

# LAVERKIN CITY



KYLE GUBLER  
CITY ADMINISTRATOR

KELLY B. WILSON  
MAYOR

MICAH GUBLER  
RICHARD M. HIRSCHI  
PATRICIA WISE  
BLAIR GUBLER  
CHUCK HARDY  
COUNCIL MEMBERS

## Resolution No. R-2023- 15

### A RESOLUTION APPROVING AND ADOPTING A PLANNING LOAN AGREEMENT WITH THE UTAH STATE DRINKING WATER BOARD, TO ASSIST IN THE PREPARATION OF WATER SYSTEM MASTER PLAN, IMPACT FEE FACILITIES PLAN, AND IMPACT FEE ANALYSIS

**WHEREAS**, the City of LaVerkin (“the City”) has applied for, and the Utah State Drinking Water Board (“the Board”) has authorized (subject to the availability of funds) a no-cost loan to the City of up to Sixty-four Thousand Six Hundred Dollars (\$64,600.00); and

**WHEREAS**, the Board has prepared and provided the City with a loan agreement, entitled *Planning Principal Forgiveness Agreement – Drinking Water State Revolving Fund - State of Utah - Department of Environmental Quality - Drinking Water Board* (“Planning Loan Agreement”) [attached hereto at **Exhibit A**], which provides for a no-cost, no-interest loan to the City of up to Sixty-four Thousand Six Hundred Dollars (\$64,600.00), with One Hundred Percent (100%) principal forgiveness, for the purpose of preparing an updated City water system master plan, impact fee facilities plan, and impact fee analysis; and

**WHEREAS**, the loan is more in the nature of a grant and does not require a percentage match from the City; and

**WHEREAS**, the Director of Operations opines that this no-cost loan would benefit the City financially and assist it in ensuring that the City’s planning, water system, and fees (associated with the construction, maintenance, and repair of said system) are up-to-date, adequate and sufficient, and justifiable and appropriate, and encourage conservation and the wise use of the City’s and State’s culinary water resources; and

**WHEREAS**, relevant Staff of the City have reviewed the proposed Planning Loan Agreement and have found it be reasonable, workable, and in the best interests of the City, and indicate their support and recommend its approval by the City Council; and

**WHEREAS**, the City and State of Utah have a positive and lengthy history of working together to accomplish ends beneficial to each; and

**WHEREAS**, it appears that the proposed Planning Loan Agreement is or might be governed by the provisions of Title 11, Chapter 13, of the *Utah Code Annotated* (1953, as amended), known as the *Utah Interlocal Cooperation Act* (hereinafter referenced as "ICA" or "Act"), thus possibly requiring that (a) it be set forth in a writing consistent with the requirements with the provisions of the ICA, and (b) any action to approve it be taken by resolution or ordinance of the governing body of each local government entity that was a party thereto; and that the purposes of the proposed Planning Loan Agreement appear consistent with the purposes and intent of the ICA, as set forth in said Act; and

**WHEREAS**, having reviewed the same, the City Council affirms and declares that (a) it is of the considered opinion and determination that participation in the proposed Planning Loan Agreement provides an adequate funding basis for the research, preparation, and prudent planning and analysis needed to prepare and/or update the City's water system master plan, impact fee facilities plan, and impact fee analysis; and (b) its adoption is in the best interests of the City and its residents businesses, and guests and/or visitors.

**BE IT THEREFORE RESOLVED** that the City Council of the City of LaVerkin hereby (a) **affirms and declares its support** for the proposed Planning Loan Agreement, entitled *Planning Principal Forgiveness Agreement – Drinking Water State Revolving Fund - State of Utah - Department of Environmental Quality - Drinking Water Board* ("Planning Loan Agreement") [attached hereto at **Exhibit A**, the contents of which are incorporated herein as though fully set forth]; (b) **accepts** the terms of and **adopts** and **approves** the proposed Planning Loan Agreement with the Utah State Drinking Water Board ("the Board"); and (c) **authorizes** the signature of the Mayor or the City Administrator thereon on behalf of the City Council.

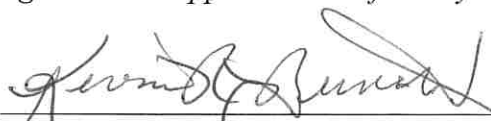
**APPROVED AND SIGNED** this 14 day of September, 2023.

  
\_\_\_\_\_  
KELLY WILSON, Mayor

ATTEST:

  
\_\_\_\_\_  
CHRISTY BALLARD, City Recorder

Agreement is approved as to form by:

  
\_\_\_\_\_  
KEVIN R. BENNETT, City Attorney

# **Exhibit A**

Contract #

SRF #           3F2012P  
Amount:       \$64,600.00  
Recipient:     La Verkin City  
Tax ID #       87-0302950

PLANNING PRINCIPAL FORGIVENESS AGREEMENT

DRINKING WATER STATE REVOLVING FUND

STATE OF UTAH

Department of Environmental Quality  
Drinking Water Board

This principal forgiveness agreement is entered into by and between the State of Utah,  
Department of Environmental Quality, Drinking Water Board (hereinafter the "BOARD") and

La Verkin City

an applicant for principal forgiveness under the  
Drinking Water Board provisions contained in R309-705 of the Utah Administrative Code as authorized  
by Utah Code Title 73, Chapter 10c (hereinafter the "RECIPIENT"). Pursuant to the provisions of the  
Statute, and the powers and functions of the Drinking Water Board, the BOARD hereby finds and  
determines, based upon the formal application of the RECIPIENT, the evidence provided by the  
RECIPIENT to the BOARD and its staff, and information developed by the BOARD in its own  
investigations and at the hearings on the application of the RECIPIENT, the following, that:

1. The RECIPIENT is eligible for financial assistance pursuant to the Safe Drinking Water Act  
Section 1452 42 USCA 300j et seq.
2. The BOARD has determined that principal forgiveness is necessary to determine the economical  
feasibility of the proposed Project as described hereafter as Exhibit-1.
3. The RECIPIENT has been authorized by the BOARD pursuant to Section R309-705 of the Utah  
Administrative Code and as authorized by Utah Code Title 73-10c-4 to receive principal  
forgiveness.

Based upon these findings, the BOARD is authorized and empowered to, and does hereby, enter into the  
following agreement with the RECIPIENT.

## GENERAL PROVISIONS

1. The BOARD shall provide the RECIPIENT the amount of \$64,600 (PRINCIPAL FORGIVENESS AMOUNT) for the completion of the Project as described in Exhibit-1, Work Description and Cost Breakdown.
2. The RECIPIENT shall complete the Project described in Exhibit-1, Work Description and Cost Breakdown. If work on the Project is not completed by Dec 31, 2027, this principal forgiveness may be canceled by written notice from the BOARD to the RECIPIENT. No work completed after receipt of the notice shall be reimbursable. 2ve
3. The RECIPIENT shall notify the BOARD in writing of any proposed modifications to the Project which alters Exhibit-1, Work Description and Cost Breakdown. If such notification is not received, the cost of the proposed modification will be disallowed.
4. The PRINCIPAL FORGIVENESS AMOUNT shall be deposited with other funds necessary to complete the Project into a supervised escrow account at the time this principal forgiveness agreement is executed. All disbursements from the escrow account must be reviewed and approved in advance by the RECIPIENT and the BOARD. Upon completion of the Project unused principal forgiveness funds which remain in the escrow account must be returned to the BOARD. Funds returned as surplus to the BOARD shall be applied as a reduction of the PRINCIPAL FORGIVENESS AMOUNT.
5. The RECIPIENT shall comply with all laws which normally govern its affairs in regard to contracts, fiscal procedures and procurement procedures.
6. The RECIPIENT shall indemnify and hold harmless the State of Utah, the Department of Environmental Quality, the Division of Drinking Water, the BOARD and their officers, agents and employees from and against any and all loss, damage, injury, liability, and claims, including claims for personal injury or death, damages to personal property and liens of workmen and materialmen, howsoever caused, resulting directly or indirectly from the performance of this principal forgiveness agreement by the RECIPIENT, or the operations of the Project and the culinary water system for which this Project is a part including attorneys fees and costs in the investigation or defense of any claim, whether or not the claim has merit.
7. The RECIPIENT shall be an independent contractor, and, as such, shall have no authorization, express or implied, to bind the State of Utah, the Department of Environmental Quality, the Division of Drinking Water, or the Drinking Water Board to any agreement, settlement, liability, or understanding whatsoever, nor to perform any acts as agent for the State of Utah, except as herein expressly set forth.

8. RECIPIENT expenditures under this principal forgiveness agreement determined by audit to be ineligible for reimbursement because they were not authorized by the terms and conditions of the agreement, or that are inadequately documented, and for which payment has been made to the RECIPIENT will be immediately refunded to the BOARD by the RECIPIENT upon written demand of the BOARD. The RECIPIENT further agrees that the BOARD shall have the right to withhold any or all subsequent payments under this or other contracts to RECIPIENT until recoupment of overpayment is made.
9. This principal forgiveness agreement may be altered, modified, or supplemented only by written amendment, executed by the parties hereto, and attached to the original signed copy of this agreement. No claim for services furnished by the RECIPIENT, not specifically authorized by this agreement will be allowed by the BOARD.
10. If it is determined that in any manner the principal forgiveness agreement was improperly made or entered into, or if the monies are or were used improperly or contrary to the terms of this agreement, the RECIPIENT shall pay to the BOARD the amount of all monies and benefits received by the RECIPIENT from the BOARD.
11. The RECIPIENT agrees, in accepting the proceeds, to comply with all applicable state and federal regulations related to the Utah State Revolving Fund administered by the Drinking Water Board. These requirements include, but are not limited to, Title XIV of the Safe Drinking Water Act of 1996, OMB Circular A-133, the Utah Federal State Revolving Fund Program (R309-705 of the Utah Administrative Code), the Utah Money Management Act, the Utah Procurement Code and the State of Utah Legal Compliance Audit Guide.

EXECUTION

NOW, THEREFORE, by virtue of the authority contained in Utah Code Title 73, Chapter 10c, as amended, the parties hereto mutually agree to perform this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. This contract will take effect upon approval as evidenced by the appropriate signatures.

RECIPIENT

La Verkin City  
435 N. Main  
La Verkin, Utah 84745

By: \_\_\_\_\_

Date: \_\_\_\_\_  
Kyle Gubler  
City Manager Administrator

STATE

APPROVED - DRINKING WATER BOARD

By: \_\_\_\_\_

Date: \_\_\_\_\_  
Michael J. Grange, P.E.  
Assistant Executive Secretary

APPROVED - DIVISION OF FINANCE

By: \_\_\_\_\_

Date: \_\_\_\_\_  
Sheri Witucki

By: \_\_\_\_\_

Date: \_\_\_\_\_  
Troylinn Benson  
Treasurer

**JURAT**

STATE OF UTAH )  
 )  
 ) :ss  
COUNTY OF: WASHINGTON )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, personally appeared before me Kyle Gubler and Troylinn Benson, who being by me duly sworn did say they are the duly authorized City ~~Administrator~~ *Manager* and Treasurer/Recorder respectfully, of La Verkin City, a political subdivision of the State of Utah or a Utah Corporation, and that the foregoing instrument was signed in behalf of said political subdivision or corporation by authority of a motion of its governing body passed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and said persons acknowledged to me that said political subdivision or corporation executed the same.

Notary Public, residing at:

Date: \_\_\_\_\_

My Commission Expires:

Figure 2.1.2



Exhibit No. 1

WORK DESCRIPTION & COST BREAKDOWN

La Verkin City

**PRINCIPAL FORGIVENESS**

PROJECT DESCRIPTION

La Verkin City has requested and been approved for principal forgiveness from the Drinking Water Board. This principal forgiveness is for the cost of preparing a water system master plan, impact fee facilities plan, and an impact fee analysis. To partially fund this work, the Board authorized a planning loan with 100% principal forgiveness of \$64,600.00 to La Verkin City.

SCOPE OF WORK

(Please attach a copy of the scope of work)



## SCOPE OF WORK

1. Perform Project Management
  - a. Miscellaneous Administration
  - b. Schedule Preparation & Maintenance
  - c. Internal Coordination
  - d. Regular Progress Reports
  - e. Maintaining Communications & Records
2. Conduct Site Visits & Meetings
  - a. Regular Progress Meetings
  - b. City Council Meeting Presentation
3. Gather and Review Data
  - a. Review Prior & Related Studies
  - b. Review Existing Rate & Impact Fee Ordinances
  - c. Receive & Review Anecdotal Information from CLIENT
  - d. Identify Known System Needs & Project Priorities
4. Prepare Growth Analysis
  - a. Review Population History & Pending Development Potential
    - i. Include SITLA & Private Development Areas in Upper Bench
  - b. Establish Study Growth Rate
5. Project System Demands
  - a. Review Prior Three Years' System Usage
  - b. Project Water Demand to Buildout
    - i. Base Analysis on Current Zoning and Maximum Development Potential
    - ii. Include Water Conservation Usage Reduction
  - c. Consider Average and Peak Day Demands
  - d. Evaluate Usage per Development Type
    - i. Include Residential, Commercial, Short-Term Rental and Accessory Dwelling Unit Usage.
  - e. Recommend Water Conservation Target
6. Prepare a 5-Point System Analysis
  - a. Water Rights
    - i. Review Water Rights Ownership per Utah Division of Drinking Water
    - ii. Review Contracted Access to Wholesale Water (Cottam Well, Etc.) for Purchase
    - iii. Identify Need for Water Rights in 20-Year Planning Horizon
  - b. Source Capacity
    - i. Review Water Sources
    - ii. Identify Need for Additional Source in 20-Year Planning Horizon
  - c. Treatment Capacity
    - i. Review Water Quality & Treatment Needs
      1. Assume Cottam Well or other Wholesale Water Does Not Need Treatment
    - ii. Identify Need for Treatment in 20-Year Planning Horizon
  - d. Storage Capacity
    - i. Review Volume and Location of Storage Facilities
    - ii. Identify Need for Storage Improvements in 20-Year Planning Horizon
      1. Consider Upper Bench Tank Location & Sizing
      2. Consider WCWCD 1.0MG Addition to Upper Bench Tank
      3. Consider Pressure Zones & Capability to Transfer Among Tanks

- iii. Identify Need for Storage in 20-Year Planning Horizon
  - e. Distribution Capacity
    - i. Update & Calibrate CLIENT's Network Hydraulic Model
    - ii. Prepare Maps Illustrating Actual Usage Distribution
    - iii. Evaluate Existing System Capacity Relative to Utah Performance Standards
    - iv. Identify Immediate and Future Distribution System Needs in 20-Year Planning Horizon
      - 1. High-Priority Improvements Include Line Replacements in Stohl's Development (330 North), Line Replacement in SR-17, Line Looping in 480 South, Lead & Copper Rule Revision Improvements, Consolidate the Triple Line Distribution in South State Street and Hydrant & Meter Replacement Programs
- 7. Recommend System Improvements
  - a. Based on the 5-Point Analysis, Recommend and Prioritize System Improvements
- 8. Prepare Financial Analysis
  - a. Prepare Opinions of Probable Cost for Recommended Improvements
  - b. Prepare a 20-Year Cash Flow Analysis
  - c. Evaluate the Existing Water Rate Structure
    - i. Consider Specific Rate Structures for Residential, Commercial, Industrial, Institutional, Short-Term Rental and Accessory Dwelling Units
  - d. Recommend a Possible Financing Plan for Recommended Improvements
  - e. Recommend a Rate Structure Adjustment If Necessary
  - f. Recommend an Annual Rate Increase
- 9. Review Ordinances Related to the Water System
  - a. Recommend Modifications to or Additions to Ordinances
    - i. Include Lead Line Replacement Ordinance
    - ii. Consider Development-Brought Water Right Ordinance
    - iii. Consider Ordinances Related to Short-Term Rental Usage & Accessory Dwelling Unit Ordinances
- 10. Prepare an Impact Fee Facilities Plan (IFFP) and Impact Fee Analysis (IFA)
  - a. Base the IFFP and IFA on a 10-Year Planning Horizon
  - b. Establish an Existing Level of Service
  - c. Establish a Desired Level of Service
  - d. Identify Improvements Required to Support New Growth
  - e. Calculate the Maximum Allowable Impact Fee
    - i. Include Capital Costs for New Improvements
    - ii. Include Existing Excess Capacity and Debt Service
    - iii. Include Necessary Property Acquisitions
    - iv. Include Financing Costs
    - v. Include Study Costs
  - f. Calculate Impact Fees Specific to Residential Units, Commercial Units, Short-Term Rental Units, and Accessory Dwelling Units.
  - g. Provide an Impact Fee Certification
- 11. Prepare a Final Report
  - a. Develop Draft Report Presenting Background, Methodology, Findings, Conclusions & Recommendations
  - b. Deliver Draft Report to CLIENT for Review & Comment
  - c. Incorporate CLIENT's Comments Into Final Report
  - d. Present Final Report to CLIENT's City Council
  - e. Deliver a .PDF Copy of Final Report to CLIENT.

12. Additional Services

- a. Coordination, Meetings, Responding to, etc. third parties (SUHBA, Etc.)
- b. Preparation for and attendance at more than one City Council meeting.
- c. Performing more than one draft report review iteration or iterations following presentation of the final report to CLIENT's City Council.