularly defined herein as all sanitary sewer system facilities and all components and equipment related thereto, which are

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required to be constructed, installed and acquired by WPRUD, at its sole cost, to facilitate sanitary sewer service to all lots and properties required to be served within each Development Phase of the WPR Project up to the Total Sewer Service Entitlement, and shall include all on-site and off-site improvements required to collect and transmit sanitary sewerage generated within each Development Phase to the MGSID's sanitary sewer treatment facilities for treatment, each component of said system constituting a "project improvement" as defined in the Impact Fees Act, as defined in Section 5(f) herein.

(1) System Components Defined; Title; Allocation of Capacity The WPRUD Sewer System includes the following major components, as shown and depicted on EXHIBIT "C" hereto:

(A) WPR On-site Sewer Facilities.

(i) WPR On-site Sewer Facilities shall include all internal sewer main lines within each Development Phase, all individual service lines extending to the property line of each lot or property to be served, all sewer valves and valve boxes, all sewer pumps and lift stations, all pressure regulation systems, all sewer system manholes, all sewer main lines, trunk lines and other pipelines, and all fittings, equipment and related facilities necessary to enable MGSID to provide sanitary sewer collection and treatment services to each individual lot or property to be served within the WPR Project, and related facilities and equipment, excluding all private sewer laterals on each private lot or property being served situated on the lot or property owner's side of the point of connection with the WPRUD sewer main lines located in the street or within the WPR Sewer System Easements, as defined in Subsection 2(d) herein (collectively the "*WPR On-site Sewer Facilities*"). Title to the WPR On-site Sewer Facilities shall, upon completion of construction and the receipt of all necessary approvals, be and remain owned 100% by WPR, and upon conveyance of the same to the WPRUD, title shall be owned by WPRUD. The replacement of all or any portion of said facilities shall be performed, and the cost therefore paid by MGSID in conformance with the WPR replacement fund provisions set forth in Section 5(e)(2)(a)(i) herein. Any warranty provided to WPR or WPRUD shall not be transferred to MGSID. Any WPRUD owned infrastructure will be repaired by MGSID and it will be WPRUD's responsibility to recover costs of repair or replacement from contractors or suppliers who provided the warranty during the warranty period. The WPRUD Manager will be responsible for notifying the MGSID Manager when a facility's warranty period has expired.

(ii) WPRUD shall be entitled to the use of 100% of the capacity available in the WPR On-site Sewer Facilities.

(b) MGSID Facilities. For purposes of this Section 2, MGSID Facilities consist of the following:

(A) I-84 Sewer Manhole.

(i) The I-84 Sewer Manhole is the manhole, including related equipment and facilities, located just south of Interstate 84 to which all of the WPR On-site Sewer Facilities are connected (the "*I-84 Sewer Manhole*"). Title to the I-84 Sewer Manhole shall, upon completion of construction and the receipt of all necessary approvals, be and remain owned 100% by MGSID. The replacement of all or any portion of the I-84 Sewer Manhole shall be performed by MGSID at its sole cost and expense. Title to the I-84 Sewer Manhole shall be conveyed by Wasatch Peaks to MGSID by bill of sale, coupled with a recorded Easement Grant or Warranty Deed, as appropriate, to convey the related real property interest, in such form and with such content as may reasonably be acceptable to MGSID, within thirty (30) days after the Effective Date.

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(B) I-84 Bore Line.

(i) The I-84 Bore Line shall consist of the sewer trunk line bored under Interstate 84, and related facilities and equipment, which extends north from the I-84 Manhole to the sewer lift station located just north of Interstate 84 (the “*I-84 Bore Line*”). Title to the I-84 Bore Line shall, upon completion of construction and the receipt of all necessary approvals, be and remain owned 100% by MGSID. The replacement of all or any portion of the I-84 Bore Line shall be performed by MGSID at its sole cost and expense. Title to the I-84 Bore Line shall be conveyed by Wasatch Peaks to MGSID by bill of sale, in such form and with such content as may be reasonably accepted to MGSID, within thirty (30) days after the Effective Date.

(C) The Canyon View Lift Station.

(i) The Canyon View Lift Station constructed immediately north of Interstate 84, and related facilities and equipment, to which the I-84 Bore Line connects (the “*Canyon View Lift Station*”). Title to the Canyon View Lift Station shall, upon completion of construction and the receipt of all necessary approvals, be and remain owned 100% by MGSID. The replacement of all or any portion of the Canyon View Lift Station shall be performed by MGSID at its sole cost and expense. Any title interest which Wasatch Peaks may have in the Canyon View Lift Station shall be conveyed by Wasatch Peaks to MGSID by bill of sale, in such form and with such content as may be reasonably acceptable to MGSID, within thirty (30) days after the Effective Date.

(ii) WPRUD shall be entitled to the use of 70% of the capacity available in the Canyon View Lift Station sufficient to serve 750 ERUs, and MGSID shall be entitled to use the remaining available capacity, subject to Subsection 2(a)(3)(B) (C) and (D) below, based upon contributing sewage flows, calculated on an ERU basis.

(D) The MGSID Sewer System Connecting Line.

(i) The MGSID Sewer System Connecting Line shall consist of the sewer trunk line extending east from the Canyon View Lift Station, and related facilities and equipment, which connects the Canyon View Lift Station to the MGSID Sewer System treatment facility (the “*MGSID Sewer System Connecting Line*”). Title to the MGSID Sewer System Connecting Line shall, upon completion of construction and the receipt of all necessary approvals, be and remain owned 100% by MGSID. The replacement of all or any portion of the MGSID Sewer System Connecting Line shall be performed by MGSID at its sole cost and expense. Any title interest which Wasatch Peaks Ranch may have in the MGSID Sewer System Connecting Line shall be conveyed by Wasatch Peaks Ranch to MGSID by bill of sale (in addition to an acceptable recorded Easement Grant to the extent WPR owns any of the land through which the MGSID Sewer System Connecting Line is located) within thirty (30) days of the Effective Date.

(2) Point of Connection. For purposes of management, operation, maintenance, repair and replacement of the WPRUD Sewer System, the designated point of connection of the WPRUD Sewer System with the MGSID Sewer System shall be the point of connection of the WPRUD Sewer System with the I-84 Manhole.

(3) Reimbursement Facilities.

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(A) It is acknowledged and agreed by the Parties that third-parties may be authorized by MGSID to connect on to and utilize capacity in the I-84 Manhole, the I-84 Bore Line, the Canyon View Lift Station and the MGSID Sewer System Connecting Line (the “*Reimbursement Facilities*”); however, MGSID shall reserve and hold capacity in the Reimbursement Facilities, for the use and benefit of the WPR Project and MGSID shall not allow any third-party to connect to and use any capacity in the Reimbursement Facilities in a manner that would limit or interfere in any way with the ability of Wasatch Peaks Ranch to develop the WPR Project up to the Total Sewer Service Entitlement.

(B) MGSID shall not allow any third-party to connect and use any capacity in the Reimbursement Facilities without the written approval of WPR.

(C) Third-party Point of Connection. All third-party connections to the WPRUD Sewer System shall only be made at the I-84 Manhole. The actual physical connection of a third-party system shall be accomplished strictly as directed and approved by MGSID with the prior written approval of WPRUD.

(4) Connection by Third-parties to WPRUD On-site Sewer Facilities May be Authorized by Wasatch Peaks Ranch. Wasatch Peaks Ranch shall have the right to authorize a third-party to connect to the WPR On-site Sewer System and/or to utilize a portion of its allocated capacity in the Reimbursement Facilities, as set forth in Subsection 2(a)(1), with the understanding and agreement that the Total Sewer Service Entitlement belonging to Wasatch Peaks Ranch and/or WPRUD hereunder shall be proportionately reduced. Wasatch Peaks Ranch shall not be authorized to allow any connection to the WPRUD Sewer System without the prior written approval and agreement of MGSID.

(5) Modification of WPRUD Boundaries; Additional Capacity. MGSID agrees to cooperate and work, in good faith, with WPRUD so as to facilitate the future modification and expansion of WPRUD’s legal boundaries, including the possible allocation to WPRUD of additional ERU capacity in the MGSID System, in the event WPRUD determines it to be in its best interest do so, subject to MGSID having the capacity to serve the expansion in the number of ERUs to be served and subject to MGSID approval.

(b) Design and Construction of the WPRUD Sewer System.

(1) Design and Construction Plans and Specifications. Prior to construction of any component of the WPRUD Sewer System, Wasatch Peaks Ranch shall submit to the MGSID, for its review and approval, all design and construction drawings, specifications, plans and profiles for all components of the WPRUD Sewer System serving each Development Phase within the WPR Project (the “*Sewer System Plan*”).

(2) Review and Approval of the Sewer System Plan. The Sewer System Plan shall be reviewed internally and approved by MGSID in consultation with its consulting engineer and attorney. WPRUD shall cooperate with MGSID in the review of the Sewer System Plan and in revising and conforming it to satisfy the requirements of MGSID. Each component of the WPRUD Sewer System shall be designed and constructed in strict conformance with the requirements of this Agreement, the approved Sewer System Plan, and all Sewer System Specifications approved by MGSID. In the absence of applicable MGSID Sewer System Specifications, a mutually agreeable standard from the American Public Works Association and/or the State of Utah Department of Environmental Quality or other recognized source will be utilized as approved by MGSID. MGSID agrees to expeditiously review and

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approve the Sewer System Plan, which approval shall not be unreasonably withheld, conditioned or delayed; however, in the event current MGSID staffing is not available to meet the Project development schedule, MGSID may retain the services of a qualified, licensed civil engineer to assist in that review and approval. All costs incurred by MGSID in reviewing and approving the Sewer System Plan shall be reimbursed by Wasatch Peaks Ranch or WPRUD, as the case may be, in conformance with the requirements of Section 3 herein.

(3) Design and Construction of WPRUD Sewer System; At Sole Expense of Wasatch Peaks Ranch.

(A) Wasatch Peaks Ranch shall be required to furnish all materials, equipment and labor as shall be necessary for the construction and installation of each component of the WPRUD Sewer System.

(B) All components of the WPRUD Sewer System shall be constructed, installed and inspected by Wasatch Peaks Ranch at its sole cost and expense, in accordance with the approved Sewer System Plan and the approved Sewer System Specifications, subject to Subsection 2(b)(4) below.

(C) WPRUD agrees that all work performed in connection with the construction and installation of each component of the WPRUD Sewer System shall be of the highest quality and be performed in a safe, workmanlike manner and WPR and WPRUD covenant and agree to defend, indemnify and hold MGSID free and harmless respecting such work and/or the WPRUD Sewer System.

(4) Periodic Inspection, Testing and Approvals.

(A) MGSID and its engineers shall have the right to perform periodic inspections and testing of each of the various components of the WPRUD Sewer System while the same are being constructed and installed by WPRUD or its contractors, at WPRUD's or WPR's sole cost and expense. MGSID agrees that its staff, engineers and inspectors shall be reasonably available to perform the required inspections and testing as requested by WPRUD and/or its contractor or as desired by the MGSID, and to perform such inspections and testing as expeditiously as reasonably possible. WPRUD agrees to request any inspection with, at a minimum, two business days prior written notice.

(B) No work on WPRUD Sewer System components requiring any excavation shall be covered over unless and until the same has been inspected and approved by MGSID's representatives and other governmental entities having jurisdiction over the particular component of the WPRUD Sewer System involved. If any excavation is backfilled prior to inspection and approval, WPRUD, upon request from the MGSID, shall be obligated, at WPRUD's sole cost and expense, to re-open the trench for inspection and the same shall not be re-covered until the appropriate inspections have been performed and all required approvals have been received.

(C) MGSID shall conduct such tests as it shall deem necessary and expedient under the circumstances. [Note – covered in (F) below.]

(D) WPRUD shall promptly repair and/or replace any work and/or materials found by MGSID during the course of its inspections to be defective or which is otherwise not in conformity with MGSID's design standards and specifications, as required by MGSID consistent with the Sewer System Plan approved by MGSID, all at Wasatch Peaks Ranch's sole cost and expense.

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(E) Wasatch Peaks Ranch shall promptly correct and/or redo any work that fails to conform to the requirements of MGSID's construction standards and specifications, and shall remedy any defects due to faulty materials, equipment, or workmanship, as required by MGSID, at Wasatch Peaks Ranch's sole cost and expense.

(F) Wasatch Peaks Ranch shall reimburse to MGSID all costs and expenses incurred by MGSID due to inspections and testing, including the time and expenses of consultants and MGSID personnel, in conformance with the provisions of Section 3 herein.

(c) Construction within Perpetual Easements.

(1) All components of the WPRUD Sewer System required for sewer service to the WPR Project shall be constructed and installed (i) within the bounds of platted utility easements; (ii) within good and sufficient easements granted by Wasatch Peaks Ranch to WPRUD; (iii) within streets constructed on easements granted by Wasatch Peaks Ranch to the WPR Road and Fire District; or (iv) within other good and sufficient easements and rights-of-way which have been granted or shall be granted to Wasatch Peaks Ranch by third-parties and assigned to WPRUD (the "*WPR Sewer System Easements*"). In the event Wasatch Peaks Ranch shall determine to sell, and it shall receive a bona fide offer from a third party to purchase any property of Wasatch Peaks Ranch burdened by any such easement, upon which a component of the WPRUD Sewer System necessary for use by MGSID in providing sewer service to the Project is located or to be located under the WPRUD Sewer System plan, the Parties understand, acknowledge and agree that the WPR Sewer System Easements are and shall be perpetual and each purchaser of real property from Wasatch Peaks Ranch shall take the property subject to any and all such Easements and MGSID's license as provided in (d) below, and other rights belonging to MGSID as provided herein, and all such rights shall continue unabated. Wasatch Peaks Ranch shall give MGSID written notice of any such sale or transfer of such property at the address of MGSID as set forth herein.

(2) All costs incurred by MGSID in connection with its review of the required WPR Sewer System Easements shall be reimbursed by Wasatch Peaks Ranch to MGSID pursuant to the requirements of Section 3 herein. All WPR Sewer System Easements shall be recorded with the recorder of Morgan County by WPRUD at its sole expense. The recorded final plat shall bear the entry, book and page number of all WPR Sewer System Easements required by MGSID in connection with the WPR Project. An exhibit map depicting the location of all said easements as legally described in the grant of easement shall be attached to each grant of easement document.

(3) All WPR Sewer System Easement and license rights granted to MGSID herein shall automatically terminate or be deemed revoked in the event this Agreement is terminated pursuant to Section 7 herein.

(d) Grant of License to MGSID. Wasatch Peaks and WPRUD hereby grant to MGSID, its agents, employees, engineers and contractors, a license to enter upon the Development Property and all easements, platted utility easements, and streets withing WPR Project, as shall be necessary or appropriate so as to enable MGSID to manage, operate, maintain, repair and replace all components of the WPRUD Sewer System in conformance with its obligations set forth in Section 1(a) of this Agreement (the "*License*"). The License granted hereby shall terminate upon the termination of this Agreement as provided herein.

3. MGSID REVIEW AND INSPECTION FEES; REIMBURSEMENT OF COSTS. WPRUD shall pay to MGSID a Sewer System Plan Review and Inspection Fee (the "*Review and Inspection Fee*"), for {02255841-1 }

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each Development Phase for which a Development Application has been submitted in accordance with MGSID's Rules and Regulations and fee schedule as of the time of payment. The Review and Inspection Fee required to be paid hereunder is to cover the costs incurred by MGSID, including staff time and consultant fees and charges, in reviewing the Sewer System Plan for each Development Phase, any required grants of easement, and to cover the necessary inspections and testing of the WPRUD Sewer System provided for herein. In addition, WPR agrees to reimburse to MGSID all out of pocket costs and expenses incurred in the negotiation of this Agreement and related costs. Upon the written request of Wasatch Peaks Ranch, MGSID will provide an itemized accounting of all expenses incurred by MGSID which Wasatch Peaks Ranch is obligated to pay pursuant to this Section.

4. MANAGEMENT, OPERATION, MAINTENANCE AND REPAIR OF THE WPRUD SEWER SYSTEM.

(a) MGSID Obligation. MGSID shall assume and be solely responsible for the management, operation, monitoring, maintenance and repair of all components of the WPRUD Sewer System, as defined above, after completion of construction by WPR and inspection, approval and acceptance thereof by MGSID. The obligations of MGSID under this Section 4 shall extend up to the point of connection of the service lateral serving each lot or property to be served with the sewer main line located in the street or the applicable WPR or WPRUD Sewer System Easement. The individual lot and property owners shall own, operate, maintain, repair, replace and be responsible for all related sewer facilities and equipment serving their individual lot or property on the lot or property owner's side of the connection point with the sewer main.

(b) Operation and Maintenance Standard. MGSID shall manage, operate, maintain and repair the components and facilities of the WPRUD Sewer System consistent with standards generally accepted in the industry, manufacturers recommendations, and in the same manner and on an equal preference and priority basis as it does all other components of the MGSID Sewer System utilized by MGSID in providing service to other similarly situated areas, developments and customers within and served by MGSID. MGSID, or their designated representative, will respond to SCADA alarms and reports of damage or failed infrastructure in a reasonable amount of time to prevent damage to property, equipment, or the environment. MGSID, or their designated representative, will provide utility locates for all WPRUD sewer system components as requested through 811 locate requests in compliance with UTAH Code 54-8a.

5. SEWER SERVICE TO INDIVIDUAL CONNECTIONS.

(a) Inspection and Approval of Private Sewer Laterals. The construction and connection of all private sewer service laterals to the WPRUD sewer service connection points shall be inspected and approved by WPRUD prior and as a condition to the provision of sewer service to the lot or property to be served. For purposes of this Agreement, private service laterals should be considered any portion of sewer pipe, valves, pumps, or other equipment from the point of connection to the structure. The point of connection, as used herein, shall be (i) the service clean out installed by WPR for all gravity collection systems, or (ii) check / curb stop combination valve for force main collection systems. All points of connection shall be installed within WPRUD utility and road easements near the customer's property line.

(b) WPRUD Obligation to Administer Sewer Service Provided by MGSID. In connection with sanitary sewer service provided by MGSID within the WPR Project, WPRUD shall be responsible to facilitate and administer all customer service applications, service agreements, connection of private sewer service laterals to the WPRUD System, and the billing, collection and enforcement of payment of

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all fees and charges imposed by MGSID and WPRUD for their respective services. Such services shall be provided by WPRUD in conformance with and subject to its duly adopted procedures, rules, regulations and policies (the “*WPRUD Rules and Regulations*”) provided and to the extent that the WPRUD Rules and Regulations do not conflict with MGSID Rules and Regulations as they may exist from time-to-time.

(c) MGSID Sewer Service Obligation. MGSID shall be obligated to provide sanitary sewer collection and treatment service within the WPR Project on the same basis as other similarly situated customers within the service area of MGSID in accordance with MGSID Rules and Regulations. MGSID shall use reasonable diligence in providing regular, uninterrupted service to each Development Phase within the WPR Project as provided in this Agreement; provided, however, that MGSID shall not be liable for damages, breach of contract, or otherwise, to Wasatch Peaks Ranch or WPRUD, or to any lot or property owner, or anyone else, for failure, suspension, diminution, or other variations of service occasioned by, or in consequence of, planned or emergency maintenance, replacement and/or repair activities and/or any cause beyond the reasonable control of MGSID, including, without limitation, acts of God or the public enemy, fires, floods, earthquakes, earth slides or shifting earth, or other catastrophes, the application of governmental laws and/or regulations, strikes or failure or breakdown of transmission, treatment and/or other facilities.

(d) Submittal of Monthly Report Regarding Number of Connections. WPRUD, prior to the first day of each calendar month, shall submit a quarterly written report to MGSID notifying MGSID of the number and type (i.e. residential, commercial, and/or other) of connections, then being served within the WPR Project the (“*Monthly Report*”).

(e) MGSID Sewer Service Fees and Charges.

(1) General.

(A) Right to Impose Fees and Charges. MGSID shall have the right to impose sewer service fees and charges (“*Sewer Service Fees*”), for sewer collection and treatment services provided by it to customers within the WPR Project. The Sewer Service Fee for each connection will be calculated based on actual operating cost of the WPR System and its contribution to the overall MGSID System as reasonably determined by MGSID in accordance with the requirements of Utah Code Ann. § 17B-1-643, as it may be amended, supplemented or replaced over time. The average annual daily rate of sewer flow based upon actual metered data for the peak month, shall be determined in conformance with the applicable provisions of the Utah Administrative Code, and shall be recalculated and adjusted annually by the Parties prior to the adoption of the Parties’ respective annual preliminary budgets. Notwithstanding anything to the contrary in this Agreement or elsewhere, MGSID may include in its fee structure a basic service fee that is not based on the average daily flow rate of the peak month or actual sewer system usage but, rather, is a fixed fee that must be paid on a per connection or other equitable basis regardless of the measured or unmeasured sewer service provided by MGSID. A Summary of Fees currently imposed by MGSID is attached as EXHIBIT “E” hereto.

(B) Authority. The imposition and collection of Sewer Service Fees shall, in all respects, be governed by the then current MGSID Rules and Regulations as well as all then current applicable requirements of Title 17B, Chapter 1, Part 9 of the Utah Code and other applicable state and local laws, rules, regulations and ordinances.

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(C) Separate Service Zones. The Parties acknowledge and agree, consistent with authority under the Statute, that the WPR Project may be designated by MGSID as one or more separate sewer service zones within the MGSID overall sewer service area, and that Sewer Service Fees for each ERU may be calculated and imposed based on the operating costs of providing sewer service within the WPR Project as estimated in good faith by MGSID, which may differ from sewer service fees imposed in other sewer service zones within the MGSID Sewer System based upon the same criteria. It is also acknowledged and agreed that the WPR Project may be further subdivided into other separate and distinct service zones where the actual operating cost of providing service and the sewer fees and charges within the WPR Project may differ from zone to zone.

(2) Obligation for Payment. WPRUD shall be obligated to collect from its customers and pay to MGSID when due all Sewer Service Fees due and owing for sanitary sewer service provided by MGSID within the WPR Project, subject to and in conformance with and subject to the following:

(A) Sewer Service Fee Components; Purpose; Use of Funds. Sewer Service Fees imposed for service to the WPR Project shall consist of four separate components, to be used and accounted for in conformance with the following:

(i) Facilities Replacement Component. This component of the Sewer Service Fee shall be imposed by MGSID and charged to each connection to the WPRUD Sewer System for the purpose of generating a source of revenue to be held and used by MGSID in making necessary replacements of components and facilities comprising the WPR Sewer System. All funds represented by this component of the Sewer Service Fee shall be held by MGSID in a separate interest-bearing account and be budgeted and accounted for in a specially designated “WPR replacement fund” on MGSID’s books and records. The funds held in this account shall be utilized by MGSID solely for the purpose of replacing failed components and facilities within the WPRUD Sewer System, as and when needed. If, at any time, the money in the replacement fund is not sufficient to cover the cost of making a necessary replacement within the WPRUD Sewer System, WPRUD shall be obligated to pay the difference: (i) in full with respect to any component of the WPR On-site Sewer Facilities; and (ii) up to an amount equal to Wasatch Peaks Ranch’s 70% interest with respect to any component of the I-84 Manhole, the I-84 Bore Line, the Canyon View Lift Station and the MGSID Sewer System Connecting Line, all as billed by MGSID. In the event this Agreement is terminated as provided in Section 6 herein and the management, operation, maintenance, repair and replacement of the WPRUD Sewer System shall become the responsibility of WPRUD and not MGSID, it is agreed that any funds then remaining in the WPR Replacement Fund shall be reimbursed by MGSID to WPRUD for use by WPRUD for replacement of WPRUD Sewer System components.

(ii) Sewer System O&M Component. This component of the Sewer Service Fee, including the following sub-components, shall be imposed by MGSID and charged to each connection to the WPRUD Sewer System to cover MGSID’s cost of managing, operating, maintaining and repairing the WPR Sewer System and is deemed fully earned on payment.

(A) MGSID Treatment Facility Component. This component of the Sewer Service Fee shall be imposed by MGSID and charged to each connection to WPRUD’s sewer system for the purpose of generating a source of revenue to be held and used by MGSID in making necessary replacements of components and facilities comprising the MGSID Sewage Treatment Facility, which may include one or more lift station(s) and influent and effluent pipelines and facilities that are used in conjunction with the sewage treatment plant. All funds represented by this component of the Sewer Service Fee shall be held by MGSID in its discretion to be budgeted and accounted for as part of the

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treatment facilities replacement fund, fully recognizing that other areas, outside the WPR Project, will also contribute to this fund. Under no circumstances, including but not limited to the termination of this Agreement as provided in Section 6, will any funds in this account be reimbursed or paid by MGSID to WPRUD and/or WPR for any purpose whatsoever.

(B) **Treatment Facility O & M Component.** This component of the Sewer Service Fee shall be imposed by MGSID and charged to each connection to the WPRUD sewer system to cover MGSID's cost of managing, operating, maintaining and repairing the MGSID Sewage Treatment Plant and related appurtenances and facilities and is deemed fully earned on payment.

(B) **Billing.**

(i) MGSID shall bill WPRUD monthly for all fees due and owing based upon the number and type of connections to the WPRUD Sewer System as set forth in the Monthly Report. Payment shall be due and payable from WPRUD to MGSID within Thirty (30) days from the date of billing.

(ii) It shall be the responsibility of WPRUD to monitor and properly account for all connections to the WPRUD Sewer System, and to bill and collect such fees and charged from each connection as shall be sufficient to pay when due all amounts due and owing each month for sewer services provided by MGSID and to cover WPRUD's costs and expenses in administering the WPRUD Sewer System.

(iii) WPRUD shall further be obligated to collect and remit for payment to MGSID all permit and inspection charges applicable to WPRUD Project imposed by MGSID with respect to each connection to be made to the MGSID System.

(f) **Impact Fees.** WPRUD shall be obligated to pay impact fees duly enacted by MGSID, calculated and imposed on an Equivalent Residential Unit basis for every connection to the WPR Sewer System as a condition to MGSID having any duty or obligation to provide sewer service to that connection. All impact fees levied by MGSID shall be planned-for, enacted, and appropriate refunds and credits shall be given to WPRUD when due in conformance with the requirements of the Utah Impact Fees Act, Title 11, Chapter 36a, of the Utah Code, as amended or replaced from time-to-time (the "*Impact Fees Act*"), and other applicable law. WPRUD shall be obligated to pay the actual reasonable costs that have been and/or will be incurred by MGSID in updating its Capital Facilities Master Plan, Impact Fee Facilities Plan, and Impact Fee Analysis in accordance with the Impact Fees Act. All impact fees due and owing to MGSID shall be collected by WPRUD from the owner of each lot or property connecting to the WPRUD Sewer System, and shall be paid to MGSID in conjunction with the issuance of the building permit for each home, commercial building and any other structure to be connected to the WPR Sewer System. Notwithstanding the foregoing, however, WPRUD shall be obligated to remit the applicable impact fee to MGSID even if the lot or property owner has not paid the impact fee to WPRUD. In the event of termination for any cause, MGSID shall have no obligation to refund any impact fees that have been paid except as may otherwise be required by the Utah Impact Fee Act.

(g) **WPR Replacement Fund Deficiency.** Should an expenditure be required for the repair and/or replacement of components and facilities comprising any portion of the WPR Sewer System for which insufficient funds are on hand in the WPR Replacement Fund identified in Subsection 5.(2)(A)(i) above, WPRUD shall be responsible for the deficiency.

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(h) Late Payments. In the event that any payment required to be made to MGSID pursuant to this Agreement is not paid as and when due, interest thereon shall accrue from the due date until paid, both before and after judgment at the rate of eighteen (18%) percent per annum.

6. DEFAULT AND TERMINATION.

(a) Default and Termination. In the event any Party shall fail to perform its obligations hereunder or comply with the terms and provisions hereof, and such failure remains uncured for a period of ninety (90) days after receiving written notice of default from the non-defaulting Party (the “*Cure Period*”), and provided that (i) if such default cannot reasonably be cured within the Cure Period, and (ii) the defaulting Party shall have commenced to cure such default within the Cure Period and thereafter uses reasonable good faith efforts to cure the same, then the Cure Period shall be extended for so long as shall be required for the defaulting Party to exercise and complete good faith reasonable efforts to cure the default. If, however, the default remains uncured for a period of one hundred twenty (120) days in the aggregate, or such greater time as the non-defaulting Party may allow, then the non-defaulting Party may, at its election, pursue all rights and remedies which it may have at law and/or in equity, including but not limited to injunctive relief, specific performance and/or actual damages, and termination of this Agreement. Wasatch Peaks Ranch and WPRUD may elect to terminate this Agreement at their option, for cause, upon six months’ prior written notice to MGSID.

(b) Disconnection of WPRUD Sewer System Facilities. In the event this Agreement is terminated for any reason and only to the extent that MGSID ceases to serve WPRUD Property, and effective as of the date of termination, or such other date as the Parties may agree, then, unless the Parties agree otherwise, MGSID shall have the right to proceed to disconnect the WPRUD Sewer System from the MGSID System, giving reasonable time, not to exceed 1.5 years, for the physical separation to be completed and a new treatment facility be constructed and installed by WPRUD to which the WPRUD Sewer System shall be connected and served. Upon disconnection, WPRUD shall have the obligation to provide all services provided by MGSID hereunder and upon connection of the WPRUD Sewer System to the new WPRUD treatment facility, and MGSID’s obligations hereunder shall cease. WPRUD shall have the obligation, at its sole cost and expense, to repair the point of disconnection in accordance with any applicable law, rule and/or regulation and subject to MGSID’s inspection and approval of the same. At such time as all service obligations under this Agreement have ceased, all easements and rights of access granted to MGSID respecting the WPR On-Site Sewer Facilities hereunder shall thereupon terminate and be extinguished.

(c) Mediation. Unless terminated for cause by WPRUD or terminated without cause by MGSID, if this Agreement is terminated for any reason after connection of the WPRUD Sewer System has been made to MGSID System, the Parties agree to mediation in an effort to resolve financial consequences to MGSID that may result from improvements made to the MGSID System, including the expansion of pipelines and treatment facilities directly related to WPRUD Project that will not be utilized as a result of the termination. WPRUD and MGSID shall each be responsible for one-half of the cost of a mutually agreeable mediator, and all Parties agree to proceed with mediation promptly and in good faith. Should such mediation not be successful in resolving the financial consequences to MGSID, MGSID may litigate the matter as provided in Section 12(h).

7. REPRESENTATIONS AND FURTHER OBLIGATIONS OF THE PARTIES.

(a) Wasatch Peaks Ranch and WPRUD Representations and Obligations. Wasatch Peaks Ranch and WPRUD (collectively, “*WPR*” for purposes of this Section), represent, warrant and agree that:
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(1) Wasatch Peaks Ranch is a limited liability company duly organized and existing under the laws of the state of Delaware and is qualified to conduct business in the state of Utah, and WPRUD is a special district and body corporate and politic of the State of Utah, duly organized and existing under applicable law;

(2) WPR is authorized to enter into this Agreement and such other agreements as may be required to accomplish the purposes of the Parties as set forth in this Agreement, and to carry out its obligations hereunder and thereunder; and that such will not conflict with or result in a breach of the terms, conditions, provisions, or restrictions of any existing law, court or administrative decree, order, or regulation, or agreement or instrument to which WPR is a party or by which it is otherwise bound;

(3) WPR has negotiated in good faith the terms, conditions and provisions of this Agreement and it will negotiate in good faith the terms, conditions and provisions of such other agreements and documents as may be required to be executed by and between WPR and MGSID in effectuating the purposes of the Parties as set forth herein;

(4) WPR will cooperate with the MGSID, and its engineers, consultants, and other officials designated by MGSID with respect to the design of the WPRUD Sewer System so as to facilitate sanitary sewer service for the WPR Project;

(5) WPR will participate, as requested by the MGSID, in such meetings as may be required and in good faith support MGSID as requested in effectuating the purposes of the Parties as set forth herein;

(6) WPR is not currently aware of any laws, regulations, or policies that would prevent WPR from receiving sanitary sewer service from MGSID for the WPR Project or prohibit WPR from entering into this Agreement and such other agreements as may reasonably be required to effectuate such service; and

(7) WPR will advise, consult, and work cooperatively with MGSID, in good faith, in resolving such issues as may arise, and otherwise perform such actions as may be necessary in the implementation of the goals and objectives of this Agreement.

(c) MGSID Representations and Obligations. MGSID represents and agrees that:

(1) it is an improvement district and a body corporate and politic of the State of Utah, duly organized and existing under applicable law;

(2) it is authorized to enter into this Agreement and such other agreements as may be required to accomplish the purposes of the Parties as set forth in this Agreement, and to carry out its obligations hereunder and thereunder; and that such will not conflict with or result in a breach of the terms, conditions, provisions, or restrictions of any applicable existing law, court or administrative decree, order, or regulation of which MGSID is aware, or agreement or instrument to which MGSID is a party or by which it is otherwise bound;

(3) subject to requirement of applicable law, it will make such reasonable changes to MGSID Rules and Regulations and to its Capital Facilities Plan and/or Impact Fee Facilities Plan, and in good faith enter into such agreements as shall be deemed by MGSID to be necessary to accomplish the

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purposes of the Parties set forth in this Agreement so as to facilitate the development of, and provide sanitary sewer service to the WPR Project in conformance with the provisions of this Agreement;

(4) it has negotiated in good faith the terms, conditions and provisions of this Agreement and that it will negotiate in good faith the terms, conditions and provisions of such other agreements and documents as may be required to be executed by and between WPR and MGSID in effectuating the purposes of the Parties as set forth herein;

(5) it will reasonably cooperate with WPR, and its engineers, consultants, and other officials designated by WPR in the design of the WPRUD Sewer System and in connection with such modifications as may be required relative to MGSID System so as to enable MGSID to provide sanitary sewer collection and treatment service to the WPR Project for each Development Phase as developed as provided in this Agreement;

(6) it will participate, as reasonably requested by WPR in meetings with other agencies from whom permits, consents and other approvals may be required for sewer service in connection with the WPRUD Project, including, without limitation, the Utah Department of Transportation, the Utah Department of Environmental Quality, the U.S. Forest Service, the U.S. Bureau of Reclamation, Morgan County, and all utility and other providers of services necessary for WPR Project, and that it will, in good faith, support WPR as reasonably requested in connection with the obtaining of such permits, consents and approvals as may be required provided, however, that MGSID shall not incur any risk, cost or liability in doing so;

(7) it is not currently aware of any laws, regulations, or policies that would prevent MGSID from providing sanitary sewer service for the WPR Project and prohibit it from entering into this Agreement and such other agreements as may reasonably be required to effectuate such service; and

(8) it will advise, consult, and work cooperatively with WPR, in good faith, in resolving such issues as may arise, and otherwise perform such actions as may reasonably be necessary in the implementation of the goals and objectives of this Agreement.

8. **INDEMNIFICATION**. Each Party agrees to defend, indemnify and hold the other Party, and its respective corporate affiliates, officers, employees, agents and consultants (the “*Indemnified Parties*”) free and harmless from and against any and all liability, loss, damage, costs, and/or expenses, including reasonable attorney’s fees and court costs, arising from or as a result of the death of any person or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person as a result of construction activities by such Party, its agents, employees or contractors, and any claim by any contractor or other person for any amount due and owing by such Party to said contractor or person. It is agreed that neither Party shall be responsible for, and this indemnity shall not apply to (i) any negligent acts or omissions of the Indemnified Party (ii) any liability, loss, damage, cost or expense, including attorney’s fees and court costs, arising in connection with any work performed by third-parties, such as public or private utility companies, that are not under the control of or under contract with such Party, or (iii) any criminal action, omission, or misconduct by any agent, employee or contractor of such Party. Upon completion of construction of any component of the WPRUD Sewer System, the indemnity obligations of WPRUD set forth herein shall cease to apply with respect to any work or activity in connection with the subject WPRUD Sewer System component performed by Wasatch Peaks Ranch’s and WPRUD’s agents, employees or contractors on or before that date, but not otherwise. Notwithstanding the foregoing, or anything to the contrary in this Agreement, the Parties recognize, acknowledge and agree that MGSID and WPRUD, being political subdivisions of the state of Utah, are {02255841-1 }

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subject to the Governmental Immunity Act of Utah, Title 63G, Chapter 7 of the Utah Code, and that, by entering into this Agreement, neither MGSID nor WPRUD shall be deemed to have relinquished or waived any protection or limitation of liability provided under the Governmental Immunity Act of Utah.

9. **ASSIGNMENT; ASSIGNMENT TO AFFILIATED ENTITY.** This Agreement may not be assigned by any Party hereto, by operation of law or otherwise, without the written consent of the other Parties hereto. Notwithstanding the foregoing, any Party may assign this Agreement or any of its rights or obligations under this Agreement to any Affiliate without the consent of the other Parties. For purposes of this paragraph, the term “Affiliate” shall mean any person, partnership, corporation or other entity which controls, is controlled by, or is under common control with the Party.

10. **TERM OF AGREEMENT.** In conformance with the provisions of §11-13-216 of the Interlocal Act, this Agreement shall continue for a term of fifty (50) years, which may be renewable upon the mutual written agreement of the Parties, unless sooner terminated as provided in this Agreement or by the mutual written agreement of the Parties according to such terms and conditions of termination as the Parties shall then agree.

11. **FUTURE ANNEXATION OF DEVELOPMENT PROPERTY INTO MGSID BOUNDARIES.** In the event Wasatch Peaks Ranch shall, in its sole discretion, determine that it is in the best interest of Wasatch Peaks Ranch and in the best interest of the residents and property owners within the Development Property, to annex the Development Property into the legal boundaries of MGSID then, upon consultation with and approval by MGSID, the annexation shall proceed subject to and in conformance with the terms of a separate annexation agreement to be entered into between the Parties and all applicable requirements and provisions of Title 17B, Chapter 1, Part 4, Utah Code Ann. 1953, as amended. Upon annexation of the Development Property into the MGSID boundaries, or so much of the same as shall be agreed to between Wasatch Peaks Ranch and MGSID, the provisions of this Agreement shall terminate with respect sewer service to those residents and property owners whose property has been annexed, and service shall thereupon be provided by MGSID to said properties in the same manner and on the same basis as all other similarly situated customers within MGSID’s legal boundaries, subject to all then applicable and future applicable rules, regulations and policies of MGSID. The terms and provisions of this Agreement shall remain in full force and effect with respect to sewer service to those residents and property owners within the Development Property, if any, whose properties have not been annexed into the legal boundaries of MGSID.

12. MISCELLANEOUS PROVISIONS

(a) Notice. All notices required or desired to be given hereunder shall be in writing and shall be deemed to have been given on the date of personal service upon the Party or by email to the intended Party or, if mailed, by certified mail, return receipt requested, postage prepaid, and addressed to the Parties at the following addresses:

TO THE MGSID:

Name: Mountain Green Sewer Improvement MGSID
Attn. Manager
Address: 5455 West Old Highway Road
Mountain Green, Utah 84050
Email: manager@MGSID.com
Phone: (801) 876-3416

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TO WASATCH PEAKS RANCH:

Name: Gary Derck
 Address: 36 South State Street, Suite 500
 Salt Lake City, Utah 84111
 Email: gderck@wprdevco.com

TO WASATCH PEAKS RANCH UTILITY DISTRICT

Name: Vance Bostock
 Address: 36 South State Street, Suite 500
 Salt Lake City, Utah 84111
 Email: vbostock@wprutility.com

Any Party may change its address for notice hereunder by giving written notice to the other Parties in accordance with the provisions of this Section.

(b) Attorney's Fees. The Parties each agree that should any Party default in any of the covenants or agreements contained herein, the defaulting Party shall pay all costs and expenses, including reasonable attorney's fees and court costs, which may arise or accrue from the enforcement of this Agreement, or in pursuing any remedy provided for hereunder or by the statutes, or other laws of the State of Utah, whether such remedy is pursued by filing suit or otherwise, and whether such costs and expenses are incurred with or without suit or before or after judgment.

(c) Entire Agreement. This Agreement, the Exhibits attached hereto and the documents referenced herein, contain the entire agreement by and between the Parties with respect to the subject matter hereof, and supersede any prior promise, representation, warranty, inducement or understanding between the Parties which is not contained herein.

(d) Section Headings/Tense. The section and subsection headings contained in this Agreement are intended for convenience only and are in no way to be used to construe or limit the text herein. As used herein, the singular tense shall include the plural tense, and vice versa, as appropriate, and any gender shall include all other genders.

(e) Non-liability of Officials. No officer, representative, agent, consultant or employee of a Party shall be personally liable to any other Party, or any successor-in-interest or assignee of any other Party, in the event of any default or breach by such Party, or for any amount which may become due to such Party, or its successors-in-interest or assignees, or for any obligation arising under this Agreement.

(f) No Joint Venture, Partnership or Third-party Rights. This Agreement does not create any joint venture, partnership, undertaking or business arrangement between MGSID and Wasatch Peaks Ranch or WPRUD. Moreover, the obligations of the Parties set forth in this Agreement shall not create any rights in or obligations to any third-party.

(g) Binding Effect; Covenants Run with the Land. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and upon their respective officers, agents, employees, representatives, affiliates and assigns, including, without limitation, any separate affiliated entity of Wasatch Peaks Ranch or WPRUD which is involved with or assumes or undertakes to fulfill any

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responsibility or obligation imposed upon Wasatch Peaks Ranch or WPRUD pursuant to this Agreement, and any county, city or other governmental entity or entities that assumes the responsibility to provide sanitary sewer service to the WPR Project should MGSID no longer provide sanitary sewer service to the WPR Project. The covenants contained herein shall be deemed to bind and run with the property within the WPRUD Property, and the Parties agree that this Agreement, or a notice of this Agreement, shall be recorded in the office of the Recorder of Morgan County.

(h) Jurisdiction. The Parties hereby agree that any judicial action associated with this Agreement shall be taken in the Judicial District Court of Morgan County, Utah.

(i) No Waiver. Any Party's failure to enforce any of the provisions of this Agreement shall not constitute a waiver of the right to enforce such provision in the future. A provision may be waived only in writing by the Party intended to be benefitted by the provision, and a waiver by a Party of a breach hereunder by the other Party shall not be construed as a waiver of any succeeding breach of the same or another provision.

(j) Severability. If any portion of this Agreement is held to be unenforceable, any enforceable portion thereof and the remaining provisions of this Agreement shall continue in full force and effect.

(k) Time of the Essence. Time is expressly made of the essence with respect to the performance of each and every obligation hereunder.

(l) Force Majeure. Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefore; adverse market conditions; acts of nature; governmental restrictions, regulations or controls; judicial orders; enemy or hostile government actions; wars; terrorist attacks; civil commotions; fires; health pandemics; or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder, shall excuse performance of the obligation by that Party for a period equal to the duration of that prevention, delay or stoppage. Any Party seeking relief under the provisions of this Subsection shall notify the other Parties pursuant to the notice provisions hereof of a force majeure event within ten (10) days following occurrence of the claimed force majeure event.

(m) Knowledge. Each Party has read this Agreement and has executed it voluntarily after having been apprised of all relevant information and risks and having had the opportunity to obtain legal counsel of its choice.

(n) Supremacy. In the event of any conflict between the terms of this Agreement and those of any other agreement, contract, or document referred to herein, excluding governmental laws, ordinances, rules, regulations, standards and/or specifications, this Agreement shall govern.

(o) No Relationship. Nothing in this Agreement shall be construed to create any partnership, joint venture, or other fiduciary relationship between and among the Parties.

(p) Amendment. This Agreement may be amended only in a writing signed by the Parties.

(q) Incorporation of Recitals and Exhibits. The Recitals first set forth above and all Exhibits attached hereto are incorporated by reference as though fully set forth herein.

May 15, 2024

(r) Out of District Agreement Superseded. The Parties hereby acknowledge and agree that this Agreement supersedes and replaces the Out of District Service Agreement in its entirety.

(s) Construction. This Agreement is the result of negotiations between the Parties, none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms, conditions and provisions hereof shall be construed in accordance with their usual and customary meanings. Each Party hereby waives the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the Party or the Party's attorney who prepared the executed Agreement or any earlier draft of the same. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require. The words "include", "included" and "including" as used in this Agreement shall respectively mean "include without limitation", unless expressly stated otherwise.

(t) Further Action. The Parties hereby agree to execute and deliver such additional documents and to take further action as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

(u) Counterpart Signatures; Electronic Signature. This Agreement may be executed in several counterparts and by electronic signature, all or any of which may be treated for all purposes as an original and shall constitute and be one and the same instrument.

13. INTERLOCAL COOPERATION ACT REQUIREMENTS. In satisfaction of the requirements of the Interlocal Cooperation Act, MGSID and WPRUD (for purposes of this Section 13, the "Governmental Parties" and each is a "Governmental Party") agree as follows:

(a) No separate legal entity is created by this Agreement.

(b) Pursuant to the provisions of Section 11-13-202.5 of the Interlocal Cooperation Act, this Agreement shall be authorized and adopted by a resolution of the MGSID Board and of the WPRUD Board;

(c) Pursuant to the provisions of Section 11-13-202.5(3) of the Interlocal Cooperation Act, this Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Governmental Party; and

(d) Pursuant to the provisions of Section 11-13-209 of the Interlocal Cooperation Act, executed copies of this Agreement shall immediately be deposited with and remain in the official records of each Governmental Party during the effective term hereof;

(e) No real or personal property will be jointly owned by the Governmental Parties and, except as may otherwise specifically be provided in this Agreement, there will be no need to dispose of property upon the complete or partial termination of this Agreement;

(f) Each Governmental Party shall be responsible to finance its obligations under this Agreement and to establish and maintain its own budget;

May 15, 2024

(g) To the extent there is any need for administrative action by the Governmental Parties, the Chair of the MGSID Board and the Chair of the WPRUD Board shall constitute a joint board, with each having one vote;

(h) For purposes of this Agreement qualifying as an Interlocal Cooperation Agreement, as between the Governmental Parties, this Agreement shall not take effect until (b), (c) and (d) of this Section 13 have been fully satisfied; and

(i) Notwithstanding the foregoing or anything to the contrary in this Agreement, should this Agreement fail in any respect to satisfy the requirements of the Interlocal Cooperation Act for any reason, it shall nevertheless be an effective contract and agreement between and among the Governmental Parties and WPR pursuant to general principles of law and equity.

14. AUTHORITY TO BIND. The Parties hereby represent and warrant that each Party has the power to enter into this Agreement and each individual executing this Agreement represents and warrants that such individual is authorized to do so, and, that upon executing this Agreement, this Agreement shall be binding and enforceable in accordance with its terms upon the Party for whom such individual is acting.

[SIGNATURES FOLLOW ON NEXT PAGE]

May 15, 2024

IN WITNESS WHEREOF, except as provided in Section 13(h), the Parties hereto have executed this Agreement effective as of the day and year first set forth above.

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT

By: _____
William C. Coutts, Chair, Board of Trustees

APPROVED AS TO FORM:

Mountain Green Sewer Improvement District Attorney

WPR UTILITY DISTRICT

By: _____
Vance Bostock, Chair, Board of Trustees

APPROVED AS TO FORM:

WPR Utility District Attorney

WASATCH PEAKS RANCH, LLC

By: _____
Gary Derck,

May 15, 2024

ACKNOWLEDGEMENTS

STATE OF UTAH)
: ss.
County of _____)

On the _____ day of _____, 2024, appeared before me William C. Coutts, personally known to me, or proved to me on the basis of satisfactory evidence, to be Chair of the Board of Trustees of Mountain Green Sewer Improvement MGSID, who duly acknowledged that the within and foregoing instrument was signed on behalf of said district by authority of its Board of Trustees, and that said district executed the same.

NOTARY PUBLIC

STATE OF UTAH)
: ss.
County of Salt Lake)

On the _____ day of _____, 2024, personally appeared before me Vance Bostock, known to me, or proved to me on the basis of satisfactory evidence, to be chair of the Board of Trustees of WPRUD Utility MGSID, who duly acknowledged that the within and foregoing instrument was signed on behalf of said district by authority of its Board of Trustees, and that said district executed the same.

NOTARY PUBLIC

STATE OF UTAH)
: ss.
County of Salt Lake)

On the _____ day of _____, 2024, personally appeared before me Gary Derck, known to me, or proved to me on the basis of satisfactory evidence, to the Manager of Wasatch Peaks Ranch, LLC, who duly acknowledged that the within and foregoing instrument was signed on behalf of said limited liability company by authority of its governing board, and that said limited liability company executed the same.

NOTARY PUBLIC

May 15, 2024

EXHIBIT "A"

Legal Description and Depiction of WPR Project Development Property

May 15, 2024

EXHIBIT ‘B’

WPR Project Phasing Plan

<https://wprdev.egnyte.com/dl/3vCWdL2lfn>

May 15, 2024

EXHIBIT “C”

Depiction of WPRUD Sewer System Components

<https://wprdev.egnyte.com/dl/gb35ZTkish>

May 15, 2024

EXHIBIT "E"

Summary of Fees

4858-2153-7453, v. 1

4858-2153-7453, v. 1