

AMENDED AND RESTATED INTERLOCAL AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT is executed this 23rd day of April 1999, by VERNAL CITY, a municipal corporation of the State of Utah, located in Uintah County, Utah, hereinafter sometimes referred to as "Vernal", the ASHLEY WATER AND SEWER IMPROVEMENT DISTRICT, a special improvement district also located in Uintah County, Utah, hereinafter sometimes referred to as "Maeser" by authority of the "Interlocal Cooperation Act" being Chapter 13 of Title 11, Utah Code Ann. 1953, as amended. The three parties hereto shall also be referred to herein as the "Public Agencies".

WHEREAS, a document entitled "AGREEMENT" dated March 31, 1980 (the "Prior Agreement") the public agencies created the Ashley Valley Sewer Management Board, (hereinafter referred to as the "Management Board") which has been, and continues to be, a legal and administrative entity since the date of the Prior Agreement, and

WHEREAS, since the date of the Prior Agreement, the Management Board has acquired funding, constructed a wastewater treatment facility, acquired properties, equipment and facilities and has operated the Ashley Valley Wastewater Treatment Facility for a number of years for the benefit of the Public Agencies and their residents, and

WHEREAS, a decision has been made to replace the existing facility consisting of lagoons and other facilities with a mechanical treatment plant (the "1999 Project"), and it has become necessary for the Public Agencies to amend the Prior Agreement in order to allow the Public Agencies to provide the financing for the 1999 Project.

WHEREAS, the elected officials of the Public Agencies have concluded and agreed that the most desirable and efficient use of their resources and powers to provide sewer services to the people of their respective jurisdictions is to join in a sewer gathering and treatment program on a joint and cooperative basis with one governing body for the entire Ashley Valley, and

WHEREAS, the Public Agencies hereby reaffirm the creation of a legal and administrative agency for constructing, managing and operating a system to supply sewer services for the Ashley Valley as authorized by the above referred to Interlocal Cooperation Act.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the Public Agencies, and pursuant to the powers granted each of the Public Agencies by the Constitution, statutes and other laws of the State of Utah, the Public Agencies hereby agree and restate the Prior Agreement as follows:

1. Reaffirmation of Ashley Valley Sewer Management

Board. The Public Agencies hereby reaffirm the creation of a legal and administrative entity which shall be known as the Ashley Valley Sewer Management Board, hereinafter at times referred to as the "Management Board", which was created for the purpose of creating, constructing, owning, acquiring, operating, maintaining and repairing sewer service facilities in and for the use of the people of the Ashley Valley in Uintah County, Utah.

2. Composition of Board. The Ashley Valley Sewer Management Board shall be composed of two (2) members from the Vernal City Council, two (2) members from the Ashley Valley Water and Sewer Improvement District Board of Trustees and two (2) members from the Maeser Water and Sewer Improvement District Board of Trustees. All members of Ashley Valley Sewer Management Board shall be holders of elective office or of the governing body of their respective Public Agency and shall be appointed by the governing body of the Public Agency and serve at the pleasure of the governing body of the Public Agency.

3. Officers of Board. The Ashley Valley Sewer Management Board shall select from its membership a chairperson and a vice chairperson to serve for a term of two (2) years. A secretary shall also be selected either from the membership of the Board or by appointing a qualified person to fulfill the duties of secretary. The duties, powers and authority of the chairperson, vice chairperson and secretary shall be established and set forth in bylaws to be adopted by the Management Board.

4. Voting. Each member of the Management Board shall be entitled to one (1) vote on matters that come before the Management Board for decision and issues shall be decided by a majority of the quorum. At least one member from each entity must be present and four (4) members shall be necessary in order to form a quorum. In the event of a deadlock, then the decision shall be made by each Public Agency having one vote, which shall be made by the governing body of each of the Public Agencies.

5. Powers and Authority of Board. The Ashley Valley Sewer Management Board shall have the power to own, acquire, construct, operate, maintain and repair or cause to be constructed, operated, maintained and repaired any facilities or improvements related to, necessary or convenient to, accomplish the purposes for which it is created, that is of providing sewer collection and treatment services to the people of the Ashley Valley.

The Management Board shall have the power to borrow money or incur indebtedness, issue revenue bonds or notes for the purposes for which it was created, assign, pledge or otherwise convey as security for the payment of any bonded indebtedness, the revenues and receipts from such facility, improvement or service.

The Management Board shall have the power and is authorized to render services or acquire facilities or improvements in excess of those required to meet the needs or requirements of the Public Agencies party to this Agreement if it is determined to be necessary to accomplish the purposes and realize the benefits for which it is organized.

The Management Board is authorized to hire employees, agents and representatives, purchase, contract for, lease or otherwise deal in and with real or personal property, to apply for or obtain the necessary licenses, permits or consents from all government entities or other persons necessary to carry on and conduct the activity of providing sewer services for the people of the Ashley Valley and to do all other things reasonably necessary to accomplish the purposes for which it is created.

The Management Board shall have all the powers set forth in Utah Code Annotated §11-13-5.6 including the power to acquire by exercise of the power of eminent domain, any real or personal property in connection with the acquisition and construction of any sewage and wastewater treatment plant and all related facilities and rights of way which it owns, operates and maintains.

6. Regional Sewer Facilities. The Public Agencies have constructed and operated a regional sewage treatment facility including facilities which are owned by the Management Board and used exclusively by the Public Agencies. The Management Board owns sewer lagoons and a sewer plant facility located on the following described land together with leases, licenses, easements and permits, on adjoining and appurtenant U.S. Bureau of Land Management (hereinafter called BLM) lands.

Township 4 South, Range 22 East, S.L.M.

Section 28: SE1/4 SW1/4; S1/2 SE1/4

Section 33: E1/2 NW1/4; NE1/4; N1/2 SE1/4; SE1/4 SE1/4

Section 34: SW1/4; W1/2 NW 1/4

There also exists the following joint used or owned sewer lines:

- A. Commencing on 1500 South Street and approximately 2000 East in Ashley Valley and proceeding East to the Sewer Lagoon complex, including all of the main diagonal line paralleling Ashley Creek.
- B. The 6~ North East/West diagonal sewer line starting at 500 West and going Eastward and Southward to the 1500 South line.
- C. Starting at 2174 West 1000 South and going East to 2100 West and going North to 5th South then going East to approximately 1750 East and going Southeast to 1500 South.
- D. The sewer line along 1500 South starting at approximately 700 West then going East and intersecting the sewer line at 2000 East.
- E. The sewer line starting at 1500 West and 750 North and running Northwest to Maeser Water Improvement District at 1000 North.
- F. The sewer line on 1500 West starting at 1500 North and running South to 1000 South.
- G. Starting at 1600 West 1000 South and going East to 1500 West then going North to 5th South.
- H. Starting at 335 South and 1300 East and going East to the 1500 East interceptor located by Leland McNeills.
- I. The sewer line on 500 North commencing at 704 East and running Eastward to 1500 East, then running South on 1500 East to 202 South.
- J. The sewer line on Main Street running between 687 East and 1085 East.

The Management Board shall have responsibility for the maintenance, operation and control of these lines.

7. Use of Joint Used or Owned Sewer Lines Owned by a Single Public Agency. When a Public Agency desires to connect one of its customers to a joint used or owned line, the connection shall be made under the direction of the Public Agency and in conformance with all connection and use requirements established by the management Board. All connection fees and use fees shall be collected and retained by the public Agency making such.

8. New Mechanical Treatment Plant. The mechanical treatment plant, including pipelines and appurtenant improvements and facilities, which is to be constructed commencing in 1999 (the ~1999 Project") shall be owned exclusively by the Management Board. The map attached hereto describes the 1999 Project.

9. Financing Construction, Operation and Maintenance. The cost of constructing the jointly owned lines and the presently existing lagoons and attendant facilities (such sewer lines and existing lagoons and attendant facilities collectively referred to herein as the "Prior Project") described in Paragraph 6 has been shared one-third (1/3) each by the Public Agencies. The Prior Project shall continue to be owned one-third (1/3) by each Public Agency.

As to the 1999 Project, the Public Agencies have arranged for grants and other contributions which will be transferred to the Management Board in consideration for the Public Agencies having access to and use of the 1999 Project to be built by the Management Board for sewage treatment.

Both the loan, which will be obtained by the Management Board to construct the 1999 Project, and the operation and maintenance costs of the 1999 Project and the Prior Project, (not including the existing Management Board obligation to the PCIB), shall be paid solely by the Management Board by assessing each Public Agency on a basis determined by counting the Equivalent Residential Units, "ERU's", of each Public Agency and calculating each Public Agency's percentage of the total. The definition of an Equivalent Residential Unit, "ERU", is as follows:

- A. A Single Family Dwelling "ERU" is one (1) connection per household with no overage charge for gallons used.
- B. A Multiple Dwelling Unit & Trailer Court "ERU" is one (1) connection per single family unit or trailer space with no overage for gallons used multiplied by a factor of .80 which allows for vacancies.
- C. A Commercial and Industrial "ERU" (including churches, schools, restaurants, motels/hotels, commercial and industrial establishments) is one (1) connection for each connection issued. Each commercial connection has a base of 8,000 gallons of water used and is charged an overage fee for excess water used over their total
- D. The overage fee for commercial and industrial "ERU's" is for total water used over 8,000 gallons and is billed in thousand gallon increments.

Notwithstanding the Management Board's ownership of the 1999 Project while this Agreement is in effect, all facilities of the Management Board shall be considered owned one-third (1/3) by each Public Agency in the event of termination of this Agreement, as provided herein.

Any future expansion or modification of the 1999 Project shall be financed in a manner to be determined by the Management Board at the time of planning such expansion or modification.

10. Budgeting for the Management Board. Annually, not later than October 1 of each year, the Management Board shall prepare and submit to each Public Agency its budget for the next year setting forth the money needed by the Management Board for

operation of all facilities owned and operated by the Management Board and all facilities owned jointly by the Public Agencies and operated by the Management Board. The Management Board's budget shall include a schedule showing the date upon which such funds will be needed by the Management Board.

Each Public Agency shall, on or before the date stated in the Management Board's budget, pay to the Management Board its share of the operation and maintenance budget as determined by the Management Board.

The Management Board shall operate, budget and keep its books and financial records on a calendar year basis unless a different fiscal year is adopted by the Management Board.

In the event one of the Public Agencies fails or refuses to pay its share of the Management Board's budget or expenses, the Management Board shall have authority to take such action as it deems appropriate to enforce that Public Agency's promise and covenant to pay contained in this Agreement including, but not limited to, a legal action to enforce the payment or denial of some or all services rendered to that Public Agency by the Management Board.

The payment obligations of the Public Agencies shall be redetermined quarterly, (four times per year), and each Public Agency agrees to pay the amount determined by the Management Board on the basis of the number of ~ERU'SN being served by each Public Agency. The procedure for reimbursing the Management Board for the loan payments it obtains, operating reserves and reserve funds in connection with the debt incurred by the Management Board, and for the operation and maintenance cost of its facilities shall be determined by the percentage of ERU's each Public Agency has of the total number of ERU's of the valley wide system, and each Public Agency shall pay that percentage of the total loan and O&M obligation and the operating and maintenance cost of the Management Board.

11. Management Board Meetings. The Management Board shall hold such regular meetings as it shall determine necessary for the conduct of and proper handling of the business of the Management Board. Each year in the month of February on a date set by the Management Board, an annual meeting shall be held. The annual meeting shall be attended by the members of the governing body of each Public Agency. The purpose of the annual meeting, without limitation, shall be to receive a full report of current activities of the Management Board and to receive an additional report regarding the budget of the Management Board and the financial transactions conducted during the past year.

12. Regulations of Discharge of Wastes. The Management Board shall have the right to approve or disapprove the discharge of any wastes other than sewage into any sewer system that contributes waste water to facilities owned or managed by the Management Board. All industrial discharges of any wastes other than sanitary facility wastes shall require prior written approval of the Management Board, and shall comply with pretreatment standards and requirements set by the Management Board and be subject to special charges as determined by the Management Board. Discharges of unusual wastes from other sources shall also be subject to prior written approval of the Management Board.

13. Ownership and Use of Sewer Effluent. The sewer effluent produced by the sewer treatment plant shall be owned by the Management Board and made available to each Public Agency in the same proportion as each Public Agency is charged under the provisions of paragraph number 9 above. All costs of delivery of any effluent used or acquired by any Public Agency for use off the lagoon site shall be borne by the Public Agency acquiring the effluent.

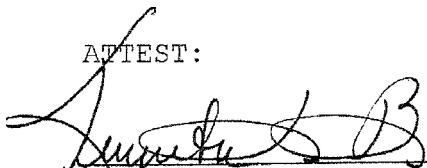
14. Availability of Books and Records. The Management Board shall, upon request, make the books and records of the Management Board available for inspection to the duly authorized representatives or agents of the Public Agencies.

15. Filing of Agreement. Executed copies of this Agreement shall be deposited with and remain in the office of each of the Public Agencies during the effective term hereof.


16. Transfer or Assignment of Contract. No Public Agency shall transfer any of the rights or delegate any of the duties in this Agreement without the written consent of all other Public Agencies.

17. Term of Agreement. This Agreement shall be effective and in force until at least such time as all of the bonds, notes, or other obligations of the Management Board are retired or provided for. When the Management Board has retired or provided for all of its bonds notes or other obligations then this Agreement shall be effective and in force for a term of three (3) years thereafter. Upon the expiration of those three years this Agreement shall remain in full force and effect until such time as any of the Public Agencies elects to terminate this Agreement by giving one year notice of its desire to terminate this Agreement. Upon the expiration of one year from the date of such notice, this Agreement shall terminate for the withdrawing Public Agency, but the Agreement and the Management Board shall continue among the non-withdrawing Public Agencies and shall have the right to continue to operate and use the facilities owned by the Management Board.

ATTEST:


Vernal City Clerk

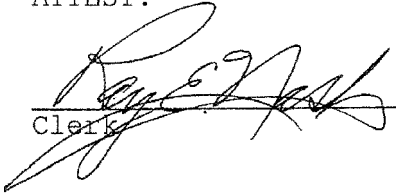
VERNAL CITY

By 
Mayor

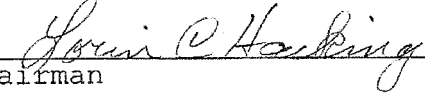
APPROVED:


Vernal City Attorney

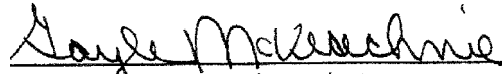
ATTEST:


Clerk

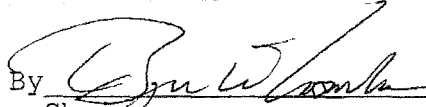
ASHLEY VALLEY WATER AND SEWER
IMPROVEMENT DISTRICT

By 
Chairman

APPROVED:


Attorney for District

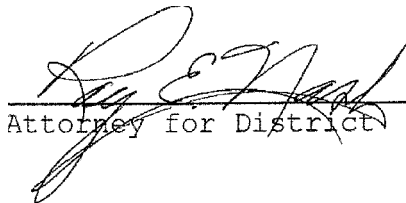
MAESER WATER AND SEWER
IMPROVEMENT DISTRICT

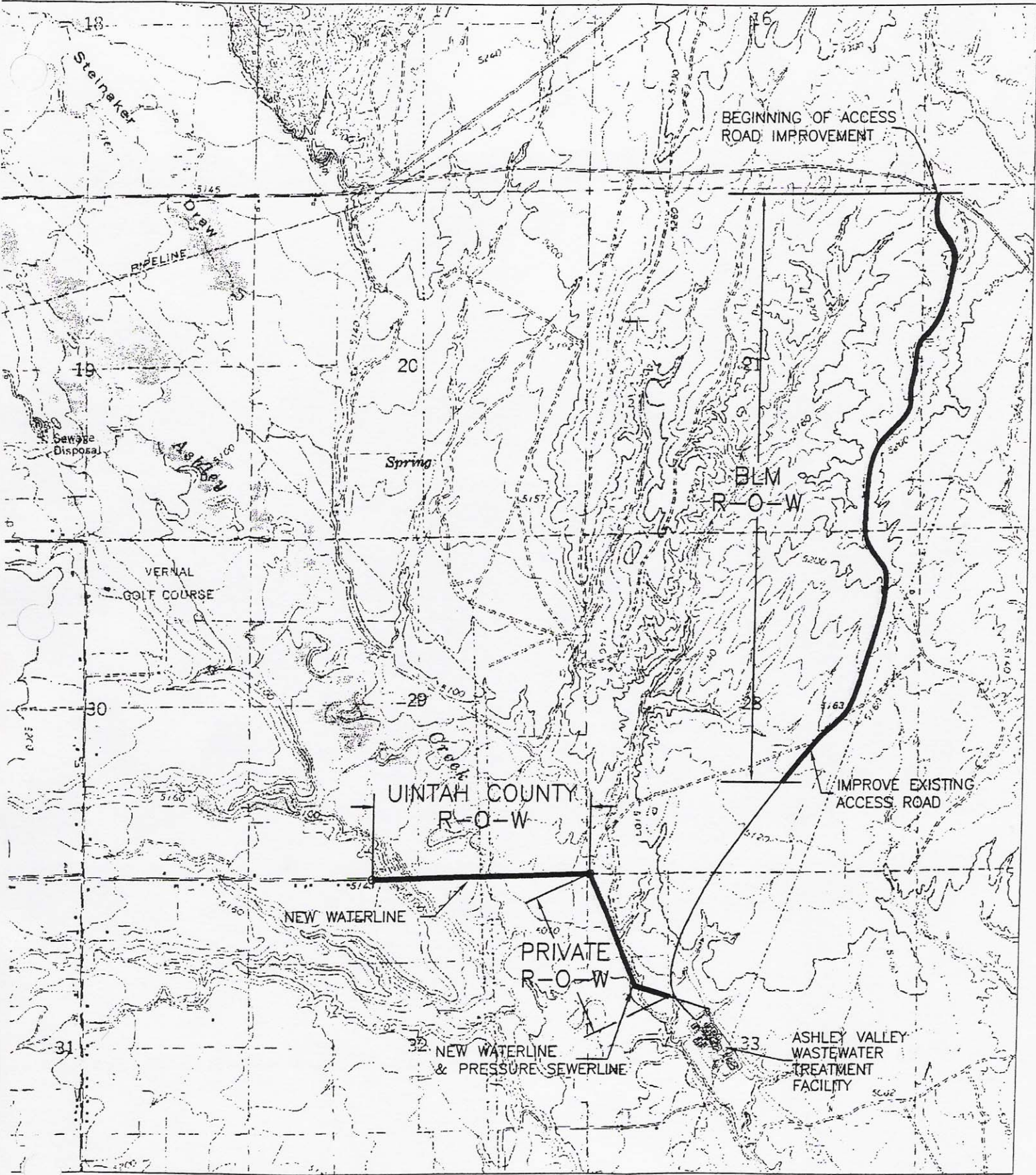
By 
Chairman

ATTEST:



APPROVED:


Attorney for District



H2MHILL

VERIFY SCALE
 BAR IS ONE INCH ON ORIGINAL DRAWING.
 0 1'
 IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

ASHLEY VALLEY WASTEWATER TREATMENT FACILITY
 VERNAL, UTAH

CIVIL
 EASEMENT
 MAP

SHEET 1
 DWG EASEMENT
 NO. 1
 DATE DEC 199
 PROJ 145
 NO. 1