

RESOLUTION No. 10-04-2010

A RESOLUTION TO ENTER INTO AN ELECTRICAL SERVICE CONTRACT WITH SOUTH UTAH VALLEY ELECTRICAL SERVICE DISTRICT

WHEREAS, the governing body of the City of Santaquin, Utah, acknowledges a need to provide maintenance and other related services to the City's Municipal Light System;

WHEREAS, the governing body of the City of Santaquin, Utah recognizes that proper planning to provide electrical services results in extensive long-term investment to assure reliable service at reasonable rates; and

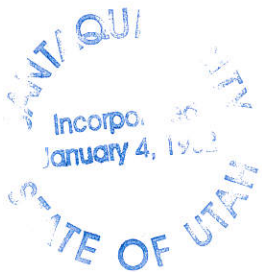
WHEREAS, the South Utah Valley Electrical Service District (SESD), through an Interlocal Agreement, currently provides electrical services to newly annexed portions of Santaquin City with exceptional quality and service;

NOW THEREFORE, BE IT RESOLVED by the City Council of Santaquin, Utah, that the relationship between Santaquin City and SESD expand to provide proper maintenance and other related services to the Santaquin City Municipal Light System through the adoption of the SESD Service Agreement of October 12, 2010.

(See attached)

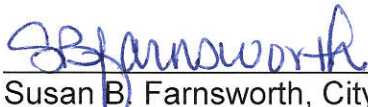
ADOPTED AND PASSED by the City Council of Santaquin City, Utah, this 20th day of October, 2010.

SANTAQUIN CITY




James E. DeGraffenried, Mayor

Attest


Susan B. Farnsworth, City Recorder

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT

SERVICE AGREEMENT

This South Utah Valley Electric Service District Service Agreement is entered into effective this 20 day of October, 2010, by and between SANTAQUIN CITY, a municipal corporation under the laws of the State of Utah ("City") and SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT, a Utah Local Improvement Electric District ("SESD").

In consideration of the mutual covenants to be kept and performed, the parties agree as follows:

1. Facts and Objectives.

This Agreement is made with respect to the following facts and objectives:

(a) SESD is an electric service district and provides electric services in south Utah County, Utah, including areas which are adjacent to Santaquin City ("SESD Service Area").

(b) City is a municipality and at City's request, SESD is presently providing maintenance and related services on Santaquin City's municipal light system ("Municipal Light System").

(c) SESD and City wish to memorialize and confirm the present arrangement for providing of services with respect to the Municipal Light System, and to assure one another of the future continuity of such arrangements in accordance with the terms of this Agreement.

(d) City and SESD recognize that proper planning to provide electric services results in extensive long-term investment to assure reliable and service at reasonable rates.

(e) The parties are entering into this Service Agreement to implement the mutual objectives of the parties.

2. SESD Duties.

SESD, as of the effective date, shall perform, or cause to be performed all required functions, including operation and maintenance required in order to maintain the Municipal Light System, including all operation, and maintenance (but not replacement) ("SESD Services").

3. Charges for SESD Services.

The amounts to be paid for the SESD Services are set forth on Exhibit "A" attached hereto and incorporated herein. Said amounts are subject to revision by mutual agreement on an annual basis, but any such revision shall be agreed to not later than sixty (60) days prior to the

(b) Indemnification and hold harmless. SESD agrees to protect, hold harmless, and indemnify the City (including its officers, agents, contractors, and employees) from and against all claims, losses, damages, causes of action, suits and liability of every kind, which may occur to, or be suffered by, any person or persons, corporation, or property by reason of any act or failure to act on the part of SESD. In case suit or action is brought against the City for damages arising out of or by reason of the above-mentioned causes, SESD shall, upon notice to it of the commencement of said action against the City, defend the same at its sole cost and expense, and hold harmless and indemnify the City from any attorney's fees and costs of litigation incurred by the City in connection with the litigation. In case judgment shall be rendered in such a suit or action against the City, SESD shall fully satisfy the judgment within Sixty (60) days after the suit or action shall have been finally determined, if determined adversely to the City. If SESD shall fail to satisfy the judgment within the designated time period set forth herein, this Agreement shall be deemed in breach and can be terminated by the City under Section 8 hereof.

(c) No waiver. Neither the City nor SESD shall be excused from complying with any of the terms and conditions of this Agreement by any failure of the other (including its affiliates, employers, or agents) to insist upon or seek compliance with any such term or condition.

(d) No third-party rights. It is the express intent of the City and SESD that neither this Agreement nor any of its provisions shall create any rights in third parties.

(e) Dispute resolution. In the event that there is any dispute between the City and SESD arising by reason of this Agreement, the parties shall resolve such dispute via arbitration.

(f) Assignment, lease/sublease, and transfer. This Agreement may not be assigned or transferred without the express written approval of the City, with such approval not unreasonably withheld; except that SESD may freely assign the arrangement in whole or in part to a parent, subsidiary or affiliated entity or as part of any internal corporate financing, reorganization, or refinancing. Any proposed assignment which requires City approval shall be submitted to the City together with written confirmation of the assignee's written acceptance of all terms and conditions of the Agreement and promise of compliance. The City shall have Ninety (90) days in which to approve in writing such a proposed assignment before the proposed effective date of the assignment. In the event of transfer or assignment in whole or in part to secure indebtedness, consent by the City shall not be required unless and until the secured party elects to realize upon collateral. SESD shall promptly file with the City any such assignment or transfer which does not require prior City approval within Thirty (30) days of its effective date.

(g) SESD as independent contractor. When performing under this Agreement, SESD's status shall be that of an independent contractor and not an agent, servant, employee or representative of the City in the performance of work pursuant to this Agreement. No term or provision of this Agreement, or act of SESD (or its employees, contractors, or subcontractors), shall be construed as changing that status.

(h) Modification of the Agreement. The City and SESD hereby reserve the right to alter, amend or modify the terms and conditions of this Agreement upon written agreement of

8. Miscellaneous.

(a) The headings of sections and subsections of this Agreement are for convenience of reference only and are not intended to restrict, affect, or be of any weight in the interpretation or construction of the provisions of such sections or subsections.

(b) This Agreement contains the entire agreement of the parties; and no other agreement (oral, written, or otherwise) regarding the subject matter of the Agreement shall be deemed to exist or to bind the parties hereto. The Agreement may not be changed, modified, discharged, or extended, except by written amendment, duly executed by the parties.

(c) If any term, condition, or provision of this Agreement, to any extent, be held to be invalid, illegal, or unenforceable (referred to herein as an "impaired provision"), the remaining terms, conditions and provisions shall remain valid in all other respects and continue to be effective. With respect to the impaired provision, the City and SESD shall enter into good faith negotiations and proceed with due diligence to draft a term, condition or provision that will achieve the original intent of the parties hereunder. In the event of a subsequent change in applicable law so that the impaired provision is no longer impaired, and the impaired provision has not been renegotiated by mutual agreement of the City and SESD, upon reasonable notice by the City said provision shall thereupon return to full force and effect without further action by the City and shall thereafter be binding on SESD and the City.

(d) Governing law. This Agreement shall, in all respects, be construed and interpreted in accordance with the laws of the State of Utah.

"CITY"

"SESD"

City of Santaquin

South Utah Valley Electric Service District

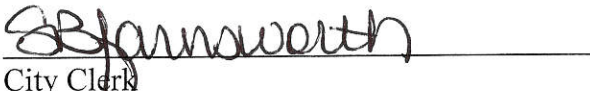


Mayor

By: 

Chairman, Board of Trustees

Attest:



City Clerk

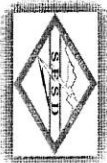
Approved as to Form:



City Attorney



South Utah Valley Electric Service District



Santaquin City Street Lighting Installation & Maintenance Proposal

"EXHIBIT A"

Type	Item Description	Units	Cost
Local Street Lights	70 W HPS 120V		

Wire Installation	FT	\$	1.00
Street Light Installation	Each	\$	625.00
(3) #8 thwn cu. Wire	FT	\$	Current Market Price
1" conduit	FT	\$	1.50
Trenching	FT	\$	4.00
1-1/2" conduit & install	FT	\$	2.00

Type	Item Description	Units	Cost
Collector Street Lights	250 W HPS 240V		

Wire Installation	FT	\$	1.25
Basic Installation	Each	\$	825.00
(4) #6 thwn cu. Wire	FT	\$	Current market price
1" conduit	FT	\$	1.50
Trenching	FT	\$	4.00
1-1/2" conduit & install	FT	\$	2.00

Type	Item Description	Units	Cost
Labor & Equipment			

Labor	Journeyman Lineman	HR	\$	57.00
Equipment	45 FT Bucket Truck	HR	\$	50.00
Equipment	Line Truck	HR	\$	75.00
Equipment	Pickup Truck	HR	\$	30.00
Equipment	Case Backhoe	HR	\$	65.00
Equipment	Case Skidsteer	HR	\$	30.00

Notes: If installing lighting in existing areas, the cost shall be an hourly rate plus any required costs to repair any existing grass, sprinklers, landscaping, concrete, asphalt, etc.

Type	Item Description	Units	Cost
Arterial Street Lights	250 W HPS 240V		

Wire Installation	FT	\$	1.25
Basic Street Light Installation	Each	\$	1,150.00
UDOT Street Light Installation	Each	\$	1,200.00
(4) #6 thwn cu. Wire	FT	\$	Current market price
1-1/2" conduit	FT	\$	2.00
Standard rigid metal sweeps	Each	\$	50.00
120 volt GFCI receptacle	Each	\$	35.00
Wire Installation	FT	\$	1.25
Trenching	FT	\$	4.00
Tunneling or boring	FT	\$	15.00
Strong Box & Installation	Each	\$	2,500.00
3" pvc Strong Box Conduit Installation	FT	\$	3.50

Type	Item Description	Units	Cost
Maintenance			

	Light Bulbs	EA	\$	Current Market Price
	Photo Cells	EA	\$	Current Market Price
	Ballast	EA	\$	Current Market Price
Labor	Journeyman Lineman	HR	\$	57.00
Equipment	45 FT Bucket Truck	HR	\$	50.00
Equipment	Line Truck	HR	\$	75.00

Approved by Dan Ellsworth Date 8/24/2010