

APPENDIX A

Ash Creek Special Service District Rate & Impact Fee Schedule & Agreement

SCHEDULE I

Surcharge Rate Structure for Above Normal Strength Wastes

The Ash Creek Special Service District, by and through its Engineer, has determined the average total suspended solids (TSS) and biochemical oxygen demand (BOD) daily loadings for the average residential user to be 120 mg/1 BOD and 150 mg/1 TSS. The District, by and through its Engineer, has assessed a surcharge rate for all non-residential users discharging wastes with BOD and TSS strengths greater than the average residential user. The surcharge will be sufficient to cover the costs of treating such users above normal strength wastes. Such users will pay an additional service charge of \$0.011 per 1,000 gallons for each 25 mg/1 above 120 mg/1 BOD and \$0.007 per 1,000 gallons for each 25 mg/1 above 150 mg/1 TSS.

SCHEDULE II

Monthly Rate Schedule

| <u>User Class</u> | <u>Monthly Rate</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| I. Permanent Residential -- all residential dwelling units intended or used primarily for permanent, continuous or nonseasonal occupancy, per unit (including single family homes, mobile homes, permanent trailers, permanent RVs, condominiums, townhomes, apartments, etc.) | \$15.00 |
| II. Transitory Residential -- all residential dwelling units intended or used primarily for transitory, overnight or seasonal occupancy, per unit (including RV parks, overnight R.V. rentals and camp units, etc.) | \$ 7.50 |
| III. Commercial, Schools, Churches, Motels | |
| For up to first 12,000 gallons of water used * | \$19.06 |
| For each additional 1000 gallons of water used above 12,000 gallons | \$ 1.77 |

* For commercial, schools and churches, monthly water usage shall be based on the average monthly water use during months of December, January and February of each year. For motels, monthly water usage shall be based on the average monthly water use during the months of May, June and July of each year.

IMPACT FEE SCHEDULE

| TYPE OF ESTABLISHMENT | METHOD OF DETERMINATION | GALLONS' | REU ² | IMPACT FEE |
|-----------------------|------------------------------------------------------------------|----------|------------------|------------|
| Permanent Residence | Per residence | 400 | 1 | \$1,500.00 |
| Hotels & Motels | Per room | 150 | 0.375 | \$562.50 |
| RV Parks | Per space | 100 | 0.25 | \$375.00 |
| Airports | Per passenger | 3 | 0.0075 | \$11.25 |
| | Per employee | 15 | 0.0375 | \$56.25 |
| Boarding Houses | For each resident boarder and employee | 50 | 0.125 | \$187.50 |
| | Additional for each nonresident boarder | 10 | 0.025 | \$37.50 |
| Bowling Alleys | With snack bar (per alley) | 100 | 0.25 | \$375.00 |
| | With no snack bar (per alley) | 85 | 0.2125 | \$318.75 |
| Churches | Per person | 5 | 0.0125 | \$18.75 |
| Country Clubs | Per resident member | 100 | 0.25 | \$375.00 |
| | Per nonresident member present | 25 | 0.0625 | \$93.75 |
| | Per employee | 15 | 0.0375 | \$56.25 |
| Dentist's Office | Per chair | 200 | 0.5 | \$750.00 |
| | Per staff member | 35 | 0.0875 | \$131.25 |
| Doctor's Office | Per patient | 10 | 0.025 | \$37.50 |
| | Per staff member | 35 | 0.0875 | \$131.25 |
| Fairgrounds | Per person | 1 | 0.0025 | \$3.75 |
| Fire Stations | With full-time employees and food preparation (per person) | 70 | 0.175 | \$262.50 |
| | With no full-time employees and no food preparation (per person) | 5 | 0.0125 | \$18.75 |

IMPACT FEE SCHEDULE

| TYPE OF ESTABLISHMENT | METHOD OF DETERMINATION | GALLONS ¹ | REU ² | IMPACT FEE |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------|------------------|------------|
| Gyms | Per participant | 25 | 0.0625 | \$93.75 |
| | Per spectator | 4 | 0.01 | \$15.00 |
| Hairdresser | Per chair | 50 | 0.125 | \$187.50 |
| | Per operator | 35 | 0.0875 | \$131.25 |
| Hospitals | Per bed space | 250 | 0.625 | \$937.50 |
| | With showers per 8 hour shift (per person) | 35 | 0.0875 | \$131.25 |
| Industrial Buildings (exclusive of industrial waste) | With no showers per 8 hour shift (per person) | 15 | 0.0375 | \$56.25 |
| | Per washer | 580 | 1.45 | \$2,175.00 |
| Movie Theaters | Auditorium (per seat) | 5 | 0.0125 | \$18.75 |
| | Drive-in (per car) | 10 | 0.025 | \$37.50 |
| Nursing Homes | Per bed space | 280 | 0.7 | \$1,050.00 |
| | With cafeteria (per employee) | 25 | 0.0625 | \$93.75 |
| Office Buildings and Business Establishments (sanitary wastes only, per shift) | With no cafeteria (per employee) | 15 | 0.0375 | \$56.25 |
| | Per person | 5 | 0.0125 | \$18.75 |
| Picnic Parks (toilet wastes only) | Restaurants without 24 hour service (per seat) | 35 | 0.0875 | \$131.25 |
| | Restaurants with 24 hour service (per seat) | 50 | 0.125 | \$187.50 |
| Rooming House | Single service customer utensils only (per customer) | 2 | 0.005 | \$7.50 |
| | Or, per customer served (includes toilet and kitchen wastes) | 10 | 0.025 | \$37.50 |
| Rooming House | Per person | 40 | 0.1 | \$150.00 |

IMPACT FEE SCHEDULE

| TYPE OF ESTABLISHMENT | METHOD OF DETERMINATION | GALLONS ¹ | REU ² | IMPACT FEE |
|---------------------------------|---------------------------------------------------------|----------------------|------------------|------------|
| Schools | Boarding (per person) | 75 | 0.1875 | \$281.25 |
| | Day, without cafeteria, gym or showers (per person) | 15 | 0.0375 | \$56.25 |
| | Day, with cafeteria, but no gym or showers (per person) | 20 | 0.05 | \$75.00 |
| | Day, with cafeteria, gym and showers (per person) | 25 | 0.0625 | \$93.75 |
| Service Stations | Per vehicle served | 10 | 0.025 | \$37.50 |
| | No kitchen wastes (per person) | 10 | 0.025 | \$37.50 |
| Skating Rink, Dance Halls, etc | Additional for kitchen wastes (per person) | 3 | 0.0075 | \$11.25 |
| | Per person | 10 | 0.025 | \$37.50 |
| Ski Areas (no kitchen wastes) | Per public toilet room | 500 | 1.25 | \$1,875.00 |
| | Per employee | 11 | 0.0275 | \$41.25 |
| Swimming Pools and Bathhouses | Per person | 10 | 0.025 | \$37.50 |
| | Per seat | 20 | 0.05 | \$75.00 |
| Taverns, Bars, Cocktail Lounges | Per visitor | 5 | 0.0125 | \$18.75 |
| Visitor Centers | | | | |

¹Gallon per day usage based on *State of Utah Rules for Public Drinking Water Systems, Part II, Section R309-105*

²REU = Residential Equivalent Unit

December 11, 1997

RE: Leeds impact fee adjustment meeting with Ash Creek SSD

Last night Wednesday December 10th I met with the Ash Creek SSD to get them to consider giving Leeds a credit for the capitol improvements that they are making to the system. The staff recommended that the only consideration that be given was the difference in the cost of material for what Leeds needed and what would be built for future capacity. The staff estimate did not include any compensation for the installation of the larger pipe. We pointed out the we only needed 4 inch pressure pipe instead of 8 and the cost of boring under a highway was a lot cheaper for a 4 inch than an 8 inch. Their engineer did not allow any for the state highway crossing which will be very expensive. I attempted to exclude the 8 inch line extension from the virgin river gorge to the lagoons as they were only giving Leeds a \$6,800 dollar credit for building this line. I pointed out that Leeds did not even have to build the line and requested that the credit for this amount be eliminated from their calculation and Leeds would not install the line. I indicated that the existing 6 inch line would not have to be upgraded until about 2010. Darwin Hall indicated that they wanted Leeds to install the line now and they did not like Leeds coming in asking for a credit on the impact fee.

The motion was made to give a reduction in the amount recommended by Brent Gardner. This was done and seconded and passed unanimously. The dollar amount of the reduction approved was for \$412.00. The dollar amount requested was for \$720.

Notes by: Tristan DeMille

**LEEDS WASTEWATER FEES
DECEMBER 1997**

As you are aware, Leeds Town has received funding to install a wastewater collection system. This funding is contingent upon the public's support toward paying for the system. Before the Town can present correct figures to the public with regards to user fees and impact fees, they would like to review with the Board a change in the proposed impact fee schedule.

The items we would like to discuss are:

1. A credit toward the \$1,500 impact fee for Leeds contribution to the collection system.
2. An agreement between the two parties identifying terms and conditions for fee collection and proportioning of the impact fee for the excess capacity in the Leeds wastewater collection.

The Town is asking for a break toward the impact fee because they will be paying for the improvements identified in the District's Capital Facilities Plan and Impact Fee Analysis. Their user fees will be paying for the improvements. The Impact Fees Act, section 11-36-202(2)(d), states that an impact fee can be adjusted if "...calculation of the amount of the impact fee imposed on a particular development that permits adjustment of the amount of the fee based upon studies and data submitted by the developer." The authorizing political subdivision needs to "ensure that the impact fees are imposed fairly".

The data that Leeds would like to submit to you that justifies a credit toward the \$1500 impact fee is shown below. Each capital facilities project comes from the Capital Facilities Plan and Impact Fee Analysis.

LEEDS TOWN WASTEWATER EXCESS CAPACITY FEES

| Identified Improvement | Value (\$) | Capacity in ERU's | Rate, Cost (\$)/ERU |
|------------------------------------------|--------------|-------------------|---------------------|
| Leeds internal pressure, 4" | \$11,300.00 | 397 | \$28.00 |
| Leeds to Harrisburg (Gravity) | \$356,000.00 | 1000 | \$356.00 |
| Pavement Repair State Highway | \$90,000.00 | 1000 | \$90.00 |
| 2500 Feet of 8" Pressure Line | \$47,000.00 | 1270 | \$37.00 |
| 8" dia. State Highway Crossing | \$28,000.00 | 1270 | \$22.00 |
| Pump Station (Leeds Interior) | \$25,000.00 | 397 | \$63.00 |
| Pump Station (Leeds to Harrisburg) | \$125,000.00 | 1000 | \$125.00 |
| TOTAL | | | \$721.00 |
| <i>ERU = Equivalent Residential Unit</i> | | | |

The Town is asking for the District to reduce the impact fee for the residents of Leeds by \$720 for a fee of \$780. Leeds sees this as an opportunity to sell the project and wastewater collection system to the public.

After a one year grace period, new development (new homes, businesses) would have to pay the total impact fee of \$1,500. The fees would be divided with \$720 going to Leeds and \$780 going to Ash Creek. The fees should be proportioned to compensate Leeds Town for the excess capacity that they are building into the Wastewater System.

The Town and Ash Creek Special Service District should complete an agreement for administrative procedures, fee collection, proportioned costs of the impact fee for both the Town and the District for new development, construction standards, service guidelines, and other terms and conditions that are necessary.

Ash Creek SSD

Board Meeting

January 27, 2000

Present: Kelly Wilson, Doug Wilson, Ken Powell, Ethelyn Humphries, Charles Wahlquist, Doug Garner, Darwin Hall, Darrel Humphries, and Fay Reber. Blair Gubler came in later.

In Audience: John Spendlove, Don Tait, Roland Hall, Annie and Husband, Frank Lindhardt, Charlie Scott, Mr. Zitting Finton Moss, Mike Empy, Brent Gardner, Susan Fry, Owners of Leeds RV,

Prayer: Charles Wahlquist

The minutes from the December 8, 1999 meeting were discussed.

Motion by Charles Wahlquist by to approve the minutes. Second by Doug Wilson. Motion carried by unanimous vote.

Don Tait came before the board to discuss the American Legion building that is being built at about 700 North 200 West in Hurricane. They are requesting that the impact fee for the building be waived. He had a list of things that the legion has done for the city. They have donated the land for the rodeo grounds/pool and golf course. He also thought that the District has benefitted from the Legion, because the Legion extended the line into the area that the new legion building is being built. Doug Garner asked which way the legion wanted to hook into the system. They could either extend the line on 200 West to the legion property, or connect to the Hurricane Pool line on 150 West. Don thought that they would like to go to the east and drain into the pool 6" lateral. Darwin thought if the city and the legion would work together in getting an easement that would not be a problem. Don thought the building would only be used once or twice a month. The city has an agreement with the legion to give the legion their impact and monthly fees for the land that was given to the city. Roland Hall said that the building would be available for others to rent in the community. The Board reminded Don that the District was made up of more than Hurricane City and the needed to make sure that the Board was fair to the other communities in the District. Don talked about the advantages that LaVerkin and Toquerville also received from the Legion. Fay talked about the legalities of waiving an impact fee. He thought that the Board did have the authority to waive a fee if an unusual circumstance was shown.

Motion by Doug Wilson to waive the impact fee, but not the monthly fee. Second by Ken Powell. Motion carried by unanimous vote.

John Spendlove came before the Board to discuss the Leeds annexation. Their town council met and still had a few questions for the Board.

1. Would the impact fee be a flat fee for the town or based on the numbers of ERUs that are connected?

The agreement says that the actual impact fee amount will be based on the number of connections that are made to the sewer. The Board agreed the impact fee should be based on that

Ash Creek SSD
Board Meeting
January 27, 2000
Page 2

number and not an estimated number from a year ago. John said that the percentage of the impact fee that would be paid at connection would be 63% with 37% being paid over time to the District. John asked if the town could stay with that percentage of payment if other homes were found and needed to be added to the total. The Board did not see a problem with allowing the percentages to stay the same. The amounts for each ERU would be approximately \$685.00 paid at the time of connection and \$403.00 paid over time to the District. The Board talked about when the impact fee should be raised to match that paid by the rest of the District. The agreement says that after connection the impact fee will be the same as the rest of the District. Brent thought that it should be the start of construction, and not give the reduced fee to people that build during construction. Mike Emphy with the Leeds Town Council thought that if the total town impact fee could be set and agreed upon, then they would be able to talk to the people and tell them how much it would be. The Board felt that the people that build between now and when the system is constructed should pay an impact fee and not let them slip through the crack. The Board decided to wait until the city was connected to charge the higher impact fee, and if someone builds a home during construction and does not need to put a septic tank in then they would need to pay a full impact fee. The board said to do an actual count of the homes that are there, and then a set amount for the impact fee can be set. John said that he would work with Darwin on getting a count of the homes that will be connecting to the system..

2. In the Rules of Operation it states that anyone within 300 feet of the sewer line would be required to connect to the system. John asked if that was from the property line or building?

Fay said that in the past the District has made variances to the building, but the state law is to the property line. More recently the District has gone from the property line to protect some water quality. Charlie talked about someone whose property was near the sewer line but his home was 1/4 mile away. The Board thought that individual cases could come before the Board and variance may be made if needed.

3. Will interest be given for people that sign a septic fee agreement?

The Rules of Operation do not say that interest is given, but the agreement that people sign do state that it would be returned with interest after 10 years. Doug Wilson thought that interest should be part of the agreement. Fay thought that if it was in the agreement then the Rules should be changed to include interest. The Board talked about what the impact fee should be.

4. Will the pump station impact fee and two year maintenance cost be charged to the town or will they be waved?

The Board thought that the whole system could be accepted including the pump stations and no

Ash Creek SSD
Board Meeting
January 27, 2000
Page 3

additional fees because of the pump stations. Fay said he could put it in the agreement.

5. What will the R.V. monthly fee be?

Fay talked about the changes that will happen if the changes proposed for monthly fee were adopted at tonight's meeting. The owner of Leeds RV thought that Karl Raussmessen had worked a deal out with the District that the monthly charge would be 1/4 of the residential rate. The Board felt that the monthly fee for Leeds would need to be the same as any other place in the District. Brent talked about the District's system always needing to be built and ready for the parks to always be full. The Board talked about the possibility of someone turning off the water and electricity to a lot then it would be possible to discontinue charging sewer fees for those lots or homes. Susan Fry with Brentwood did not feel that this was fair because she would be killing her trees by not being able to water them. Brent explained how the 50% of the residential monthly fee figure was obtained. Doug Wilson asked how the District compared to the other communities. Brent thought that the District was comparable. The owners of Leeds RV asked about using water rates to figure the charge instead of the number of lots. Brent is studying that possibility, but might come back higher than what they are currently paying. The next Leeds Council meeting is February 8, and it is on the agenda to vote on annexation at that meeting. Fay talked about the county commission wanting to have the new board give approval to the project before they proceeded with the annexation. John and Mike thanked the board for their time.

Frank Lindhardt was not able to attend the meeting, but asked that his subdivision be brought before the board for approval. Frank would like approval for phase four of the Sky Ridge Subdivision. The main line through the phase was already approved, but the subdivision was not. Fay has a copy of the agreement with that was discussed in the November meeting. Fay went over the agreement with the board. It will require that the Developer pay for the upkeep on the line for the first four years, then if it is not acceptable to the District an alternate system will be constructed. The District has been inspecting each length of line as it has been installed and no problems have been found yet. Fay read the motion that was given in November. The Board was concerned that the developer might be gone in four years and not be around to correct any potential problems. The Board talked about whether there was going to be a homeowner association in the subdivision. Doug Garner said that there would not be one. Fay pointed out that the agreement is with the developer, not the homeowners. Frank Lindhardt came in to the meeting. Brent thought that if \$20,000.00 was put into a bank account for the District, it would always cover the costs associated with the line maintenance if the developer was gone when the four years were up. Frank thought that when the lots were all sold and there was a lot of flow through the line, then the line would work. It was the three or four first homes that were built that might be a problem. Frank said that he would be willing to put a \$20,000.00 bond in place. So after four years the District could pull the bond to pay for the cleaning if it was needed.

Ash Creek SSD
Board Meeting
January 27, 2000
Page 4

Motion by Doug Garner to approve phase four of the Sky Ridge Subdivision with the amendment that a \$20,000.00 be placed in a joint bank account. Second by Ken Powell. Motion carried by unanimous vote

Motion by Doug Garner to go into a public hearing to discuss the proposed changes in the impact and monthly fees. Second by Doug Wilson. Motion carried by unanimous vote.

Brent Gardner explained the need for a monthly rate change. The last change in residential monthly fee was in 1990. If the District had been raising the monthly fee to keep up with inflation the fee would be about \$20.00 per month. There are some projects that will be coming up in the near future that will need to be paid for from funds that come from the monthly fees. Brent said that projects like main line replacement and the part of the treatment plant that is replacing the lagoon system will need to come from the monthly fees and not the impact fees, also the purchase of the buffer zone and lagoon sites will need to be covered under the monthly fees. Brent has recommended to the board an increase of \$3.00/month or 18.00 for a residential home.

Brent talked about the proposed changes in the impact fee. The District's Capital Facilities Plan adopted in 1996 suggested an impact fee of \$1995.00. At the time the plan was adopted the Board chose to stay with the lower fee. Brent recommended that the Board change the impact fee to charge the maximum amount allowed in the capital facilities plan.

Mr. Zitting asked about when the fee would go into effect. He has applied for a building permit, but was not able to pay the impact fees before the meeting. Doug Garner said that there are seven that have been approved but not paid for in Hurricane. Doug Wilson recommended if a building permit has been applied for before the fee is changed, then they should get the lower fee. Fay said that by law the lower impact fee would need to be charged to the people that have applied for a building permit. Ethelyn felt that there should be a time limit to the time that they are allowed to receive the lower fee. The board felt that 90 days was reasonable to allow someone to purchase their building permit. If someone had purchased a building permit, but was not building after six months then the impact fee would be refunded. Doug Wilson talked about how he did not like to raise the fees, but he could see the need for them. He would like to see some type of a justification for the raise in fees printed in the cities' newsletters, so the people would know why their rates were increasing. Kelly talked about the need to keep up with the inflation and take care of the future now instead of waiting until it is needed. Ethelyn asked if the District needed to send the money back if a building was not started or if an additional impact fee could be charged when the building was started. Fay said that a provision could be placed in the Rules that would protect the District.

Motion by Doug Wilson to close the public hearing. Second by Charles Wahlquist. Motion carried by unanimous vote.

Ash Creek SSD
Board Meeting
January 27, 2000
Page 5

Fay had resolution for the change in impact fees.

Motion by Doug Wilson to adopt resolution 00-1 amending impact fees. Second by Ken Powell. Motion carried by unanimous roll call vote.

Fay had a resolution for the proposed changes in monthly fees.

Motion by Ken Powell to adopt resolution 00-2 amending Monthly Fees effective March 1st 2000. Also, the District will have an article in the city newsletters explaining the change in fees. Second by Charles Wahlquist. Motion carried by unanimous roll call vote.

The Board talked about the changes in the rules of operation. The Board wanted to add the following items to the rules of operation.

1. That interest be paid for the time that the District holds the septic tank fee. The rate will be tied to the PTIF interest rate for the time that the money is held.
2. The provision that there is a 6 month time limit that a home be started after the building permit is issued.

Motion by Dug Wilson to adopt resolution 00-3 changing the District's Rules of Operation with the above mentioned items added. Second by Doug Garner. Motion carried by unanimous roll call vote.

Fay talked about the towns adopting the changes in the rules of operation. He will prepare a resolution for the cities and get the adoption of the resolution on the agendas.

Fay talked about the Dixie Springs annexation. The county is waiting until the funding is in place for the project and the annexation will not be completed until the project is approved by the county. Kelly talked about the others in the annexation that wanted to be part of the District, but were not part of the Dixie Springs project. He asked if the District should keep the annexation going for their sake. Darwin talked about what had to be done by Dixie Springs to get approval and felt that the Dixie Springs project is the driving force behind extending pipe into the area. Finton Moss talked about his concerns with the lagoon system and the annexation of the Dixie Springs area. He said that they would like information on how the lagoons affect the environment and the local land owners. He said he would like the district to look towards the possibility of a mechanical plant. Doug Wilson thought that the annexation of Dixie Springs area and Leeds would help further the cause of getting an mechanical plant. Brent talked about how the cost of a mechanical plant would affect the people in the District. The cost to treat the waste would go from \$60,000 a year to over \$400,000.00 a year to treat the waste at a mechanical plant. The

Ash Creek SSD
Board Meeting
January 27, 1999
Page 6

Board said they would like to see a list of the concerns that the land owners have. Kelly talked about the other communities in the state that are using a lagoon system. He did not feel that lagoon systems are as outdated as Mr. Moss was making it sound. Brent explained that the results of testing have shown that the quality of water, after being treated, is better than that in the Virgin river, and the District could discharge to the river if it was wanted.

Brent Gardner talked about planing for future growth. They are flying over the lagoons to find the best place for a treatment facility and buffer zone. The contour photographs should be done in two to three weeks. Then they will be able to complete the new capital facilities plan. Brent talked about the land purchase of the lagoon property. He thought it would be a valuable resource for the District to have in the future.

Darwin talked about the Hurricane-LaVerkin bridge replacement. There have been other times that the state has talked about replacing the bridge, but it has not happened. The state said that the new bridge will be built this time. Darwin said that the state will be required to replace the old sewer line that is on the bridge, and he has written a letter telling them that the District will pay for the upsize that is needed in the pipe. There is a bill in the state senate right now that would require the DOT to pay for any utilities lines that needed to be moved in the process of state road changes instead of the utility having to pay for the move.

Darwin talked about a meets and bounds subdivision on 700 West between 1800 South and 2000 South in Hurricane. It has been approved by Hurricane City and will have sewer accessibility to all of the lots.

Darwin discussed the possibility of the District getting uniforms for the District employees. If the District was to get both pants and shirts the cost would be about \$2340.00. For a year, and half that for a just shirts. The company would wash the shirts as part of the service. The District is currently giving each employee \$100.00 per year for boots and gloves. Darwin thought it would make the employees look better and it would get the soiled clothing out of the families homes. Doug Wilson thought that shirts would make the employees look more professional. The Board said to go with the shirts but not the pants

Motion by Ken Powell to purchase the shirts and to continue to allow \$100.00 for boots and gloves. Second by Charles Wahlquist. Motion carried by unanimous vote.

Darrel talked about the CD that the District has at First Security Bank. It will mature on the third of February. He has looked at what all the banks in town are offering for CD rates, and the best he could find is a 15 month CD at 6.25% at First Security. The Board said to go ahead and invest in that CD.

Ash Creek SSD
Board Meeting
January 27, 2000
Page 7

Darwin talked about the Toquerville Heights Subdivision. A septic tank has failed and the water from it is coming above ground. Darwin has talked to the health department about extending the sewer system to the subdivision, but they said that there are no grants available at this time. Brent has talked to the health department about them granting septic permits in the area. He thinks he might be able to get some grant money to help put the sewer line up there. There are things that the home with the problem could do to fix their problem, but it could be homes from above that home that are causing the problem.

Darwin talked about north Main Street in Hurricane. The bids for work on the street have been completed and it will cost \$54,656.00 for the District's part. Darwin thought it would be good to accept the bid and get the work done. Hurricane will pay 1/2 of road construction that is on our part of the bid sheet.

Motion by Doug Garner to accept the bid of \$54,656.00. Second by Ethelyn Humphries. Motion carried by unanimous vote.

Darwin talked about a trailer in Toquerville west fields that has hooked to the sewer without paying an impact fee. Darwin wanted to send a letter to the home owner giving notice to stop using the sewer. The Board said that would be a good place to start.

Darwin asked if it would be still be alright to allow homes and RV parks to turn water or power off and not charge monthly fees. The Board talked about people leaving for a few months and not having the sewer charges turned back on when they come back.

Motion by Ken Powell to go into executive session to discuss possible land purchases and litigation. Second by Charles Wahlquist. Motion carried by unanimous vote.

Those at the Executive Session were Kelly Wilson, Doug Wilson, Ken Powell, Ethelyn Humphries, Charles Wahlquist, Doug Garner, Darwin Hall, Darrel Humphries, Fay Reber, Blair Gubler and Brent Gardner.

Motion Charles Wahlquist to leave executive session. Second by Ken Powell. Motion carried by unanimous vote

Motion to adjourn 10:20 PM.

SCHEDULE II

Monthly Rate Schedule

| <u>User Class</u> | <u>Monthly Rate</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| I. Permanent Residential -- all residential dwelling units intended or used primarily for permanent, continuous or nonseasonal occupancy, per unit (including single family homes, mobile homes, permanent trailers, permanent RVs, condominiums, townhomes, apartments, etc.) | \$18.00 |
| II. Transitory Residential -- all residential dwelling units intended or used primarily for transitory, overnight or seasonal occupancy, per unit (including RV parks, overnight RV rentals and camp units, etc.) | \$ 9.00 |
| III. Commercial, Schools, Churches, Motels For up to first 12,000 gallons of water used * | \$23.00 |
| For each additional 1000 gallons of water used above 12,000 gallons | \$ 2.12 |

* For commercial, schools and churches, monthly water usage shall be based on the average monthly water use during months of December, January and February of each year. For motels, monthly water usage shall be based on the average monthly water use during the months of May, June and July of each year.

Schedule III

ASH CREEK SPECIAL SERVICE DISTRICT
IMPACT FEE SCHEDULE

| TYPE | UNITS | ERUs | IMPACT FEE/UNIT |
|-----------------------------------------------------------------------|-----------------------|--------|--------------------|
| Permanent residence | Residence | 1.0000 | \$1,995 |
| Hotels & motels | Room | 0.3750 | \$748 |
| RV parks (rental) | Space | 0.5000 | \$997 |
| RV parks (privately owned) | Space | 1.0000 | \$1,995 |
| Airports | Passenger | 0.0075 | \$15 |
| | Employee | 0.0375 | \$75 |
| Boarding houses | Residents | 0.1250 | \$249 |
| | Nonresidents | 0.0250 | \$50 |
| Bowling alleys w/snack bar | Alley | 0.2500 | \$499 |
| Bowling alleys w/o snack bar | Alley | 0.2125 | \$424 |
| Churches (corrected) | Person | 0.0125 | \$25 |
| Country clubs | Resident mem | 0.2500 | \$499 |
| | Non-resident | 0.0625 | \$125 |
| | Employee | 0.0375 | \$75 |
| Dentist's office | Chair | 0.5000 | \$998 |
| | Staff member | 0.0875 | \$175 |
| Doctor's office | Patient | 0.0250 | \$50 |
| | Staff member | 0.0875 | \$175 |
| Fairgrounds | Person | 0.0025 | \$5 |
| Fire station w/food prep | Full-time em | 0.1750 | \$349 |
| Fire station w/o food prep | Full-time em | 0.0125 | \$25 |
| Gyms | Participant | 0.0625 | \$125 |
| | Spectator | 0.0100 | \$20 |
| Hairdresser | Chair | 0.1250 | \$249 |
| | Operator | 0.0875 | \$175 |
| Hospitals | Bed | 0.6250 | \$1,247 |
| Industrial buildings w/ showers (exclusive of industrial waste) | Employee per shift | 0.0875 | \$175 |

| | | | |
|------------------------------------------------------------------|--------------------|--------|---------|
| Industrial buildings w/o showers (exclusive of industrial waste) | Employee per shift | 0.0375 | \$75 |
| Jail facilities | Inmate | 0.2875 | \$574 |
| | Employee | 0.0250 | \$50 |
| Launderette | Washer | 1.4500 | \$2,893 |
| Movie Theaters (auditorium) | Seat | 0.0125 | \$25 |
| Movie Theaters (drive-in) | Car | 0.0250 | \$50 |
| Nursing homes | Bed | 0.700 | \$1,397 |
| Office buildings w/cafeteria | Employee | 0.0625 | \$125 |
| Office buildings w/o cafeteria | Employee | 0.0375 | \$75 |
| Picnic parks | Person | 0.0125 | \$25 |
| Residential facility for elderly/disabled | Person | 0.3500 | \$697 |
| Restaurant w/ 24 hour service | Seat | 0.1250 | \$249 |
| Restaurant w/o 24 hour service | Seat | 0.0875 | \$175 |
| Restaurants - single service utensils | Customer/day | 0.0250 | \$50 |
| Rooming house | Person | 0.1000 | \$200 |
| Schools (private) - boarding | Person | 0.1875 | \$374 |
| Schools (private) w/o cafeteria & showers | Person | 0.0375 | \$75 |
| Schools (private) w/cafeteria & w/o showers | Person | 0.0500 | \$100 |
| Schools (private) w/cafeteria & showers | Person | 0.0625 | \$125 |
| Service stations | Vehicle/day | 0.0250 | \$50 |
| Skating rinks & dance halls w/kitchen | Person | 0.0325 | \$65 |
| Skating rinks & dance halls w/o kitchen | Person | 0.0250 | \$50 |
| Ski areas w/o kitchen | Person | 0.0250 | \$50 |
| Stores | Toilet stall | 1.2500 | \$2,494 |
| | Employee | 0.0275 | \$55 |

| | | | |
|---------------------------------|-------------|--------|-------|
| Swimming pools & bath houses | Person | 0.0250 | \$50 |
| Taverns, bars, cocktail lounges | Seat | 0.0500 | \$100 |
| Visitor centers | Visitor/day | 0.0125 | \$25 |
| | | | |
| | | | |

FAY E. REBER & ASSOCIATES

LAW OFFICE
136 NORTH 100 EAST, SUITE 2
ST. GEORGE, UTAH 84770

(435)628-7600
FAX (435)628-7880

February 7, 2000

Darwin Hall
Ash Creek Special Service District
111 South Main Street
LaVerkin, Utah 84745

Re: Leeds Interlocal Agreement

Dear Darwin:

After reviewing the latest revisions to the above agreement, John Spendlove pointed out that according to Article X Section 6 of the District's Rules of Operation, Leeds would be responsible and liable to pay the costs of operation, maintenance and repair of the sewer pump stations constructed as part of the Leeds system for a period of 2 years after completion unless we included a specific clause in the Agreement specifying otherwise.

Darrell confirmed that we had previously represented to Leeds that the District would assume that responsibility, so I have now slightly revised paragraph 3 of the agreement to specifically include pump stations as part of the system for which the District will be responsible.

Since Leeds will be meeting tomorrow evening, I am faxing a copy of the revised agreement to both you and John Spendlove for your review. If you have any questions, please don't hesitate to call at any time.

Very truly yours,



Fay E. Reber

FER/te
attachment
cc: John Spendlove

Revised Draft
1/28/00

AGREEMENT

AGREEMENT made on this _____ day of _____, 2000, by and between ASH CREEK SPECIAL SERVICE DISTRICT, a special service district created under the laws of the State of Utah, hereinafter referred to as "District", and the TOWN OF LEEDS, a Utah municipal corporation of the State of Utah, hereinafter referred to as "Leeds."

Recitals:

A. District was duly created by the Washington County Commission for the purpose of establishing and operating a wastewater collection, treatment and disposal system for the use and benefit of the inhabitants of Hurricane, LaVerkin and Toquerville, Utah, respectively.

B. Leeds is in the process of obtaining funding for construction of a wastewater collection system and desires to be included in and become a part of District.

C. District and Leeds have requested that the Washington County Commission complete all steps required by law for the annexation of Leeds into District.

D. District and Leeds desire to enter into a written agreement, specifying the terms and conditions upon which Leeds shall be annexed into District and wastewater collection, treatment and disposal services provided to the inhabitants thereof.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and obligations contained herein, the parties hereto agree as follows:

1. Purpose. The parties hereto agree that the primary purpose of this agreement is to provide the framework whereby Leeds shall become a part of, and its inhabitants shall be entitled to receive wastewater collection, treatment and disposal services from, Ash Creek Special Service District. The parties further acknowledge and agree that achieving the purpose of this agreement is contingent upon (a) the annexation of Leeds into District, and (b) construction by Leeds of a wastewater collection system.

2. Acknowledgements and Representations. The parties further acknowledge that in order to achieve the purposes of this agreement, Leeds is now in the process of obtaining funding for construction of a wastewater collection system to serve its residents and businesses, and that each party has passed a resolution requesting that the Washington County Commission take such steps as are required by law for the annexation of Leeds into District. Leeds covenants and agrees that it will, in good faith

and in accordance with the provisions of this agreement, continue to seek funding for construction of said wastewater collection system, and each party covenants and agrees to continue to support said annexation until its final completion.

3. Construction of Leeds System, Transfer to District.

Provided that the annexation is completed and the requisite funding is obtained, Leeds covenants and agrees that it shall construct its wastewater collection system as approved by the Utah Department of Environmental Quality and in accordance with District's Construction Standards. All easements or rights-of-way necessary for construction and operation of outfall lines and other facilities shall be obtained by Leeds at its expense and shall be capable of being assigned or transferred to District. During the period of construction, District shall have the right to inspect said construction to insure compliance with District's Construction Standards. Upon completion of construction, all right, title and interest of Leeds in and to said system, including all easements and rights-of-ways, shall, upon written acceptance by District, be transferred at no cost to District, who shall thereafter be responsible and liable for operation, maintenance, repair and replacement of the Leeds wastewater collection system, including any pump stations. At the time of such transfer, Leeds shall provide District with maps showing the location of sewer lines and any residential and commercial connections to said system.

4. Compliance with District Rules and Regulations.

Except as specified in this agreement, all wastewater collection, treatment and disposal services provided by District to Leeds shall be subject to and governed by all District rules and regulations now in effect or subsequently adopted by District's Administrative Control Board, including the Rules of Operation and Construction Standards of Ash Creek Special Service District. By way of illustration and not by way of limitation, all businesses shall be subject to the provisions of Article V of the Rules of Operation.

5. Ordinance Adopting Rules of Operation.

In order to insure compliance with District's Rules of Operation and Construction Standards, Leeds shall, after final annexation of Leeds into District but before acceptance by District of the Leeds wastewater collection system, approve and adopt an ordinance incorporating said Rules of Operation and Construction Standards into the ordinances of Leeds. In the event that said Rules of Operation and Construction Standards are modified or amended by District from time to time, Leeds shall adopt said modifications or amendments by ordinance within 30 days after such modification or amendment by District.

6. Representation on Administrative Control Board.

The parties agree that Leeds shall be entitled to appoint two (2)

persons from the Leeds Town Council, one of whom shall be the Mayor, to serve as Leeds' representatives on the District's Administrative Control Board. District agrees to petition the Washington County Commission for amendment of the resolution creating the District to allow the appointment by Leeds of said representatives to District's Administrative Control Board.

7. Impact Fees. The parties agree that impact fees shall be assessed and paid as follows:

(a) For existing residential and commercial customers connected to the Leeds wastewater system at the time of connection of the Leeds system to the District's system, impact fees shall be assessed and paid at the rate of \$1088 per ERU ("equivalent residential unit"), provided that the annexation contemplated hereby is completed within 120 days of the date of execution of this agreement. Based on current population, the parties estimate that the total impact fee for such customers will be approximately \$210,110; however, the exact amount of the impact fee shall be calculated on the actual number of ERU's at the time of connection. Said impact fees shall be paid as follows:

(i) the sum of \$78,000, or, at the option of Leeds, 37.12% of the actual impact fees owed, shall be paid by Leeds to District over a period of 20 years at zero percent interest in equal monthly installments, payable on or before the 15 day of each month, beginning with the month following connection of the Leeds system to the District's system. Payments not made when due shall be deemed delinquent and shall bear interest at the rate of twelve (12) percent per annum until paid in full.

(ii) the remainder of the actual impact fees owed, as determined by the actual number of ERUs connected to the system, shall be paid by Leeds at or prior to connection of the Leeds system to the District's system.

(iii) the District agrees that any additional impact fee otherwise due under the provisions of Article XI Section 6 of the District's Rules of Operation shall be waived for purposes of subparagraphs (a)(i) and (a)(ii) above.

(b) For all other residential and commercial customers, the amount, time of payment and manner of payment of any impact fee shall be determined in accordance with District's Rules of Operation, including Schedule III attached thereto and made a part thereof. Leeds agrees that no building permit shall be issued within the Town of Leeds until such time that the applicant for the building permit has first purchased a sewer connection and paid all applicable impact fees.

8. Monthly Charges, Billing and Collection. The parties agree that monthly service charges and fees for all residential and commercial customers shall be assessed and paid in accordance with District's Rules of Operation, including Schedule II attached thereto, as the same now exists or as may be amended from time to time by District's Administrative Control Board. Leeds shall assume all responsibility and liability for billing and collecting monthly sewer service fees and charges from all residential and commercial users within its town limits, and further agrees to:

(a) send to all residential and commercial users within Leeds a monthly billing for sewer service fees and charges, as may be established from time to time by District. Said monthly billing by Leeds may include billings for other municipal-type services, such as water, power, etc.; and

(b) pay to the District, prior to the 10th day of each following month, all amounts owing for monthly sewer service fees and charges within Leeds, reduced by five (5) percent to offset the costs of billing and collection. Leeds shall be required to pay said amount to District whether or not said amount has been collected by Leeds from residential or commercial users. Any such amounts not paid by Leeds by such time shall be deemed delinquent and shall bear interest at the rate of 12 percent per annum until paid in full.

9. Enforcement of Payment of Monthly Charges. In the event that a residential or commercial user fails or refuses to pay Leeds for monthly sewer service fees and charges within such time as may be specified by ordinance, Leeds may, at its option and in accordance with the terms of such ordinance, enforce payment through whatever means may be available, including termination of water service, initiating formal legal action to obtain a judgment ordering payment, or requesting that the District certify the amount of any delinquency to the Washington County Treasurer and Assessor for purposes of imposing a lien upon the delinquent residential or commercial user's real property.

10. Term of Agreement. The parties hereto agree that this agreement shall take effect on the date of execution by the parties and shall be binding upon all parties hereto until such time that (a) the District is dissolved, (b) the annexation contemplated hereby is abandoned, or (c) the Town of Leeds, once annexed, is withdrawn from the District.

11. Reimbursement for Annexation Expense. Leeds agrees to reimburse District for any costs or expenses incurred by District for the preparation of all plats and publication of all notices required by law to be published in connection with the annexation contemplated hereby.

12. Breach, Default. In the event of a breach or default in the terms of this agreement by either party, the breaching or defaulting party shall be liable for any damages caused by said breach or default, as well as payment for all costs and expenses incurred by the non-breaching or defaulting party in enforcement of this agreement, including court costs and a reasonable attorneys fee.

13. Incorporation of Exhibits. The Rules of Operation of Ash Creek Special Service District, including Schedules II and III and the Construction Standards, shall be attached hereto as Exhibits to this agreement and shall be incorporated herein as if fully set forth.

14. Complete Agreement. This agreement contains the entire agreement of the parties, and all prior representations are merged into this agreement. This agreement shall not be modified or changed orally, but only by written instrument signed by the party against whom enforcement is sought.

15. Time of the Essence. Time is of the essence of this agreement.

16. Governing Law. This agreement shall be construed under and governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

ASH CREEK SPECIAL SERVICE DISTRICT

BY: _____
Kelly Wilson, Chairman

Attest:

Darrell Humphries, Secretary

TOWN OF LEEDS

BY: _____
Ron Mosher, Mayor

(seal)
Attest:

Town Clerk/Recorder