

Santaquin City Resolution 08-06-2012

A RESOLUTION AUTHORIZING 'ADDENDUM #2 – COST SHARING FOR SUMMIT CREEK WATER MANAGEMENT PROJECT PHASE 1' TO THE SUMMIT CREEK WATER MANAGEMENT PROJECT MEMORANDUM OF UNDERSTANDING (MOU)

WHEREAS, Santaquin City, a political subdivision of the State of Utah, is responsible for all or part of the storm, culinary, irrigation, and waste water issues within its municipal boundaries; and

WHEREAS, Santaquin City entered into an MOU with the Summit Creek Irrigation and Canal Company, Utah County, and the Strawberry High Line Canal Company for the design, installation, operation, and maintenance of the Summit Creek Water Management Project (SCWMP); and

WHEREAS, Addendums to the SCWMP will be required from time to time to outline the policies, practices, steps, and commitments of the aforementioned participating entities to implement the goals and objectives of the SCWMP; and

WHEREAS, Addendum #2 outlines the cost sharing between all parties for the repairs to Summit Creek No. 1 Dam and for flood control preparation items;

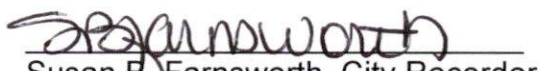
NOW THEREFORE, be it resolved by the City Council of Santaquin City the adoption of the attached "Addendum #2 – Cost Sharing for Summit Creek Water Management Project Phase 1" appending the MOU between Summit Creek Irrigation and Canal Company, Utah County, Genola Town, Santaquin City, and Strawberry High Line Canal Company for the Design, Installation, Operation and Maintenance of the Summit Creek Water Management Project.

ADOPTED AND PASSED by the City Council of Santaquin City, Utah, this 5th day of September, 2012.

SANTAQUIN CITY


James E. DeGraffenried, Mayor

Attest


Susan B. Farnsworth, City Recorder

**Addendum #2
Cost Sharing
for
Summit Creek Water Management Project
Phase 1**

Consistent with the terms of the MOU of the 9th day of February, 2012 for the Summit Creek Water Management Project (SCWMP), this addendum to the MOU defines a subsequent step in the Project.

RECITALS

Phase 1

- A. Summit Creek No. 1 Dam was breached in 1984 when flooding was occurring. All parties sustained damage during the flooding of 1984.
- B. The spring of 2011 created similar climatic and hydrologic conditions. However, a flood did not occur because of weather conditions which allowed for the snow pack to melt slow enough that no extreme peak stream flow events occurred. The phrase has been used, "we dodged a bullet." The result of the extreme snow pack was that sufficient concern was recognized to create a sense of urgency to address the problem. A work group has been meeting since that time resulting in an MOU of the parties to work together.
- C. Therefore, it would be wise and prudent to prepare for a future event like 1983, 1984, or 2011 because these types of events will occur again.
- D. The SCWMP is a result of the efforts of the work group.
- E. The following facilities comprise Phase 1 of the SCWMP.
 - a. Repair breached section of No. 1 Dam. Approval from the State Engineer has been obtained to repair the breached section of the dam.
 - b. Piping the Summit Creek feeder ditch to No. 2 Reservoir.
 - c. Repair of the outlet gate of No. 2 Dam to bypass flows.
 - d. Construction of a concrete diversion structure to bypass flows past No. 1 Dam to the west.
- F. Phase 1 of the SCWMP will benefit all parties to the MOU.
- G. The facilities being modified during Phase 1 of the SCWMP are owned and operated by the Summit Creek Irrigation and Canal Company (SCIC). The SCIC is not responsible to prevent floods. The SCIC is participating with the flood control elements of the SCWMP to protect their own facilities.

- H. Additional concepts of the SCWMP will utilize groundwater recharge of winter and spring flows to manage the reservoir capacity of both No. 1 Dam and No. 2 Dam to more effectively manage water.
- I. Funds have been obtained for the improvements listed in this Addendum. SCIC has taken the lead in obtaining these funds and will hold the loan. The terms of the loan from the Utah Board of Water Resources are 2.5% for 25 years.
- J. This addendum addresses cost sharing by the beneficiaries of the actions with the desired result to pay off the loan which has been obtained.

TERMS

The parties agree to the following terms:

Cost Allocation

- 1. The cost of damages and repairs to each entity when a flood occurs would greatly exceed the cost of sharing in preventing those damages.
- 2. Consistent with Item H above, fifty percent (50%) of the cost to construct the facilities from Item E above will be allocated to the future groundwater recharge and recovery project.
 - a. The cost sharing of the recharge and recovery plan will be determined as that plan is formulated, permits obtained, and implemented.
 - b. SCIC will make the payments for this 50% share until the recharge and recovery plan is in place (estimated within 2 years).
- 3. The remaining 50% (\$246,000) of the cost of Phase 1 components and the proportionate interest will be shared in the following payments:
 - a. Utah County
 - i. Payment -\$3340 per year for 25 years
 - b. Santaquin City
 - i. Payment -\$3340 per year for 25 years
 - c. High Line Canal
 - i. Payment -\$3340 per year for 25 years
 - d. SCIC
 - i. Payment -\$3340 per year for 25 years
- 4. The above amounts will be payable to SCIC by February 1 of each year beginning in 2013.

5. Participating in the funding of these projects through this addendum does NOT create any obligation to participate in any future projects. Any future participation in the SCWMP will be on a case by case basis.

6. Participating in the funding of these projects through this addendum does NOT create any additional or increased liability beyond what already may exist for each entity. For example, participating with a 25% share does NOT create a 25% liability or if no current liability exists, then none is created by participating.


SIGNATURES
Addendum #2

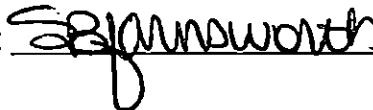
_____ Date
 Phil Rowley, President
 Summit Creek Irrigation & Canal Company

Attest _____ Date

_____ Date
 Larry Ellertson, Chairman
 Utah County Commission

Attest _____ Date

 _____ Date
 James DeGraffenried, Mayor
 Santaquin City

Attest  _____ 9-5-12
 Date

_____ Date
 Marty Larson, Chairman
 Strawberry High Line Canal Company

Attest _____ Date

7-3-12

- 5. Participating in the funding of these projects through this addendum does NOT create any obligation to participate in any future projects. Any future participation in the SCWMP will be on a case by case basis.
- 6. Participating in the funding of these projects through this addendum does NOT create any additional or increased liability beyond what already may exist for each entity. For example, participating with a 25% share does NOT create a 25% liability or if no current liability exists, then none is created by participating.

SIGNATURES
Addendum #2

Phil B. Rowley 7/3/2012
 Phil Rowley, President Date
 Summit Creek Irrigation & Canal Company

Attest *[Signature]* 7-3-2012
 Date

See attached sheet for Utah County signature

 Larry Ellertson, Chairman Date
 Utah County Commission

Attest _____ Date

James DeGraffenried 8-7-12
 James DeGraffenried, Mayor Date
 Santaquin City

Attest *[Signature]* 8/7/12
 Date

Marty Larson 7/3/2012
 Marty Larson, Chairman Date
 Strawberry High Line Canal Company

Attest *[Signature]* 7/3/12
 Date

Per Utah County's request the following is added to the Addendum #2.

TERMS

3.

a. Utah County

i. Payment -- \$3340 per year for 25 years

ii. Utah County's payments under this agreement are subject to annual appropriation of funds by the Utah County Board of Commissioners. In the event of non-appropriation of funds, Utah County will not be subject to penalty or additional expense and a right of action will not accrue to the other parties.

The signature by the Utah County representative below represents the supplementary clarification given by the addition of paragraph 3.-sub(a)(ii) above to the Addendum #2.

Larry E. Ellertson 12-18-12
Larry Ellertson, Chairman Date
Utah County Commission

Attest *Renee Mason* Dec. 18, 2012
Deputy Clerk/Auditor Date