

SUBRECIPIENT AGREEMENT FOR
AMERICAN RESCUE PLAN ACT SLFRF FUNDS

WOLF CREEK REUSE WATER STORAGE POND AND WELL DRILLING

This Subrecipient Agreement (“Agreement”) is entered into by and between the County of Weber, Utah (the “County”) and Wolf Creek Water and Sewer Improvement District (the “Subrecipient”), individually referred to as “Party” and jointly referred to as “Parties.” The purpose of this Agreement is to provide funding to the Subrecipient from funds provided to the County by the Department of Treasury (“Treasury”) pursuant to Sections 602 and 603 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (Mar. 11, 2021) (“ARPA”), which authorized the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) to enable the Subrecipient to carry out specific eligible activities on behalf of the County; and

WHEREAS, the County has received SLFRF funds from Treasury under ARPA; and

WHEREAS, the County is authorized by ARPA to disburse all or a portion of its SLFRF funds to other entities in order to carry out eligible uses on behalf of the County; and

WHEREAS, the Subrecipient has submitted two applications for use of SLFRF funds (attached hereto as Exhibit A); and

WHEREAS, based on review of Subrecipient’s applications, the County has determined that the proposed projects are eligible uses under ARPA; and

WHEREAS, in addition to the water needs identified in Subrecipient’s applications, the Parties also recognize an existing need for expanded and effective sewer services in portions of the Ogden Valley where high-density development exists or is anticipated, or septic systems are ineffective; and

WHEREAS, Subrecipient has represented the potential feasibility and a willingness to consider expanding sewer services by establishing the Eden Sewer Service Area (a map with proposed service area expansion boundaries that tentatively include Nordic Valley and Old and New Town Eden, along with planned phasing, is attached as Exhibit B); and

WHEREAS, Subrecipient has started that process by entering into an agreement with developers to support sewer expansion at Cobabe Ranch, Osprey Ranch, and Eden Crossing and intends to provide future sewer services to those areas through annexation (a copy of the Eden Sewer Service Area Agreement is attached as Exhibit C); and

WHEREAS, both water and sewer projects that qualify under State Revolving Fund requirements are eligible uses of SLFRF funds under ARPA and would benefit residents in the Ogden Valley;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, in particular the commitment to expand sewer services, the County and the Subrecipient agree as follows:

1. SCOPE OF PROJECTS; ELIGIBLE USE OF AWARD FUNDS

- A.** The County shall pay the Subrecipient \$2,600,000 (the “Award”) to cover necessary expenses related to the activities specifically described in the Subrecipient’s applications (the “Projects”). If there is a conflict between the terms and provisions in the Subrecipient’s application and this Agreement, the terms of this Agreement shall govern.
- B.** The Subrecipient shall only use the Award to cover expenses that are necessary for the completion of the Projects and are eligible under ARPA, The Final Rule, and this Agreement. The Subrecipient shall not use any portion of the Award to pay for any administrative costs of the Projects.
- C.** The Subrecipient may make revisions to the scope of the Projects with approval from the Weber County Commission, where such revisions to the Projects do not materially alter the Projects or cause the use of the Award for the revised Projects to constitute an ineligible use of SLFRF funds or constitute a change in the category of eligible use of SLFRF funds under the Rule. In no event shall a revision to the scope of the Projects entitle the Subrecipient to an additional allocation of SLFRF funds by the County unless Subrecipient makes a request to the County for additional funds. The Weber County Commission, in its sole discretion, may approve and authorize additional SLFRF funds for the Projects. However, no such additional allocation is guaranteed. For illustration purposes only, a revision to a Projects may include a change in the design, implementation, or construction means and methods that results in the ability to make additional improvements to the Projects or serve more properties or individuals. Revisions to the scope of the Projects that reduce the extent of the improvements to be made or properties or individuals to be served should be avoided unless necessary to keep the Projects within the Subrecipient’s budget for the Projects and/or the Award to Subrecipient set forth in this Agreement.
- D.** Once the Projects is completed, all costs for the management, operation, maintenance, and repair and replacement of the Projects (as applicable) shall be the sole responsibility of the Subrecipient. The County shall have no liability, financial or otherwise, with respect to the management, operation, maintenance, repair or replacement of the Projects.
- E.** Subrecipient understands and acknowledges that receiving the Award is based on its representation and commitment to establishing the Eden Sewer Service Area as outlined in Exhibit B. Provision of these services (e.g. annexations, service fees, and board representation) shall be in accordance with any applicable law governing the operation of local improvement districts.

2. TERM OF AGREEMENT

The term of this Agreement begins on the date this Agreement is fully executed by the Parties and ends on December 31, 2026. Notwithstanding other provisions of this Agreement,

this Agreement will remain in effect until the County determines that the Subrecipient has completed all applicable administrative actions, reporting requirements, and all Projects work required by and set forth in this Agreement. Should Subrecipient require additional time for auditing of or reporting for the Projects in accordance with ARPA and the Final Rule, this Agreement shall be deemed automatically extended until said audit and reporting is completed.

3. PAYMENTS

- A. *Reimbursement Payment.* The County shall pay the Award to Subrecipient on a reimbursement basis. The Subrecipient shall submit reimbursement requests to the County Comptroller no later than 15 days after the end of each calendar quarter for the duration of the Projects. Such requests shall be in a form acceptable to the County and include, where applicable for construction Projects, certification by the Subrecipient’s engineer that the amounts are eligible Projects costs. The Subrecipient may not request reimbursements under this Agreement for work that has not been completed.
- B. *Advance Payment.* The County, in its discretion, may elect to pay the Subrecipient in advance for its allowable costs for the Projects identified by this Agreement upon the presentation of all forms and documents as may be required by the County. Advance payments must be limited to the minimum amounts needed and timed to be in accordance with the Subrecipient’s actual, immediate cash requirements in carrying out and completing the work of the Projects.
- C. *Withholding or Cancellation of Funds.* The County reserves the right to withhold payments until Subrecipient timely delivers reimbursement requests or documents as may be required under this Agreement. Upon completion of the Projects, the County may cancel payment of any portion of the Award that the County determines to be surplus. The County shall be relieved of any obligation for payments if funds allocated to the County cease to be available for any cause other than misfeasance of the County itself.
- D. *Where Payments Are Made.* Payments shall be made by check or electronic deposit into Subrecipient’s bank account, according to a process established by the County.
- E. *Recoupment.* The Award is subject to recoupment by Treasury and/or the County for the Subrecipient’s failure to use the funds for the Projects in strict accordance with ARPA, the Final Rule, and this Agreement.

4. OBLIGATION AND EXPENDITURE TIMING REQUIREMENTS; REPORTING REQUIREMENTS

- A. *Timing Requirements.* Subrecipient may use Award funds to cover eligible costs incurred from March 3, 2021 to June 30, 2026, as long as the obligations are incurred by June 30, 2024 and liquidated by June 30, 2026.
- B. *Reporting Requirements.* The Subrecipient shall submit such reports and adhere to all conditions and obligations as are required by the County including, but not limited to,

the SLFRF Reporting Requirements attached to this Agreement as **Exhibit D**. Such reporting requirements shall extend beyond the term of this Agreement. The County reserves the right to inspect, at any time, the Subrecipient's records that are related to the Projects and/or Subrecipient's performance of this Agreement. Notwithstanding any record retention policies, Subrecipient shall maintain all documentation associated with the Projects for the period required by State law or Federal law or seven (7) years, whichever is greater.

5. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

In addition to the requirements set forth in ARPA and the Final Rule, use of the Award may be subject to various other Federal, State, and Local laws including, but not limited to, the American Rescue Plan Act. Subrecipient shall comply with all applicable Federal, State, and Local laws and regulations with respect to its receipt and use of the Award pursuant to this Agreement.

6. RETURN OF FUNDS; RECOUPMENT

- A. Subrecipient shall return any Award funds not obligated by June 30, 2024 to the County. The Subrecipient must also return Award funds obligated by June 30, 2024 but not expended by June 30, 2026.
- B. If the County, the State of Utah, or Treasury determines that the Subrecipient's use of the Award does not comply with ARPA, the Final Rule, or this Agreement, the County shall provide the Subrecipient with an initial written notice of the amount subject to recoupment, along with an explanation of such amounts. Within 30 calendar days of receipt of such notice from Treasury or the County, the Subrecipient may submit to the County either (1) a request for reconsideration requesting the County seek a reconsideration of any amounts subject to recoupment under the Final Rule, or (2) written consent to the notice of recoupment.
- C. If the Subrecipient has not submitted a reconsideration request, or if the County denies the reconsideration request, the Subrecipient shall repay the amount subject to recoupment within 30 calendar days of the request for consideration deadline or the County's denial of the request.

7. FAILURE TO PERFORM

If Subrecipient fails to comply with any terms or conditions of this Agreement, or to provide in any manner the activities or other performance as agreed to herein, the County reserves the right to:

- A. withhold all or any part of payment pending correction of the deficiency; or
- B. suspend all or part of this Agreement.

Further, any failure to perform as required pursuant to this Agreement may subject the Subrecipient to recoupment as set forth under ARPA, SLFRF, and this Agreement. The option to withhold funds is in addition to, and not in lieu of, the County's right to terminate as provided in Section 8 below. The County may also consider performance under this Agreement when considering future awards.

8. TERMINATION

- A. *Termination for Cause.*** The County may terminate this Agreement for cause if the Subrecipient fails to comply with the terms and conditions of this Agreement and any of the following conditions exist:
- i. The lack of compliance with the provisions of this Agreement is of such scope and nature that the County deems continuation of this Agreement to be substantially non-beneficial to the public interest;
 - ii. The Subrecipient has failed to take satisfactory corrective action as directed by the County or its authorized representative within the time specified by the same; or
 - iii. The Subrecipient has failed within the time specified by the County or its authorized representative to satisfactorily substantiate its compliance with the terms and conditions of this Agreement.

The County shall initiate termination for cause by providing notice to the Subrecipient of its intent to terminate for cause, accompanied by a written justification for the termination. After receiving the notice of termination for cause, the Subrecipient shall have 15 calendar days to cure the cause for termination. If the Subrecipient has not cured the cause for termination within 15 days of receipt of the notice, the County may pursue such remedies as are available by law, including, but not limited to, the termination of this Agreement in whole or in part, and thereupon shall notify in writing the Subrecipient of the termination, the reasons for the termination, and the effective date of the termination. Upon termination, any outstanding Award funds held by the Subrecipient are subject to recoupment by the County in accordance with ARPA, the SLFRF program, and this Agreement. Any costs resulting from obligations incurred by the Subrecipient after termination of this Agreement are not allowable and will not be reimbursed by the County unless specifically authorized in writing by the County.

- B. *Termination for Convenience.*** This Agreement may be terminated for convenience, in whole or in part, by written mutual agreement of the Parties.
- C. *Termination for Withdrawal, Reduction, or Limitation of Funding.*** In the event funding is not received from the Federal Government, or is withdrawn, reduced, modified or limited in any way after the effective date of this Agreement and prior to its normal completion, the County may summarily terminate this Agreement as to the funds not received, reduced, modified, or limited, notwithstanding any other termination provision in this Agreement. If the level of funding is reduced to such an extent that the County deems that the continuation of the Projects covered by this Agreement is no longer in the best interest of the public, the County may summarily

terminate this Agreement in whole notwithstanding any other termination provisions in this Agreement. Termination under this Section shall be effective upon receipt of written notice by the Subrecipient or its representative.

9. CLOSE OUT

Upon termination of this Agreement, in whole or in part for any reason, including completion of the Projects, the following provisions apply:

- A. Upon written request by the Subrecipient, the County will make or arrange for payment to the Subrecipient of allowable reimbursable costs not covered by previous payments.
- B. The Subrecipient shall submit within 30 calendar days after the date of expiration of this Agreement, all financial, performance and other reports required by this Agreement, and in addition, will cooperate in a Projects audit by the County or its designee;
- C. Closeout of funds will not occur unless all requirements of this Agreement and Federal, State, and Local law are met and all outstanding issues with the Subrecipient have been resolved to the satisfaction of the County.
- D. Any unused Award funds in Subrecipient’s possession or control shall be immediately returned to the County.

10. INDEMNIFICATION

Any Award funds which are determined by the County or Treasury to be ineligible under ARPA shall be subject to recoupment. To the greatest extent permitted by law, the Subrecipient shall indemnify and hold harmless the County, its appointed and elected officials, and employees from any liability, loss, costs (including attorney fees), damage or expense, incurred because of actions, claims or lawsuits for damages resulting from misuse of Award funds by the Subrecipient, personal or bodily injury, including death, sustained or alleged to have been sustained by any person or persons and on account of damage to property, arising or alleged to have arisen out of the performance of this Agreement, whether or not such injuries to persons or damage to property is due to the negligence of Subrecipient, its subcontractors, agents, successors or assigns.

11. NOTICES

Any notices required to be given by the County or the Subrecipient shall be in writing and delivered to the following representatives for each party:

The County	Subrecipient
County of Weber Attn: County Comptroller 2380 Washington Blvd., Suite 320	Wolf Creek Water and Sewer

Ogden, UT 84401 sparke@webercountyutah.gov	P.O. Box 658 Eden, Utah 84310
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12. RESERVATION OF RIGHTS

Failure to insist upon strict enforcement of any terms, covenants, or conditions of this Agreement shall not be deemed a waiver of such, nor shall any waiver or relinquishment of any right or power granted through this Agreement at any time be construed as a total and permanent waiver of such right or power.

13. FURTHER ASSURANCE

Each of the Parties shall cooperate in good faith with the other to execute and deliver such further documents, to adopt any resolutions, to take any other official action and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this agreement.

Subrecipient shall, in good faith and to the greatest extent possible, complete the Projects in accordance with the Subrecipient's proposed Projects timeline in the Subrecipient's application. Subrecipient acknowledges that time is of the essence, and Subrecipient shall exercise due diligence to complete the Projects in a timely manner.

14. ASSIGNMENT

The Subrecipient shall not assign any portion of the Award, nor responsibility for completion of the Projects provided for by this Agreement, to any other party.

15. AMENDMENTS

This Agreement cannot be amended or modified except in writing, signed by both Parties.

16. VENUE AND CHOICE OF LAW

If either part to this Agreement initiates any legal or equitable action to enforce the terms of this Agreement, to declare the rights of the parties under this Agreement, or which relates to this Agreement in any manner, the County and Subrecipient agree that the proper venue for such action is the Utah Second Judicial District. This Agreement shall be governed by the laws of the State of Utah, both as to interpretation and performance.

17. SEVERABILITY

If any part of this Agreement is held by the courts to be illegal or in conflict with any law, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part held to be invalid.

18. INTEGRATED DOCUMENT

This Agreement, together with all exhibits and attachments, which are incorporated by reference, constitute the entire agreement between the Parties. There are no other agreements, written or oral, that have not been fully set forth in the text of this Agreement.

19. NO THIRD PARTY BENEFICIARY.

Nothing in this Agreement shall create or be interpreted to create any rights in or obligations in favor of any person or entity not a party to this agreement. Except for the Parties to this agreement, no person or entity is an intended third party beneficiary under this agreement.

20. HEADINGS

The section headings of this agreement are for the purposes of reference only and shall not limit or define the meaning thereof.

21. AUTHORITY TO SIGN

The persons executing this Agreement on behalf of the Subrecipient represent that one or both of them has the authority to execute this Agreement and to bind the Subrecipient to its terms.

**BOARD OF COUNTY COMMISSIONERS
OF WEBER COUNTY**

By _____
Scott K. Jenkins, Chair

Date _____

ATTEST:

Weber County Clerk/Auditor

**WOLF CREEK WATER AND SEWER
IMPROVEMENT DISTRICT**

By _____

Date _____

ATTEST:

EXHIBIT A: SUBRECIPIENT'S APPLICATIONS

Weber County ARPA Assistance Application

Please return the completed application, along with any related attachments to ARPA@webercountyutah.gov by December 31, 2021.

Policy Statement

The County's intention is to spend its first tranche of ARPA funds on infrastructure and other bricks and mortar projects that would not otherwise receive funding through existing sources. It is not intended to provide support for existing services or other ongoing programs at this time.

Project Description

Project Title: Wolf Creek Reuse Water Storage Pond

Project Location: Wolf Creek Water and Sewer Improvement District, Eden, Utah

Summary of Project:

Wolf Creek Water and Sewer Improvement District, one of the most efficient small Utah service districts, needs 35% matching funding for an innovative reuse water project - construction of a 90 acre-feet (AF) reuse water storage pond, and dedicated water delivery line from our sewage treatment facility. This project is designed to support the secondary water supply for current developed lots in the resort. Lack of both culinary and secondary water is blocking further building in the service district.

The full project cost is \$5.5 m. Funding match in the amount of \$1.9m (34 %) is requested. The District commits to fund the balance (\$3.6m) from \$0.9m cash reserves, a \$0.4m land donation and a \$2.3m loan, supported by revenue generated by impact fees and tiered rates.

The District comprises one of the most densely developed areas of Ogden Valley, where building has led to more than 1150 dwelling units, within an approximate area of 1000 acres, including the 100-acre golf course open space, as approved within the Wolf Creek Master Plan. This includes over 500 multi-family or townhouse units. This has only been possible due to the efficient functioning of our holistic water and sewer systems, including full retail secondary (landscape water) metering. We also work closely with our partners in Wolf Creek Irrigation Company to mutually support and respect the overall community of their shareholders and our customers, irrigated by the historic (1861) WCIC water right.

However, with prior ownership by a sequence of developers since the 1960s, the District water supply for development was broadly based upon assertions of available water. Rosy assumptions and historic relationships replaced objective engineering and legal evaluation. The current public 'body politic' took ownership of the water systems in 2010 during a developer bankruptcy, and assumed the liabilities of restrictive legal agreements as well as an aging infrastructure. The changing climate and drought have reduced both our culinary and our secondary supply, and the District now finds itself with an historic inventory of nearly 400 unbuilt lots, and insufficient culinary and secondary water to meet even the needs of our current active users.

At the same time, the COVID pandemic has intensified recent building pressure. But without water to provide, the Board of Trustees passed moratoria limiting building unless water supply (through share transfer) is provided. The District's customers have over \$100m in projects (>100 homes and commercial) delayed by the July 2021 moratorium and we are at a standstill.

The project described in this application will help us to start to move forward. Due to the over-allocation of the watershed water rights, the only realistic way to increase supply is through a combination of conservation, reuse water and storage. Conservation is being driven through tiered water rates, adjusted appropriately during times of drought. The project described herein provides a method to support landscape water through reuse, including considering accepting for disposal other reuse water from Powder Mountain Sewer District if treated and tested to the DEQ-required extremely high standards.

- The District's tertiary-level sewage treatment plant yields drinking water quality water, which has been used to irrigate the Wolf Creek Golf Course for 10 years. The constructed pond will greatly expand this reuse capability by allowing storage of reuse water produced during the non-irrigation months. The benefit is two-fold: 1) increased supply of reuse water for irrigation, and 2) reduction of discharge of treated wastewater, and associated nitrate and other nutrients to groundwater.
- Our treated water and procedures are already fully approved by Utah DEQ for landscape application. Metering and tiered rates for secondary water allow us to charge for the water. This is good resource stewardship, a proactive investment in Utah's future, and continuing demonstration of approach to other systems in Ogden Valley and Utah.
- Expanded reuse benefits the Ogden Valley community by decreasing rapid infiltration basin (RIB) discharge of nitrate-containing water to groundwater and increasing availability of secondary water for landscape irrigation to approximately 300 homes. It will provide us critical additional secondary water flow – desperately needed in this time of drought.
- The new reuse pond will take pressure off water storage facilities we own but share with our partner Wolf Creek Irrigation Company, the only such large cooperative storage asset in the valley. Without a new additional storage facility, conflict is anticipated. (see letter of support)
- The new facility may be shared with Powder Mountain District as feasible, providing a disposal method for them, in our Non-Discharge Ogden Valley area. This is dependent on Powder Mountain District constructing a functional tertiary-level treatment plant, connecting conveyance and resolution of water rights issues.
- Hundreds of private wells in the Ogden Valley present a major challenge in siting a sewage plant. Reuse is the solution. This project demonstrates and provides infrastructure for this approach.

PROJECT FEATURES:

- Treated water from District sewage treatment plant pumped to the storage pond via dedicated disposal line, with design flows of up to 300 gpm, designed for winter (peak sewage flow) operation.
- The site (Fig 1) is technically feasible and available. Wolf Creek Resort (Lewis Homes) is donating the site which has suitable zoning, elevation, and topography.
- Storage will be retained by an earthen dam, with design features required by Dam Safety Office. Supporting studies, State Engineer's reuse permit etc, will occur prior to construction
- The pond will store winter-treated water until irrigation season. Flows excess to the pond capacity will be directed to the existing Wolf Creek District rapid infiltration basin (RIB).

Please attach any additional documents, letters of support, etc. to this application.

Project Categories (select up to two options)			
	Housing and Homelessness		Economic Opportunities and Recovery
X	Water and Sewer		Broadband
	Public Health Impact		Other:

Project Impact
<p>Please explain why you believe this project fits within the allowable uses of ARPA funds as described in the Treasury’s Interim Final Rule? Please be specific when explaining your reasoning, including direct text citations and other references from Treasury guidelines that support the justification that this project is eligible. <u>U.S. Treasury Interim Final Rule.</u></p>
<p>The proposed project is fully eligible for funding since it meets the exact letter of projects within the criteria documents. The specifics are below.</p> <ul style="list-style-type: none"> • Section II.D.1. of Interim final rule for The American Rescue Plan Act (ARPA) states projects that would be eligible to receive financial assistance through the EPA’s Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) are eligible for funding with the Fiscal Recovery Funds. <p>The Wolf Creek District has reviewed EPA’s May 2016 Overview of Clean Water State Revolving Fund Eligibilities and the project is qualified as eligible for CWSRF funding as a Centralized Wastewater Treatment - Reuse Project.</p> <ul style="list-style-type: none"> • Further the District is a fiscally prudent Special Services District and none of the requested assistance would qualify as ongoing operation and maintenance activities. This is a capital asset project. It does not include system expansion for new development. • The EPA Overview of CWSRF (Ref: page 12) states that funding can be provided to” any borrower for reusing or recycling wastewater”. • The District has further reviewed the EPA’s June 2017 Drinking Water State Revolving Fund Eligibility Handbook (DWSRF) page 11 Table 3.3 Category 4, which states that the following types of project are eligible: “Storing water for reclaimed water (aka “purple pipe”) systems” • <p>The project therefore is a specifically cited as eligible in both CWSRF and DWSRF eligibility references.</p>
<p>Will these ARPA funds be used for any ineligible uses as outlined by the U.S. Treasury, such as funding debt service, legal settlements or judgments, or deposits to rainy day funds or financial reserves?</p>
<p>No. The funds will be directed to payment of specific current project costs, including engineering design and construction.</p>
<p>Is the project located in a qualified census tract?</p>

Eden, UT is not a low-income area or tribal area as defined by the census. This is not a requirement for infrastructure funding through ARPA.

How will this project benefit those disproportionately affected by the COVID-19 pandemic and its negative impact on the economy?

- The COVID-19 pandemic combined with the drought, and concurrent inflation, has driven upwards the cost of contracting by approximately 24% (12mths).
- The Wolf Creek District is located in Ogden Valley – a key recreation area for Weber and Davis Counties, with a tourism-driven economy. Guidance for the intent of COVID Fiscal Recovery funding, (CLFRF) says an appropriate use is: “aid a planned expansion or upgrade of tourism, travel and hospitality facilities delayed due to the pandemic”. (Ref: Interim Final Rule treasury FAQ element 2.9)

Our valley has also experienced a COVID case surge after several holidays, at times having the highest per capita infection rates in Weber County.

- The pandemic, remote work, and California wildfires have led to the huge increase in requests to build on and connect standby lots. Typically, we would see 5-10 per year, and planned accordingly. In first half 2021, we received and approved 30 requests.
- The July 2021 Moratorium has put on hold a further 95 requests. The Moratorium was imposed in order to buy the district time to deal with a “perfect storm” of unstable conditions and including culinary deficiency with respect to Division of Drinking Water standards. It will be reviewed in March of 2022.

What are the long-term benefits of this project?

The long-term benefits of the project are:

1. Reuse of water which conserves ground and surface water sources. More storage brings operational flexibility and robustness of supply in the face of drought.
2. Reducing loading of nitrate and other nutrients to the groundwater – a recognized public health issue in Ogden Valley. See Utah Geological Services Special Study 165. Reuse water partially replaces fertilizer application on landscapes.
3. Providing landscape water for 300 existing unbuilt “standby” lots, currently under connection Moratorium. Wolf Creek Golf Course will also be served by the water – it has been an icon for vacations by generations of Utahns. See collaborators/ supporting organizations.
4. Additional storage will support the partnership between the District and Wolf Creek Irrigation Company. The two entities are different in their legal structures, histories, cultures and in the characteristics of customers and shareholders, but work in partnership. The grant will bring more storage and more sources of water to both entities, through taking pressure off of existing shared storage facilities.
5. The design life of the pond is anticipated to exceed 50 years, so it will serve many generations of families and vacationers visiting Wolf Creek. Preservation of the Golf Course is a specific goal, since it is integral to property values of both Wolf Creek and the

economy of the whole Ogden Valley community. Competition for secondary water versus development places the Golf Course in jeopardy.

In what ways could this project be considered innovative?

- This project will move Utah forward to climate change adaptation and dealing with the water shortages of the present mega-drought. It is state-of-the-art in stewardship of resources, and protection of the environment.
- Wolf Creek District is already a Utah leader in innovative water reuse. Currently only 25% of our effluent is reused. Lack of storage is the limiting factor, which the storage pond will remedy.
- Reuse is made possible by District existing sewage treatment facilities, outstanding staff, and established effluent testing procedures approved by UDEQ.
- Because we already have retail secondary water metering, we can measure the impact, and generate revenue, to help support the funding.
- The grant is critical because it pays for the delivery line/pumping station portion of the cost – which is currently unfunded in our infrastructure planning.
- Collaboration with Powder Mountain District to assist them in establishing reuse will spread this knowledge and skill set.

How are you going to measure the intended benefits of this project?

- The project operational metrics will be 1) available storage volume; and 2) Total metered flows through the facility. Water quality standards leaving the Willowbrook Lane treatment plant will be monitored as at present.
- The accruing long-term benefits will also be clear from 1) the number of additional connections served after the Moratorium is lifted; 2) Additional revenue from retail and possibly wholesale of reuse secondary water. We can achieve this, since we already have secondary metering and tiered charges.
- Since treated water is generated continuously, and secondary water is applied only April to October, the total water managed through the facility may be significantly greater than the available storage volume.
- An accountability score card for the construction project, with respect to both budget and schedule milestones, and later the project operational metrics, will be presented at regular project progress updates during our open Board of Trustees monthly meetings. These meetings comply with the Open and Public Meetings Act, and minutes are publicly posted on our website <http://wcwsid.com>.

Does this project require action based off of the National Environmental Policy Act?

No

Is the project on any local, regional or state plan?

Consistent with Utah Reuse Plan (UDWR) page xviii – greatest potential for water reuse conversion of residential irrigation systems . . . and golf courses.

2016 Ogden Valley General Plan (p16), Land Use Principle 1.5 Encourage development in areas with sewer service.

2002 and 2014 Wolf Creek Master Plan approved through Zoning Development agreement with Weber County Commissioners.

Can this project be accomplished using existing funding sources or private funding? If yes, what other sources are available?

There are available funds of approximately \$0.9m and a loan will be applied for from commercial funding sources, or the State of Utah Water Resources Board. Analysis indicates that the District is unable to carry sufficient debt for the whole project without grants in the amount requested.

Please list any additional ARPA or other state or local fiscal recovery funds you are requesting.

A further grant is being requested from Weber County for Well Drilling in the Wolf Creek District to address deficiencies in culinary water supplies. Similar applications were submitted to the State Legislative Local Assistance Matching Grant Program, but was not recommended for funding due to the overwhelming level of applications compared to funds.

Project Timeline

Anticipated start date: Jan 15, 2022

Anticipated end date: March 15, 2024 or prior

Please summarize the project timeline, including key milestones and when expenditures will be completed.

Project Initiation Jan 2022

- Bidding of Design; permitting and concurrent design: January 2022 to June 2022
- Bonding for balance beyond cash in hand and grant: June 2022 to September 2022
- Review and Approvals at Dam Safety, State Engineer’s Office, Weber County – Spring 2022 to Fall 2022
- Construction bidding Spring 2022 – preference will be given to local, qualified best value bidders.
- Delivery pipeline and concurrent Reuse Pond Construction Fall 2022 to September 2023
- Project Commissioning October 2023 to December 2023.
- Punchlist items and Invoicing deadline January to March 2024.

Civil construction during winter is often not possible in Ogden Valley due to wet and frozen soils. The timing of regulatory reviews, permitting and approvals has some unknown elements, but water rights review will likely be made simpler by District ownership of underlying municipal rights.

Project Budget	
Amount Requested from County:	\$1.9m
Total Project Costs:	\$5.5m
Provide a breakout summary of the project costs:	
<p>Reuse Pond and Dam</p> <ul style="list-style-type: none"> • Land for Pond – Donation in kind \$400,000 • Permitting and approvals consulting fees: \$100,000 • Design fees: \$180,239 • Construction Cost: \$2,883,825 • Observation and inspection fees: \$180,239 • Total Engineer’s line item estimate (Gardner Engineering) for Reuse Pond is attached in the amount of \$3,244,303. • Total 90-AF Reuse Pond \$ 3,571,624 <p>Reuse Transmission Pipeline:</p> <ul style="list-style-type: none"> • Design Fees: \$84,157 • Construction cost: \$1,613,011 • Observation and inspection fees: \$84,157 • Total for transmission pipeline: \$1,781,325 • Engineer’s line item estimate (Gardner Engineering) for transmission line is uploaded in the amount of \$1,781,325. <p>Overall Reuse Pond and Pipeline Project total: \$5,525,628</p>	
What are the other sources of funding for the project, including any matching funds?	
Applicant cash in hand (PTIF) \$0.9m (impact fees & capital set-aside); \$400,000 land donation estimated value; Applicant Bonding \$2.3m	
If this project includes multiple local government entities, please describe each entity’s matching amount.	
<p>Public/private partnership commitment of land in the estimated value of \$400,000 has been made for pond site. (Attached)</p> <p>A commitment to cooperation has been received from Powder Mountain District. However, that District will need to plan fund and build a tertiary level sewage treatment plant, and multiple other steps will be required in order for them to participate in using the storage.</p>	
How will this project be fiscally sustained after these one-time stimulus funds are exhausted?	
<p>The project will be sustained by revenues resulting from the additional secondary capacity it represents.</p> <ul style="list-style-type: none"> • The District charges impact fees for new connections to the system. Revenue will accrue from impact fees on connections that become possible and occur over an expected 10-year period (approximately \$2.1 m) • In essence, we are asking for grant funding of the pipeline which makes reuse, instead of surface water use, possible. The District impact fees charged for the last 5 years will finance much of the cost of the pond itself – we are a fiscally conservative, frugal, and prudent District that has proactively planned ahead and is continuing to do so. • Additional revenue will come from monthly charges for metered secondary water to retail and commercial connections. • In 2020, our charges for irrigation water beyond 10,000 gals per month were \$1.5 	

rising to \$4.50 per thousand gallons. These charges have been reviewed due to the shortages experienced during 2021 drought. The rates have been restructured to provide an “economic signal” encouraging conservation, particularly for new construction. In particular, we are seeking to reduce the number of heavy users, watering in quantities beyond Weber Basin recommendations.

The 90 AF stored represents approximately \$70,000 in additional long term annual potential revenue. Actual flows are likely to exceed the pond nominal volume. We would expect additional expenses for loan interest charges, pumping, maintenance, labor, etc.

- Revenue from wholesale water charges to Wolf Creek Golf Course are negotiated annually and are in addition to the above revenue.

Additional Questions – Answer the questions for each Project Category selected above

Housing and Homelessness N/A

Water and Sewer

How is this project eligible under the EPA’s Clean Water or Drinking Water State Revolving funds? Please be specific, using direct citations from the CWSRF or DWSRF.

The proposed project is fully eligible for funding since it meets the exact letter of projects within the criteria documents. The specifics are below.

- Section II.D.1. of Interim final rule for The American Rescue Plan Act (ARPA) states projects that would be eligible to receive financial assistance through the EPA’s Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) are eligible for funding with the Fiscal Recovery Funds.

The Wolf Creek District has reviewed EPA’s May 2016 Overview of Clean Water State Revolving Fund Eligibilities and the project is qualified as eligible for CWSRF funding as a Centralized Wastewater Treatment - Reuse Project.

- Further the District is a fiscally prudent Special Services District and none of the requested assistance would qualify as ongoing operation and maintenance activities. This is a capital asset project.

It does not include system expansion for new development, since the connections to be served are existing building lots.

- The EPA Overview of CWSRF (Ref: page 12) states that funding can be provided to” any borrower for reusing or recycling wastewater”.

Drinking Water State Revolving fund: • The District has further reviewed the EPA’s June 2017 June 2017 Drinking Water State Revolving Fund Eligibility Handbook (DWSRF) Handbook page 11 Table 3.3 Category 4, which states that the following types of project are eligible: “Storing water for reclaimed water (aka “purple pipe”) systems”.

The project therefore is specifically cited as eligible in both CWSRF and DWSRF eligibility references.

How does your project directly help to mitigate a public health issue?

- Ogden Valley has an identified a growing problem with nitrate in groundwater (Ref: UT Geo Survey Special Study 165). The primary sources are septic systems for residences and agriculture (fertilizer and livestock).
- The valley is a “non-discharge area” for effluent disposal – so without reuse, infiltration and total containment and evaporation is the only solution. It takes increasing land area, at high cost, particularly for evaporation. REUSE is preferable
- At risk is the drinking water supply for Ogden City and surrounding area, which draws from wells and Pineview Reservoir.
- The District wastewater treatment plant and its Rapid Infiltration Basin (RIB) is not a major contributor to this problem, but the flow from it is relatively high (100,000 to 250,000 gals per day. Or 500,000 gals per day during high infiltration periods following snow-melt).
- Redirecting the treated wastewater to year-round reuse will alleviate nitrate, phosphorus, and potential pharmaceutical metabolites (endocrine disruptor), or other contaminant loading to the aquifer, mitigating this key local public health issue.
- Sharing the storage pond, when feasible, will bring those benefits to other parts of our community.

How does your project support community resilience to water, drought, climate change, etc.?

- Resilience to drought and climate change needs two things: diversity of supply, and flexibility to match supply and demand fluctuations.
- Increased storage AND reuse provides both of these (Fig 2 uploaded)
- We have seen our supply decline by 40% (Fig 3 uploaded). Full reuse will provide an additional 20-25% supply, but storage will amplify its value since we can use it in mid-summer. As summer rains and stream flows decline we will have an alternative source.
- The reuse source is relatively unaffected by climate change, especially since we will be storing water generated during winter peak visitation in the resort.
- Bringing in additional flow from other Districts, such as Powder Mountain will increase these benefits.

Does your project provide a substantive water quality benefit?

- The disposal of treated water through reuse by irrigation will provide a useful purpose for the remaining nitrate in the water (approximately 12 mg/L average NO₃ as N annual quality). Estimated nitrate discharge from the plant is 14 pounds per day. This will reduce some of the fertilizer application otherwise necessary for the golf course.
- There is increasing concern among scientists about other trace sewage ingredients such as pharmaceuticals, which may not be degraded through treatment. Reuse removes most of these from the groundwater – a drinking water source.

Does your project preserve/ and or expand current water storage?
<ul style="list-style-type: none"> • The project approximately triples the storage in our service district (51AF+90AF = 141 AF) • Our existing storage facility (10-AC Lake) is currently shared with Wolf Creek Irrigation Company (WCIC), which serves ranchers and downstream residents. Without building this reuse storage project we will need to cease current arrangements for storage of their water, which will reduce irrigation water availability to their 150 agriculture, commercial and residential shareholders, outside of our service district. Legal conflict is likely. • This project will benefit the whole community. (see WCIC letter of support)
How does your project integrate land use and water planning?
<ul style="list-style-type: none"> • The location of the storage pond was identified for water storage during master planning of the Bridges Subdivision in which it is located. • Zoning is Forest Valley Zone, FV-3 “low density residential in a naturalistic Environment” Weber Code : Sec 104-14-1. Water pumping facilities and reservoirs are a Conditional Use in this zone, thus the pond will require a Conditional Use Permit. • The Bridges already has walking/biking trails – these will be adjusted to optimize the visual asset of the pond. • A geofabric and clay liner is preferred, with rip-rap banks to prevent erosion of the liner. This will allow more natural appearance to the pond, in accordance with the zoning and natural setting. However, engineering technical and safety requirements will be the governing design basis.
Does your project address an existing or impending water supply need?
<ul style="list-style-type: none"> • Yes. The District was identified in 2018 as having no excess capacity in the secondary water system for 1150 users. The situation worsened from there as summers temperatures rose, and snowpack and rains declined from historic patterns. • The secondary surface water inflow rate (Wolf Creek Channel) is now badly affected by the current drought, reducing available inflow by approximately 43 %. (Fig 3 August measured flows). • The District currently has a Moratorium on new connections for existing historically developed lots due to lack of BOTH culinary and secondary water supply. This has caused considerable anxiety and disappointment among the approximately 95 of our customers who were planning to build in 2021-2. This project will solve that secondary supply problem. • The culinary source issue is the subject of a second grant application to the ARPA funding by Weber County named Wolf Creek Well Drilling.
Will this project be completed in conjunction with a road project or any other infrastructure project?
The pipeline portion of the project will be completed partially within existing county adopted roads and right of ways.

Broadband N/A
Public Health Impact N/A
Economic Opportunities and Recovery N/A

Weber County ARPA Assistance Application

Please return the completed application, along with any related attachments to ARPA@webercountyutah.gov by December 31, 2021.

Policy Statement	
The County's intention is to spend its first tranche of ARPA funds on infrastructure and other bricks and mortar projects that would not otherwise receive funding through existing sources. It is not intended to provide support for existing services or other ongoing programs at this time.	

Project Description	
Project Title:	Wolf Creek Well Drilling
Project Location:	Wolf Creek Water and Sewer Improvement District, Eden, Utah
Summary of Project:	
<p>Wolf Creek Water and Sewer Improvement District, one of the most efficient and innovative small service districts in the state of Utah, needs funding for development of additional sources for culinary water. The District culinary water capacity has become insufficient (by more than 30 %) to satisfy Division of Drinking Water (DDW) standards <u>for current users</u>.</p> <p>The full well drilling project is \$ 2.74 million with multiple components. The District is requesting a funding match in the amount of \$0.75m (27 %), to cover pandemic-caused cost increases. The District commits to fund the balance (\$1.9m) from cash reserves and an approximately \$1m loan, supported by revenue generated by the new flow capacity.</p> <p>The District comprises one of the most densely developed areas of Ogden Valley, where building has led to more than 1150 existing dwelling units, including over 500 multi-family or townhouse units. This has only been possible due to the efficient functioning of our holistic water and sewer systems, including full retail secondary (landscape water) metering, and tertiary level sewage treatment plant with water reuse. In other words, culinary water is potentially used twice within our system. (See related grant application for Reuse Water Storage Pond).</p> <p>However, with prior ownership by a sequence of developers since the 1960s, the water supply for development was broadly based upon assertions of available water. Rosy assumptions and historic relationships replaced objective engineering and legal evaluation. The current public 'body politic' took ownership of the water systems in 2010 during a developer bankruptcy, and assumed the liabilities of restrictive legal agreements as well as an aging infrastructure. The changing climate and drought has reduced both our culinary and our secondary supply, and the District now finds itself with an historic inventory of nearly 400 unbuilt lots, and insufficient culinary and secondary water to meet even the needs of our current active users.</p> <p>The COVID pandemic has intensified recent building pressure. But without water to provide, and drought reducing remaining source flows, the Board of Trustees passed moratoria limiting building unless water supply (through share transfer) is provided. The District's customers have over \$100m in projects (>100 homes and commercial) delayed by the July 2021 moratorium and we are at a standstill. We request match funding to move forward.</p>	

- The full well drilling project is \$ 2.74 million with multiple components, including new well drilling.

- We are operating currently “single source” – a DDW Significant Deficiency – which puts water supply at risk for our existing 1150 active connections. The well drilling project directly addresses this public health problem by drilling and upgrading three culinary water wells and one spring, to bring adequate long-term capacity and enduring drought resilience to the District’s supplies.

- This proactive investment designed to protect our existing customers, will likely develop enough capacity to enable us to lift the 2021 Moratorium, and allow this pending construction to proceed. We must also find them secondary supply. (See separate Reuse Storage Pond Application.) This will create an immediate forty-fold return in economic value to the community and Weber County.

- **PROPOSED TASKS AND ANTICIPATED OUTCOMES:**

- New Deep Well – New 1500 feet deep well into quartzite, pump-test, equip and connect to supply system. Deep drilling is expected to enhance quality, and minimize risk of affecting senior water rights springs in the vicinity - 200 gallons per minute (gpm)
- Belnap Well – Drill a replacement municipal culinary well to approximately 500 ft equip and connect. Current residential well must be upgraded to DDW municipal standards - 60 gpm
- Eden Hills – Well modifications to address casing/ quality problems - 15 gpm
- Crooked Spring – Spring upgrades to fix bacterial contamination - 30 gpm

TOTAL planned additional capacity 305 gpm – Approximately doubling current inadequate capacity. New well bids have increased 22 % in one year, hence this grant request.

Water rights, with State Engineer approved Points of Diversion, are held by the District for these sources under E5492 (and E2023). The District owns the drilling sites, or has access permission and has made water right filing. See map Fig 1.

Please attach any additional documents, letters of support, etc. to this application.

Project Categories (select up to two options)			
	Housing and Homelessness		Economic Opportunities and Recovery
X	Water and Sewer		Broadband
	Public Health Impact		Other:

Project Impact
Please explain why you believe this project fits within the allowable uses of ARPA funds as described in the Treasury’s Interim Final Rule? Please be specific when explaining your reasoning, including direct text citations and other references from Treasury guidelines that support the justification that this project is eligible. <u>U.S. Treasury Interim Final Rule.</u>
The proposed project is fully eligible for funding since it meets the exact letter of projects within the criteria documents. The specifics are described below. The Treasury Interim Final Rule Part 35 Subpart A Section 35.6 (e) states the following projects are eligible: “necessary investments in infrastructure. A recipient may use funds to make investments in: (1) . . .

.Drinking Water State Revolving Fund investments (DWSRF). Projects or activities that would be eligible under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12)

The Wolf Creek District is eligible for DWSRF funds as it is a publicly-owned Community Water System serving 1150 connections, and has demonstrated that it has the technical, managerial, and financial capability to comply with the Safe Drinking Water Act (DWSRF Eligibility Handbook page 8).

For this specific project, the Wolf Creek District has reviewed EPA's June 2017 DWSRF Handbook which provides eligibility for the following types of projects identical to this Wolf Creek proposed water project:

- “Development of new sources to replace a contaminated drinking water source or increase drought resilience”
- “Raw water. . . wells or other constructed infrastructure that allows for movement of raw water into the treatment plant or into the distribution system” (Ref: DWSRF Handbook page 11 Table 3.3, Category 3 – Source)

The project is development of new and upgraded wells and one upgraded spring for improved flow and quality (remediating spring contamination).

Will these ARPA funds be used for any ineligible uses as outlined by the U.S. Treasury, such as funding debt service, legal settlements or judgments, or deposits to rainy day funds or financial reserves?

No. The funds will be directed to payment of project contractor costs.

Is the project located in a qualified census tract?

Eden, UT is not a low income area or Tribal Area as defined by the census. This is not a criterion for infrastructure funding through ARPA.

How will this project benefit those disproportionately affected by the COVID-19 pandemic and its negative impact on the economy?

- The COVID-19 pandemic combined with the drought, and concurrent inflation, has driven upwards the cost of well drilling and other contracting by 24% (12mths).
- The pandemic greatly delayed the availability of contractors, since the drilling and construction crews car-pool to worksites, leading to cross-infection. In September alone, two more contractors withdrew from bidding or have “ghosted” our service requests. We are shovel-ready but need financial support.
- The Wolf Creek District is located in Ogden Valley – a key recreation area for Weber and Davis Counties, with a tourism-driven economy. Guidance for the intent of COVID Fiscal Recovery funding, (CLFRF) says an appropriate use is: “aid a planned expansion or upgrade of tourism, travel and hospitality facilities delayed due to the pandemic”. (Ref: Interim Final Rule treasury FAQ element 2.9) We have over 700 units in short term rental approved zoning.

- The pandemic, remote work, and California wildfires have led to the huge increase in requests to build on and connect standby lots. Typically, we would see 5-10 per year, and planned accordingly. In first half 2021, we received and approved 30 requests.
- The July 2021 Moratorium has put on hold a further 95 requests. The Moratorium was imposed in order to buy the district time to deal with a “perfect storm” of unstable conditions and including deficiency with respect to Division of Drinking Water standards. It will be reviewed in March of 2022.

What are the long-term benefits of this project?

- The project will more than double the peak capacity of our culinary system for the 40-year design life of the wells and spring.
- It will yield a robust high quality culinary supply with greater resilience against drought and climate variations.
- It will protect our existing active connections and is anticipated to bring service to some “standby” Owners on our long waiting list.
- The District does not anticipate that the project will bring sufficient flow capacity for new development (new subdivisions), although this is possible. The District’s policy is, and has been for many years, that Developers bring water to satisfy both the culinary and secondary water demands of their development. (Supporting new development is not an intent of Congress for ARPA funds).

In what ways could this project be considered innovative?

- Wolf Creek can be considered an Utah innovation “test box”, where various conservation practices are being tested. We can measure their effects because of our fully metered culinary and secondary systems, with integrated treated wastewater reuse, and compact geographic footprint.
- The culinary water flows generated by the project are expected to lead to treated effluent flows which will be stored and reused for summer irrigation, within a storage pond for which a related second grant is requested.
- We have introduced Developer agreements for sustainable conservation residential standards, such as “Watersense ®” fixtures for water-efficiency and which amplify the benefits of the culinary flow from this project.
- A further innovative aspect is that currently there are no other Ogden Valley municipal supply wells completed in the deeper Caddy Canyon Quartzite Aquifer. The production Deep Well will therefore be partially innovative, and test this new resource. The technology and engineering of the wells and spring improvements in general is not innovative.

How are you going to measure the intended benefits of this project?

During construction, progress will be measured against budgets and schedule, reviewed in open and public board meetings on a website-posted scorecard.

The long-term benefits of the project will be measured based on pump testing of the wells, metering of spring flow; and water quality measurements of all sources, and finally metering of each well/spring as the water is introduced the District culinary water system. The capacity of each source will need to be established in accordance with the DDW "Two-thirds Rule" for Safe Yield.

The benefits of each additional flow will be compared to each problem we face:

1. Additional 88 gpm above present flows is needed for DDW Peak Source Demand to reach compliance for current active connections.

2. Additional flows are needed to allow connections of currently recorded lots, developed over a 40-year development period. We have a wait list of 95 units, beyond our current active users. These customers are understandably frustrated. Both culinary and secondary water will be required to offer them new services.

3. Approximately 100 gpm above capacity is needed for second source / robustness and drought resilience in the face of a changing climate (25% loss of snowpack in 40 years; half of our secondary water inflow missing this year compared to historical norms)

Does this project require action based off of the National Environmental Policy Act?

NO

Is the project on any local, regional or state plan?

2016 Ogden Valley General Plan (p16), Land Use Principle 1.5 Encourage development in areas with sewer service.

2002 and 2014 Wolf Creek Master Plan approved through Zoning Development Agreement between Weber County Commissioners and multiple developers.

Can this project be accomplished using existing funding sources or private funding? If yes, what other sources are available?

There are available District capital funds of approximately \$870,000 and a loan will be applied for from commercial funding sources, or the state water resources board. Analysis indicates that the District is unable to carry sufficient debt for the whole project without grants in the amount requested.

Please list any additional ARPA or other state or local fiscal recovery funds you are requesting.

A further grant is being requested from Weber County for construction of a reuse water storage pond, to supplement secondary water supplies. Similar applications were submitted to the State Legislative Local Assistance Matching Grant Program, but was not recommended for funding due to the overwhelming level of applications compared to funds.

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Project Timeline	
Anticipated start date:	September 20, 2021
Anticipated end date:	December 31, 2023
Please summarize the project timeline, including key milestones and when expenditures will be completed.	
<p>Crooked Spring: Site work started Sept 2021. Phase I Site work and invoicing complete December 2021. Assessment of results and planning for possible Phase 2: February 2022.</p> <p>Eden Hills Well: Site Preparation Work – Complete. Well work Nov 25, 2021 to Dec 15, 2021. Pump testing Jan 2022. Equipping well, pumphouse and site work March to May 2022. Invoicing complete July 2022.</p> <p>Deep Well: Site Preparation Work – Site Preparation and water rights filing in progress. Drilling January 2022 to March 2022. Pump testing March 2022. Equipping well, pumphouse and site work April to July 2022. Invoicing complete September 2022. (Dec invoicing projected to allow for delays)</p> <p>Belnap Well replacement – (schedule dependent upon results of previous projects); Preparations 2022; Well drilling and connection 2023.</p> <p>All project deadlines are subject to availability of contractors, and the complexities and unpredictability of drilling and sitework, especially in N Utah winter.</p>	

Project Budget	
Amount Requested from County:	\$750,000
Total Project Costs:	\$2,738,000
Provide a breakout summary of the project costs:	
<p>Major engineers or contractor’s estimates are attached documents as indicated by *:- Deep well:</p> <ul style="list-style-type: none"> • Site Preparation – in progress - \$10,000); • Drilling \$954,819* including 15% misc. and contingency \$1,098,041; • DDW required long-term pump testing \$15,000; • Documentation \$5,000 • Equipping and tie-in \$507,000* • Land access \$150,000 • TASK TOTAL \$1,785,000 <p>Note the wild variation between two recent bids (Lang 1 and 2vs Hydro vs Cascade) for the same work with similar terms and conditions - \$797,950 to \$1.6 million. This is just one of the problems. The Board is juggling appropriate procurement based upon qualifications, price and Contractor availability, and similar issues will likely continue with the project below.</p>	

Belnap Well (or equivalent location):

- Site Preparation \$2,000;
- Drilling \$254,000 – (including 20% misc. and contingency for artesian pressure) \$304,800;
- Pump testing \$5,000;
- Documentation \$5,000
- Equipping and tie-in \$524,000*
- TASK TOTAL \$841,000

Eden Hills Well:

- Well Casing work \$30,000 including 15% misc. and contingency \$34,500;
- Pump testing \$5,000;
- Documentation \$5,000
- Equipping and tie-in \$20,000
- TASK TOTAL \$64,500

Crooked Spring

- Excavation, pipe repair and filter media including 10% contingency \$47,500
- TASK TOTAL \$47,500

Project Total: \$ 2,738,000

What are the other sources of funding for the project, including any matching funds?

\$1.9m from Wolf Creek District, including approximately \$1m bonding:

The requested grant (\$750,000) from Weber County will **comprise 27% of the project cost.**

District funds are made up of funds in hand (PTIF account) \$868,563 (Impact fees+CapEx set aside);

\$50K from repair and maintenance operating funds;

\$1m loan amount;

\$1.9m total

If this project includes multiple local government entities, please describe each entity's matching amount.

No other government entities are involved.

How will this project be fiscally sustained after these one-time stimulus funds are exhausted?

The project will result in additional User Fee and Impact Fee revenue to the District which will sustain the district going forward, including covering payments on the \$1m loan:

1) Culinary water charges have base amount (\$28) and tiered rates. Tiered rates start at \$3.50 per thousand gallons after a monthly base amount of 8,000 gals. Recently, alternate rates for "drought shortage" and "drought emergency" conditions rising to \$50 per 1000 gals were passed by the Board after public hearing.

2) Any additional connected homes will result in a revenue increase of approximately \$20 per month per connection (culinary), plus tiered rates.

A further additional \$45 monthly revenue will accrue from secondary water and sewer fees.

3) Those owners of existing lots that have not previously paid impact and connection fees will pay these at time of Can and Will Serve letter issuance for building permit request. This will

result in the generation of approximately \$8,500 per culinary service Impact Fee. A culinary “connection” fee of \$1100 covers actual meter, installation and inspection costs only.

The District’s charges are based upon the on-going operational and maintenance costs needed to sustain the District’s systems and will be adjusted with inflation, as necessary. In addition, the District enforces prohibition of culinary water use on landscape, and has mentioned above approved recently “Drought Rates” for culinary and secondary water to encourage conservation, and protect culinary supplies.

Additional Questions – Answer the questions for each Project Category selected above

Housing and Homelessness N/A

Water and Sewer

How is this project eligible under the EPA’s Clean Water or Drinking Water State Revolving funds? Please be specific, using direct citations from the CWSRF or DWSRF.

Clean Water State Revolving Fund:

The proposed project is fully eligible for funding since it meets the exact letter of projects within the criteria documents. The specifics are described below. The Treasury Interim Final Rule Part 35 Subpart A Section 35.6 (e) states the following projects are eligible: “necessary investments in infrastructure. A recipient may use funds to make investments in: (1)Drinking Water State Revolving Fund investments (DWSRF). Projects or activities that would be eligible under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12)

The Wolf Creek District is eligible for DWSRF funds as it is a publicly-owned Community Water System serving 1150 connections, and has demonstrated that it has the technical, managerial, and financial capability to comply with the Safe Drinking Water Act (DWSRF Eligibility Handbook page 8).

For this specific project, the Wolf Creek District has reviewed EPA's June 2017 DWSRF Handbook which provides eligibility for the following types of projects identical to this Wolf Creek proposed water project:

- “Development of new sources to replace a contaminated drinking water source or increase drought resilience”
- “Raw water. . wells or other constructed infrastructure that allows for movement of raw water into the treatment plant or into the distribution system” (Ref: DWSRF Handbook page 11 Table 3.3, Category 3 – Source)

The project is development of new and upgraded wells and one upgraded spring for improved flow and quality (remediating spring contamination).

How does your project directly help to mitigate a public health issue?

The project directly resolves three public health issues:

- Current lack of System Specific Source Capacity (more than 30% Deficiency at present);
- Current lack of back-up culinary source – Significant Deficiency

- Bacterial contamination in the Crooked Spring, believed to be due to surface root intrusions from woody vegetation causing wildlife waste intrusion.
- Sanding/turbidity in Eden Hills Well

The project will address these issues by constructing four improved or new culinary sources – three wells and one spring. We have been able to test samples at or near each proposed source, and have clear indications that water of the necessary quality and quantity is likely available.

How does your project support community resilience to water, drought, climate change, etc.?

In two ways:-

1) by providing diversity of culinary sources and 2) additional peak flow capacity for our culinary system.

Each of the new wells and the Crooked Spring, tap into what are believed to be separate groundwater aquifers. This diversity brings resilience. The additional flow above Div. Drinking Water regulatory requirements brings future resilience of supply in the face of future drought.

Does your project provide a substantive water quality benefit?

Yes, it will supply water to the culinary system which meets Primary Drinking Water standards (established by previous preliminary testing at new source locations).

- Eliminate or minimize risk of bacterial intrusion to the Crooked Spring
- Reduce sanding/turbidity in Eden Hills Well

Depending on the results of drilling, iron and manganese may be present at low concentrations in the deep quartzite production or Belnap wells, and require blending before introduction to the system. Current source (Warm Spring Well) is pristine water of outstanding quality, so blending is straightforward.

Does your project preserve/ and or expand current water storage?

The project will not create new man-made water storage. The District already has sufficient storage for build-out development based on the Wolf Creek Master Plan, approved by the County Commissioners in 2002 and confirmed in 2014.

The new and improved sources will access the natural storage of groundwater in aquifers / geological formations believed different and separate from our current primary source.

Addition of new wells and the improved spring on the culinary system will also improve use of the current storage (five tanks totaling 1.25 m gals).

Additional available flow from more independent points allows us to preserve water in storage as necessary, by bringing on immediate flow to one or more points in the system.

How does your project integrate land use and water planning?

The sources included in the project are consistent with the zoning in each location. Any new structures such as pumphouses will obtain Conditional Use Permits as required by Weber County Land Use Code.

The 2016 Ogden Valley General Plan (page 16), Land Use Principle 1.5 states: “Encourage new development to locate in areas where water and sewer service could be provided by sewer service”

Wolf Creek District is currently the only area of Ogden Valley with a modern tertiary-level sewage treatment plant. The project will provide additional water and sewer service as specified by the General Plan.

In accordance with this plan and its predecessors, development has been encouraged for 40 years within the Wolf Creek District. Unfortunately, previous developers did not consider conservatively what water was actually available. This project allows us to catch up with providing water supply to the development completed to date.

The conservation measures taken by the District are consistent with the Utah Water Plan and serve as a demonstration of effectiveness.

Does your project address an existing or impending water supply need?

Yes. The project directly addresses two existing deficiencies:

- Current lack of System Specific Source Capacity for Peak Day Demand (32% deficiency – 75 gpm); this means that we are below an adequate level for our 1150 current active connections.
- Current lack of back-up culinary source – we are in “Single Source Operations” for our active connections – this is a Significant Deficiency in resilience of supply according to DDW requirements. Relying on only one source risks complete loss of supply for our customers.

Overall, the District needs a total of approximately 327 gpm total culinary capacity to provide for all existing connections, AND existing unbuilt “standby” lots, developed over the last 50 years. Our engineer’s assessment is that we currently have 170 gpm capacity. A bare minimum additional of 88 gpm would cover the existing active users, based upon the 296 gals per day per connection, system specific standard established by DDW. Our current capacity is 170 gpm following source declines as a result of the drought. On the DDW website 193 gpm is shown, but further decreases have occurred from that point (July 2020).

The proposed project is anticipated to provide additional 250 - 300 gpm peak day demand capacity, which will provide adequate coverage for existing active connections, all standby lots, and a buffer of approximately 150 gpm backup source to allow for leaks, emergencies, and future drought-induced flow reductions.

Will this project be completed in conjunction with a road project or any other infrastructure project?

This project will be further supported by a reuse water storage pond, to supplement secondary water supply. A grant is requested for that project under the title “Wolf Creek Reuse Water Storage Pond”.

Broadband N/A

Public Health Impact N/A

Economic Opportunities and Recovery N/A

EXHIBIT B

Meeting County Commissioners
Wolf Creek Water and Sewer District
Eden Sewer Service Area

July 19, 2022

MOVING AHEAD!! DISPOSAL BY REUSE IS THE KEY

**WOLF CREEK WATER AND SEWER DISTRICT
EDEN SEWER SERVICE AREA**

Phase 1A:

- Lift Station and pressure line to Willowbrook Lane
- Connect Osprey, Cobabe, Eden Crossing
- Build Reuse Storage Pond (90AF)

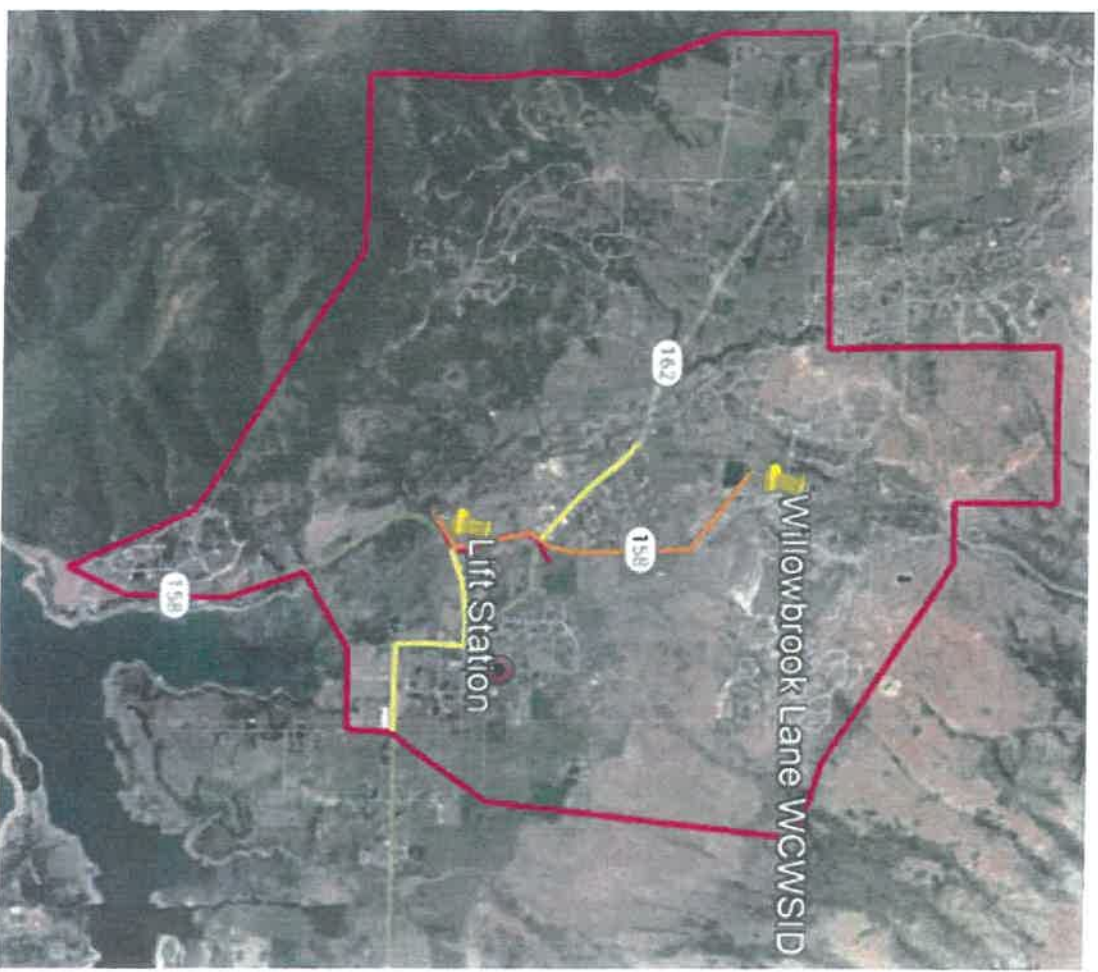
Phase 1B: Eden Village:

- Add primary sewers – Valley Elem to Snowcrest Jr HI
- Connect and support businesses
- Nordic Valley: connect through Osprey Ranch or otherwise (Funding dependent)

Phase 2:

- Add treatment capacity – method / location TBD
- Extend system bringing on new development
- Use the same, or similar disposal system

All boundaries and locations approx



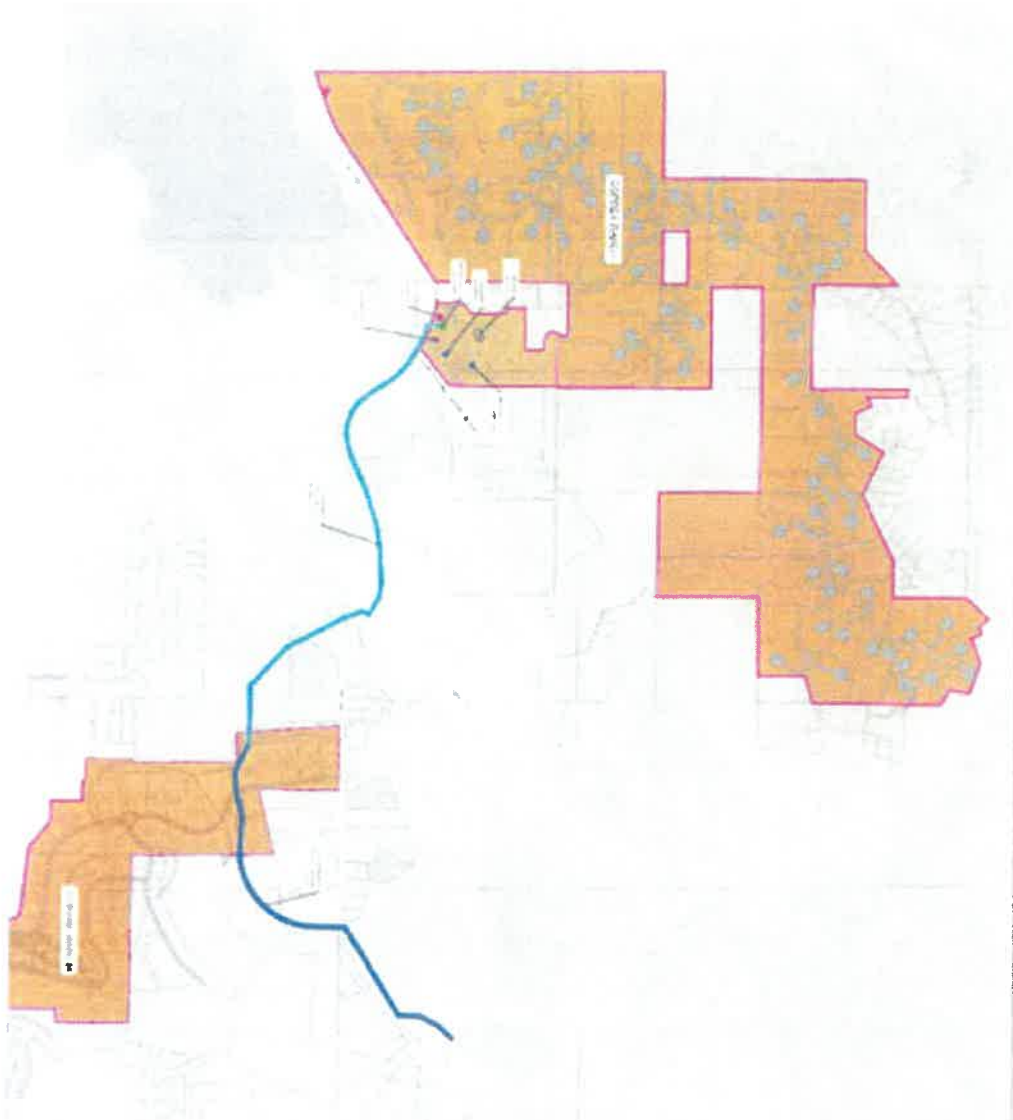
Planning Elements Phase 1 and 2

- Lift stations - plan to accommodate the Eden Village (Old and New) commercial flows and other units
- Reuse/Rapid Infiltration Basin capacity? Disposal system assessment and land acquisition – how many units can be disposed through the current system + new reuse pond?
- Location of additional treatment capacity – land and engineering feasibility study – expand existing plant vs built a new plant with effluent disposal through reuse/RIB
- Eden Service Area – Impact Fee Facilities Planning and tariff/rate structure evaluation. Similar rate structures to existing Wolf Creek District. Governance etc.

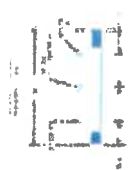
Summary of June 2022 Agreement

Wolf Creek District / Developers (Lewis, Dunleavy, Watts)

- Developers build sewage lift station and pressure line to Willowbrook Lane Sewage Plant; pay connection fees to system; defer units
- MCV/SID provides Can and Will Serve for Osprey Ranch, Cobabe Ranch, Eden Crossing; establish Eden Sewer Service Area within WC District; system is being upsized for future capacity – developers pioneering?
- Sewage treated effluent will be used primarily for golf course irrigation; 90AF Reuse Pond needed for this system (\$2m County ARPA grant needed)
- Developers drill wells at Osprey and bring that culinary /secondary water to Wolf Creek; culinary split 35:65 between District and Developer's new developments in Wolf Creek
- New Golf Course irrigation system (major conservation measure and to manage reuse water)
- Reuse agreement needed with Weber Basin



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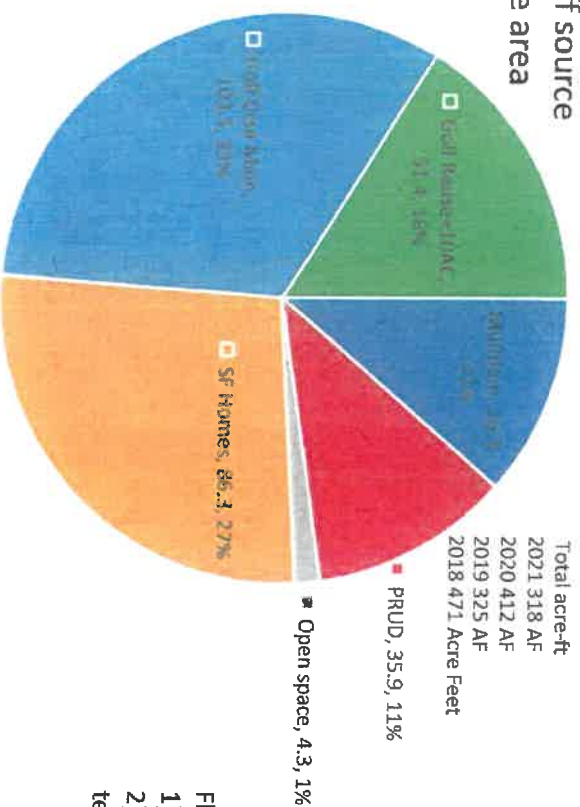


THE BENEFITS - 90 AF REUSE STORAGE POND

90AF of Reuse storage will:

- 1) INCREASE Reuse as disposal method – DWQ preferred
- 2) Greatly increase Drought resilience
- 3) x3 our storage
- 4) Provide 20-25% additional supply - diff source
- 5) Stabilize supply pressure to NW service area by functioning as a regulator reservoir

2021 Irrigation Usage



Total acre-ft
 2021 318 AF
 2020 412 AF
 2019 325 AF
 2018 471 Acre Feet

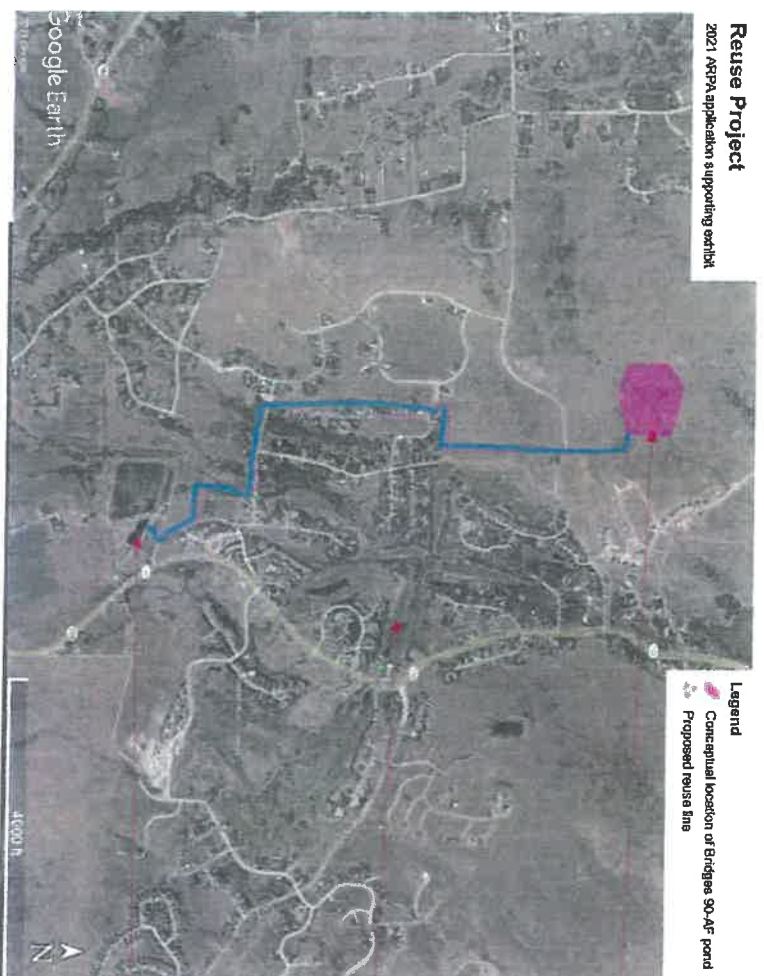
Multifam, PRUD and SF Homes are all residential users. Commercial is currently minimal

Current Reuse/Disposal of treated water is Approximately 20 AF/year=5% of supply

- Fluctuations in use are due to
- 1) Available supply, and
 - 2) Demand as summer temperatures vary

90 AF Reuse Pond – Concept

\$5.5m project estimate - \$2m ARPA request



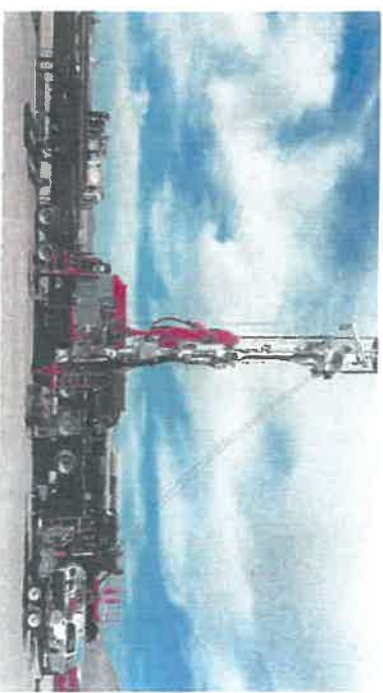
Pump treated water year around
via Reuse line
to dedicated holding pond

Primary use area on Golf Course;
(also permitted for all areas – Type 1)

Willowbrook Lane Sewage Plant
& Disposal Holding Pond

Water Actions taken to Date - 1

- Eden Hills Well and Crooked Spring re-construction at 95% construction completion Issues remain; work scheduled.
- East Well drilled to 540 feet - **culinary** well (\$1.4m project). Well is high yield but affects historic rights – negotiations in process. Well water will be shared, for mitigation, with Eden Water Works; ARPA grant request to county pending.



The drilling package includes a three-man drilling crew working 24 hours per day.

- A second well will be drilled summer 2022 for **irrigation** (\$300k) – also an unknown aquifer, on land District purchased in 2019 for this purpose (\$1m investment).

EXHIBIT C

EDEN SEWER SERVICE AREA AGREEMENT

This Agreement ("Agreement") is entered into by and between Wolf Creek Water and Sewer Improvement District ("District") and Osprey Ranch LLC, Cobabe Ranch LLC, Eden Crossing LLC, Wolf Creek Resort Holdings, LLC & Watts Enterprises Inc (collectively "Developers") effective as of June 24, 2022 ("Effective Date"). The Developers and District together are referred to herein as the "Parties."

RECITALS

A. District is a public utility entity located in Eden, Utah that, at present, does not have surplus culinary and secondary water availability.

B. Developers are seeking to develop projects in the Eden area, including a 104-unit development at Cobabe Ranch, a 61-unit development at Osprey Ranch, and remaining 35 units at the Eden Crossing location. Water is to be supplied to Cobabe Ranch and Eden Crossing by Eden Water Works (EWW), and to Osprey Ranch by Nordic Mountain Water Company. Water is not being supplied to these developments by Wolf Creek Water and Sewer Improvement District.

C. The Ogden Valley is a Category 1 area, where new development is being directed to sewers by Weber County in order to protect groundwater quality, as described in Utah Geological Survey Special Report 165. The Category 1 classification requires that treated effluent shall not be released to surface water. Release to groundwater is typically governed by the primary drinking water standard of 10 mg/L total Nitrogen.

D. Developers possess a test well with a 24 hr pump test (3/21/22) at 110 gpm capacity located at Osprey Ranch property ("Well"). Additionally, Developers possess a shallow sump well that has been pump tested at a range of 240-460 gpm for up to 32 hrs with a max drawdown of 30-inches.

E. Developers are willing to enter into this Agreement whereby Developers will provide additional capacity to District to cover its existing demands and the demands of Developers' proposed development within District's water service District.

AGREEMENT

In consideration of the payments and covenants set forth herein and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

ACTIONS BY DEVELOPERS

A. Eden Hills Replacement Project

1) This section is currently on hold, pending negotiations with EWW for the East Well - The requirement will be removed if/when a satisfactory agreement is signed with EWW for

mitigation of interference between East Well and Burnett Spring. The requirement of this section A may also be deleted at the option of the District, or once Developers have delivered 100 gpm of additional culinary source capacity.

- 2) The Developers will provide financing for the replacement of the District's Eden Hills Well (EHW), and all related costs and expenses, including DDW submittals, drilling to a depth of 800 feet, engineering of connections to the District's systems, inspecting, pump testing and analytical testing, and equipping the well. Well shall have diameter of approximately 10 inches, but no less than 8 inches upon completion.
- 3) All capacities are net of mitigation requirements to historic right holders.
- 4) DDW approved water culinary capacity from the finished well (after application of the "2/3rds" rule referenced in 1 & 2 below), assuming it is of culinary quality based upon analytical testing, shall be allocated as follows:
 - i. One third DDW-approved capacity of the EHW shall be allocated to the Wolf Creek Water District for existing users,
 - ii. The remaining two-thirds DDW approved culinary water capacity of the EHW, shall be allocated to Developer's new lot development properties, within the Wolf Creek District service boundaries.
 - iii. The total approved culinary water capacity shall be determined based upon a pumping test following well completion, and net of any mitigation requirements if the well is found by UT State Engineer to interfere with any historic water right.
 - iv. Developers shall be provided an impact fee credit (90%) for each "new lot development" culinary unit supplied from the two-thirds of the flow in Item 2, at the then effective rate of Peak Day Source Demand approved by Division of Drinking Water. This PDS D rate is 250 gals per day per Equivalent Residential Unit, as of April 20, 2022, but may in the future be revised upward or downward. The total credit shall be limited with respect to dollars of impact fee discounted, to the total cost paid by the developers for the Eden Hills Well redrilling.
- 5) If the well is not of adequate culinary chemical quality, the well will be connected to the District's secondary systems, for use by existing users, including the existing developments owned by Developers. In this case the capacity calculation above does not apply, and discount would be applied to secondary use, and the current IFFP allocation of secondary.
- 6) Drilling of the well to a shallower depth, abandonment of the boring/pilot hole, well abandonment or other failure to carry the new well to completion of the well may be agreed by the parties upon the recommendation of the project hydrogeologist. Under these circumstances, all invoices and expenses remaining from the Eden Hills Well Replacement Project shall be paid by the Developers.

B. Irrigation System on Wolf Creek Golf Course:

An improved and modern irrigation system is a critical component of drought mitigation planning for the District. Further, it is an important component of a golf course that strives to be a desirable venue for golfers, members and the community. Therefore Wolf Creek Resort

Holdings shall promptly pursue the replacement of the irrigation system on the Wolf Creek Golf Course, owned by Wolf Creek Utah.

Such replacement shall include new main-line supply piping, laterals, state of the science spray-heads, and computer and weather station -based control system with the goals of:

- 1) Substantially reducing irrigation of non-playing areas, sand-traps, off course areas and overall irrigated acreage, while maintaining playability for a range of golfing ability and tournament markets;
- 2) Efficient water application and operation including remote operation, and automatic response to weather conditions;
- 3) Cooperation with District in design, such that the full-irrigated area of the golf course can be served from the combination of the proposed Reuse Water Storage Pond, to be located in Bridges, or the existing Disposal Line, Ninth Fairway pond and pumping station on the Front nine.
- 4) Optional temporary reduction of irrigated areas (for example to just tee boxes and greens) by individual spray head control;
- 5) Cooperating with District on the irrigation system design and the placement of connection flow/totalizer metering in accordance with House Bill 242 (2022 legislature).
- 6) The sum of \$500,000 per year, beginning in 2022, shall be placed by Developers in escrow account, as a funding balance for construction of the Golf Course Irrigation System. Monies may be withdrawn to pay design and construction invoices of the system contractor. Design and contract award to the system installation contractor shall be completed by December 31, 2024.
- 7) All proposed work shall be completed prior to the 2026 irrigation season; District and WC Utah or current golf course owner shall adopt before the subsequent irrigation season a tiered wholesale rate of metered charges. In recognition of completion of replacement of the golf course irrigation system, the agreed rate shall be fixed for at least a 5-year period. Until the irrigation system replacement is fully completed, the metered and tiered charging schedule for water may vary.

C. Osprey Ranch Wellfield

- 1) Developers will arrange for, finance, pay for and complete drilling of a well field and Developer's associated water rights at the Osprey Ranch property, to supply culinary and secondary water to District. Approximately two culinary wells and one secondary sump/shallow well are planned, to satisfy demand of District's systems and Developers' new development units within the District water service area, described as Eden Crossing culinary well #1, #2 and Sump. Upon completion, satisfactory testing, approval by DDW as appropriate, and connection into the District systems, ownership of the culinary wells 1 & 2, pumping, tanks, pipelines and lift stations, easement to land within 200 feet of the wells, easements to all tanks, pipelines and all other related facilities shall be transferred to District without cost to District. Easement to the Sump shall be transferred to the District but Developers retains right to use 50% of the water produced outside of the District's water service area.
- 2) Developers will complete full analytical testing of samples from each source to Division of Drinking Water new source standards.
- 3) Culinary quality water shall be delivered to District via pipelines and a storage tank and connection to District systems, financed and paid for by Developers, to be located at an elevation

of at least 5350 ft m.s.l., at a location to be agreed between the Parties, on land provided by Developers.

4) DDW approved capacity, supplied to District shall be at least 100 gpm, or more as preferred by Developers. Pipeline and associated pumping stations shall be designed for flow of up to 500 gpm and storage tank shall be 50,000 gals and built to District specifications at a location to be agreed between the parties. All alignment right of way, design, engineering, construction materials, installation and specifications of all pipelines and piping is to be approved by District. Design, right of way, engineering, permitting, materials, installation and construction of these facilities are to be financed by Developers.

- i. Thirty-five percent of DDW-approved capacity from culinary wells 1 & 2 shall be allocated to the Wolf Creek Water District for existing customers, users, or distribution at its discretion;
- ii. The remaining approved capacity, shall be assigned to future new development units of the Developers, within the Wolf Creek Water Service District.
- iii. The new development units within Wolf Creek Water Service District shall be the subject of Development Agreements between one or more of the Developers and District, with impact fees payable at 90% discount off the then current price. This is applicable to the 65% of supply from culinary wells 1 & 2. Developers will pay all other then applicable District fees.
- iv. Future development within Wolf Creek's District shall only progress as culinary and secondary source capacity allows, and based upon satisfactory progress on the Golf Course Irrigation System funding, design and construction.

5) If water from the wells is not fully culinary quality, consistent with the quality of the Wolf Creek current supply, Developers will finance and pay for the design and installation of filtration or treatment systems such that the water can be used for culinary supply. If chlorination is required, and the result is that all the sources of the District require chlorination, Developers shall pay for installation of chlorination systems on all of the sources of the District.

6) Secondary Water shall be delivered to District via pipeline(s) located as agreed by the Parties, and extending to the Willowbrook Lane operations area, or as otherwise agreed. Design, engineering, permitting, materials and construction are to be financed and paid for by Developers. All design, engineering, construction materials, specifications and inspection of installation of all pipelines, sewers and piping is to be approved by District. As noted in section C 1), 50% of sump water will go to the district and 50% will remain in developer's ownership for possible use outside the District, at the Developer's option. Costs associated with use of the sump shall be equally split between the District and Developers. A separate agreement will govern sump's operation and cost sharing.

- i. The first thirty-five percent (of the district's 50%) of secondary water capacity as demonstrated by two complete irrigation seasons of use, shall be allocated to the Wolf Creek Water District for existing users, or distribution at its discretion,
- ii. The remaining secondary water capacity (65% of the 50%), shall be assigned to future new development units of the Developers, within the Wolf Creek Water Service District.

- iii. The new development units shall be the subject of Development Agreements between one or more of the Developers and District, with impact fees payable at 90% discount off the then current price. Developers will pay all other then applicable District fees.
 - iv. 4. Future development within Wolf Creek's district shall only progress as culinary and secondary source capacity allows, and based upon satisfactory progress on the Golf Course Irrigation System funding, design and construction..
- 7) Developers shall obtain water rights providing for legal operation and beneficial use of the portion of the culinary wells and secondary water sump benefitting Developer, including underlying Weber Basin Contracts, and preparation and approval of Exchange Application(s) at the Division of Water Rights and State Engineer's Office. The approved water rights shall be assigned or transferred to District upon completion of construction of the pipelines and other equipment that convey water to the District's systems. Developers shall obtain Weber Basin contract language to permit reuse of the culinary water within the initial Weber Basin contract language or as a separate agreement.
- 8) Developers shall make payments to District for Weber Basin Contract(s) annual assessments proportionally for all water assigned to Future Development, sufficient to supply it, until after lots within the District are recorded and subject to District's standby fee tariff. Within one year following recording of the lots, payments for contracts on the corresponding water shall be transferred / assigned to District and responsibility for proportional payment of assessments shall also transfer at that time.
- 9) Water rights, including all Exchange Agreements and underlying Weber Basin contracts shall be transferred to District with Record of Conveyance being prepared and submitted by Developer.
- 10) Easements for lands within 200 feet of wells and ownership of pipelines, wells, lift stations, tanks pumping stations and other facilities shall be transferred together with warranty covering materials and workmanship. Period of warranty shall be two years.

D. Cobabe Ranch Well (s)

- 1) Developers shall provide permission upon request for District to drill and construct test and production well(s) on open space of the Cobabe Ranch property, Brown property, or other property offered by Developers, and easements to connect such wells to District facilities with pipelines and pumping stations. Locations shall be agreed between District and Developers.
- 2) Easements for pipelines, and a land parcel for a radius of 200 ft around approved wells shall be provided to District, without charge by Developers. Design, engineering, well drilling, pipeline construction and recording of plat amendments shall be at District expense.
- 3) Developers will not protest District change or exchange applications to use the well(s). District will be responsible for all water rights filings for Cobabe Ranch Well (s).

E. Sewage Pump Station and Conveyance

- 1) Developers will assist in the siting of a sewage lift station, suitable for conversion to a treated water conveyance on the Osprey Ranch owned land, or land that is otherwise available. For that facility, Developers shall finance, pay for and complete right of way alignment easement or acquisition, facility design, engineering and construction of a 300 gpm lift station and 8" sewage pressure pipeline to District's Willowbrook Lane sewage treatment facility, along an

alignment to be agreed with District. All design and specifications to be agreed with District, and construction to be inspected by District, or its delegated representative.

2) Sewage pumping station shall include "Muffin Monster" grinding pumps or approved equivalent and control systems compatible with the District SCADA systems. Access shall be available from the pumping station to the public highway through easement or transfer to ownership of land to the District.

3) In the close vicinity of the sewage lift station, and at similar elevation, on developer owned land, space shall be provided for a future lift / pumping station and pipeline of approximately equal size.

4) The land beneath and around the lift/pumping station and the space for the second lift station, plus a distance of 30 ft radius, shall be deeded by the Developer to the District, together with easement(s) for the piping, without cost to District.

Note: There will also need to be sewage lines from Cobabe Ranch and Osprey Ranch developments to the lift station location -- At developer cost.

It would make most sense to locate the sewage lift station at the future treatment plant site.

5) District acknowledges developer is investing a large sum into the acquisition, construction and development of said sewage infrastructure. District agrees to allow developer to attempt to recoup said investment via grants or pioneering agreements with future users above district's usual connection and impact fee and assist as needed. Such efforts shall not conflict or detract from the District's efforts to obtain grants for its projects.

F. Development Units to be Deferred

1) The Willowbrook Lane Sewage Plant has a capacity of 2500 units, and all elements including the RIB are sized for 2500 units (400,000 gals/day). A key concern of Utah DEQ is that the capacity of the treatment plant and ancillary facilities, including Rapid Infiltration Basin, not be exceeded, and any extension or expansion of the plant or RIB would be likely to impose additional potentially onerous RIB or Plant permit limitations.

2) In order to justify the preparation of a Can and Will Serve for SEWER SERVICES ONLY, 200 units of residential development, being Equivalent Residential Units of sewer service, shall be deferred from planned development on Wolf Creek Master Plan.

3) The deferred units of development shall be identified to specific Parcel and Weber County tax ID according to the nomenclature in the 2002 and 2015 Master Plan and Zoning Development Agreements for Wolf Creek (ZDA's 2002-139 and 2015-31 between the County Commissioners of Weber County and various developers.

4) Additionally, developer may elect to defer additional density within the district with the intentions of relocating sewer service to the Eden Crossing site, acknowledging that at no time can the 2500 unit sewer capacity be exceeded by such transfer.

5) Future new developments in District by Developers shall be subject to Development Agreements between Developer and District similar in form and content to previous, including culinary water conservation and landscaping standards.

G. ESCROW ACCOUNT OR BONDING

Any moneys or funding to be paid by Developers, that are not paid immediately in cash, shall be deposited into an escrow account at a bank to be agreed upon, where it can be drawn upon by Developers and District upon presentation of invoices for work as described in this agreement.

H. REUSE POND LAND

- 1) Bridges Holding Company, and/or other John Lewis companies or subsidiaries shall make available through transfer of ownership via Warranty Deed to the District, as previously discussed, approximately 10 to 15 acres of land in the valley formed within Weber Tax ID parcel Nos. 220060014, 220060015 and 220060016. These lands are for the purposes of design and construction of a reuse water storage pond intended to be 90 AF, which will be a high hazard dam, permitted by the District through the Dam Safety Office. This pond is to form part of the treated sewage effluent reuse and secondary water supply system of the District.
- 2) The exact layout of the retaining structures, water surface elevations, liners, pumping facilities, supply and distribution pipelines is to be determined by the District and its Engineer(s).
- 3) Furthermore, both parties agree that District will continue to attempt to obtain a \$2M grant for Reuse pond development from Weber County; should the District be unsuccessful in obtaining approval for said funds from Weber County by September 1, 2023, the developer agrees to provide \$2M of said funds with the intention of developer obtaining reimbursement from outside sources; The District will not be liable for these funds and will assist the developers as needed to obtain reimbursement.

ACTIONS BY DISTRICT

I. Reuse permissions

- 1) If required by then effective legislation, District will try to obtain permission, of Eden Water Works (EWW) Board of Directors for reuse of treated sewage effluent from the Developers' 139 units in that system. Developer will bring Weber Basin water contracts to EWW for those units that will include a reuse permission.. Developers will support that effort by paying for legal representation of the District, as necessary.
- 2) District shall pursue obtaining permission of Weber Basin for reuse of treated sewage effluent, derived from its underlying water contracts. Developers will support that effort by paying for legal representation of the District as necessary. Osprey Ranch will be serviced through Weber Basin Contracts held by Nordic Mountain Water inc.
- 3) This agreement and the acceptance of the sewage or effluent from Developers' 200 units is contingent on Weber Basin issuing permission for reuse, which is both parties current understanding and expectation.

J. Sewer Service Can and Will Serve Letters for Developments

- 1) Subject to section L [Reuse Permissions] above, the District, upon execution of this agreement will issue can and will serve sewer service letters for Osprey Ranch, Cobabe Ranch and Eden Crossing; Developers will pay district One Million Dollars (\$1M) representing the District's current sewer impact and connection fees with the understanding additional fees may be charged once the IFFP/IFA is completed for the Eden Sewer Service Area.
- 2) The present intention of the District is that these developments will be annexed into "Eden Service Area", a separate, defined service district of Wolf Creek Water and Sewer Improvement District, focused in the Eden Commercial Area. District will pursue timely annexation actions for the Eden Sewer Service Area with the Weber County authorities.

- 3) District shall determine whether flows are directed to the existing Willowbrook Lane plant, an extension of that plant, or to a new sewage plant at a To Be Determined location.
- 4) Osprey Ranch, Cobabe Ranch and Eden Crossing Developments shall be subject to the sewer service operating fees, initial impact and connection fees, standby fees, construction standards and specifications tariffs, inspection requirements and schedules of the District. These will be specific to the Eden Sewer Service Area and may differ from, and be higher than, those of the current Service District.
- 5) At this time, a non-refundable sewer standby monthly fee of \$45 for each recorded lot in the new Developments will be charged. An IFFP/IFA and rate schedule analysis will be prepared for the District to present a basis for Eden Service Area Charges. The operating rate schedule will include any reuse fees charged by water right holders.
- 6) Developers shall receive partial credit (to be discussed) for construction of the sewage pumping and pipeline facilities as discussed above in Section E, unless Developers obtain grant money for these facilities.

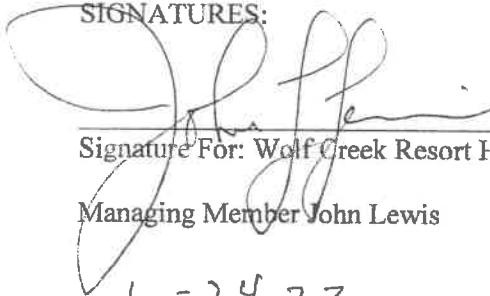
K. Miscellaneous Provisions

- a. **Joint and Several Liability of each of the Developers.** Each of the Developers individually assumes all of the obligations set forth herein to the extent of the control of assets by each. All of the obligations herein shall apply fully to each of the Developers individually. Each of the Developers agree to joint and several liability for all their assets' obligations set forth herein.
- b. **No other parties required.** Each of the Developers individually represents that there are no other entities or individuals whose involvement or approval is necessary to carry out the Developers' obligations in this Agreement.
- c. **No relationship.** Nothing in this Agreement shall be construed to create any partnership, joint venture, or fiduciary relationship between the Parties.
- d. **No Other Promises or Representations.** Each of the Parties acknowledges that no other party, agent or attorney has made any promise, representations, or warranty whatsoever, express or implied, written or oral, not contained herein concerning the subject matter hereof to induce the execution of this Agreement, and each of the Parties hereto acknowledges that he or she has not executed this Agreement in reliance upon any promise, representation or warranty not contained herein.
- e. **Counterparts.** This Agreement may be executed in counterparts and shall be deemed fully executed by all the Parties when counterparts hereof have been signed by each of them whether or not signatures of all parties appear on the original or any one copy of this Agreement.
- f. **Survival of Warranties and Representations.** All warranties, representations, covenants and conditions set forth in this Agreement or in any other document executed in connection with, subsequent to or in furtherance of this Agreement, shall survive the execution of this Agreement and the performance of any obligations required hereunder.


- g. **Entire Agreement and Modification.** This Agreement contains the entire understanding of the Parties. It may only be amended, modified or terminated by a written instrument signed by all of the Parties.
- h. **Force Majeure and Act of God.** Neither party hereto shall be liable to the other for default in the performance of any of the terms and provisions hereof if caused by earthquakes, drought, fires, strikes or labor disputes, riot, war, facility failure, orders of court or governmental agencies having jurisdiction, governmental regulation or changes to same, change in climatic conditions, Act of God, or other natural event or contingency beyond the reasonable control of the respective parties; provided that nothing in this item shall relieve the Developer from its responsibilities with respect to indemnity and warranties.
- i. **Successors and Assigns.** The provisions of this Agreement shall be deemed to extend to be binding upon and inure to the benefit of the Parties hereto and their respective legal heirs, successors, personal representatives, executors, successors and assigns.
- j. **Indemnification.** Developer each jointly and severally agree to indemnify, defend, and hold harmless the District from and against any loss, cost, or damage of any kind (including reasonable outside attorneys' fees) to the extent arising out of breach of this Agreement, and/or its negligence or willful misconduct.
- k. **Severability.** If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect, and shall in no way be affected, impaired or invalidated, and the Parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the Parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.
- l. **Attorney Fees.** The prevailing party shall have the right to collect from the other party its reasonable costs, necessary disbursements, attorneys' fees, engineering fees, or other professional and expert fees incurred in enforcing this Agreement.
- m. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Utah. Jurisdiction for any action based on this Agreement shall be with the District Court of Weber County, State of Utah.
- n. **Assignment.** This Agreement shall not be assigned or transferred by Applicant without the prior written consent of the Company.

- o. **Knowledge.** The parties have read this Agreement and have executed it voluntarily after having been apprised of all relevant information and risks and having had the opportunity to obtain legal counsel of their choice.
- p. **Drafting Party.** This Agreement has been and shall be deemed to be a product of joint drafting by the parties and there shall be no presumption otherwise.
- q. **Modification.** This Agreement may not be modified or amended except by the express written agreement of the parties.
- r. **No Waiver.** Any party’s failure to enforce any provision of the Agreement shall not constitute a waiver of the right to enforce such provision or any other provision, nor shall any such waiver constitute a continuing waiver. The provisions of this Agreement may be waived only in writing by the party intended to benefit by the provisions, and a waiver by a party of a breach hereunder by the other Party shall not be construed as a waiver of any succeeding breach of the same or other provisions.
- s. **Cooperation.** The Parties shall cooperate together, and each Party agrees to execute and deliver such additional documents and instruments and to perform such additional acts as any Party may reasonably request or as may be reasonably necessary or appropriate to effectuate, consummate, or perform any of the terms, provisions, or conditions of this Agreement.
- t. **Injunctive Relief.** The parties acknowledge that if a party should default in any of its obligations under this Agreement, it may be impracticable to measure the resulting damages to the aggrieved Party and it may not be possible to adequately compensate the aggrieved party by means of monetary damages. Accordingly, without prejudice to the right to seek and recover monetary damages, the aggrieved party shall be entitled to seek and obtain specific performance of this Agreement or other injunctive relief, and the parties each waive any defense that a remedy in damages would be adequate and any requirement that the aggrieved party post any bond or other security to obtain such relief.

SIGNATURES:


 Signature For: Wolf Creek Resort Holdings, LLC
 Managing Member John Lewis
 6-24-22

 Date


 Signature: For Wolf Creek Water and Sewer Improvement District.
 Miranda Menzies – Chair, Board of Trustees
 6/24/22

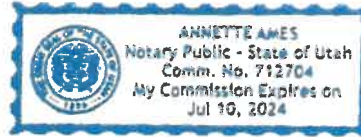
 Date

ACKNOWLEDGMENT

STATE OF UTAH)
)
) : SS.
COUNTY OF Weber)

On the 24 day of June, 2022, John Lewis personally appeared before me, and acknowledged to me that he/she is managing member of Wolf Creek Resort Holdings LLC and has executed the above agreement.

Annette Ames
NOTARY PUBLIC



ACKNOWLEDGMENT

STATE OF UTAH)
)
) : SS.
COUNTY OF Weber)

On the 24 day of June, 2022, E. Miranda Martinez personally appeared before me, and acknowledged to me that he/she is Chair of the Board of Trustees of WCWSID and has executed the above agreement.

Annette Ames
NOTARY PUBLIC



John Lewis
Signature for Osprey Ranch LLC
Lewis Group Holdings, LLC, Managing Member
John Lewis as Managing Member of Lewis Group Holdings, LLC

6-24-22
Date

John Lewis
Signature for Cobabe Ranch LLC
Wolf Creek Resort Holdings, LLC, Managing Member
John Lewis as Managing Member of Wolf Creek Resort Holdings, LLC

6-24-22
Date

[Handwritten Signature]

Signature for: Eden Crossing LLC
Lewis Group Holdings, LLC, Managing Member
John Lewis as Managing Member of Lewis Group Holdings, LLC

6-24-22

Date

ACKNOWLEDGMENT

STATE OF UTAH)
) : ss.
COUNTY OF Wasatch)

On the 24 day of June, 2022, John Lewis personally appeared before me, and acknowledged to me that he/she is managing member of Lewis Group Holdings, and has executed the above agreement.

[Handwritten Signature]
NOTARY PUBLIC
[Handwritten Signature]



Signature for: Watts Enterprises, Inc
Russell K. Watts

Title

Date

ACKNOWLEDGMENT

STATE OF UTAH)
) : ss.
COUNTY OF Wasatch)

On the 24 day of June, 2022, Russell K. Watts personally appeared before me, and acknowledged to me that he/she is a company officer of Watts Enterprises Inc and has executed the above agreement.

[Handwritten Signature]
NOTARY PUBLIC



EXHIBIT D: SLFRF REPORTING REQUIREMENTS

A. Applicable Statutes, Rules, and Guidance

The statutes, rules, and regulations set forth in the Agreement apply with respect to the reporting obligations set forth herein. All terms used herein have the definitions set forth in the Agreement or, if not specified in the Agreement, as set forth in ARPA or the Final Rule. Additionally, Treasury's publication entitled the "Compliance and Reporting Guidance" ("Compliance Guidance")¹ and Treasury's "Projects and Expenditure Report User Guide for State and Local Fiscal Recovery Funds" ("User Guide")² apply as noted herein. In addition, the Uniform Administrative Requirements for Federal Awards in 2 CFR Part 200 apply to the Award under this Agreement.

B. Important Concepts

i. Recipients, Subrecipients, Subawards, and Projects

The definition of "recipient" includes counties that receive a payment under section 602(b) or 603(b) of the Social Security Act. 31 CFR § 3. In this case and as set forth in the Agreement, the County is the recipient of SLFRF funds. A subrecipient includes any non-Federal entity that receives a subaward from a recipient to carry out part of a Federal program, in this case the SLFRF program. See 2 CFR § 200.93. Entities that receive a subaward from the County to carry out the SLFRF program are subrecipients, as defined in the Agreement. A "subaward" is an award of SLFRF funds provided to a subrecipient by a recipient to carry out the SLFRF program. "Projects" are defined as a group of closely related activities that are intended to meet a certain goal or directed toward a common purpose³ or "new or existing eligible government services or investments funded in whole or in part by SLFRF funding."⁴

ii. Eligible Costs Timeframe

Under this Agreement, the Subrecipient may use Award funds to cover eligible costs incurred from March 3, 2021 to June 30, 2026, as long as the obligations are incurred by June 30, 2024 and liquidated by June 30, 2026.

iii. Obligations

The Final Rule for SLFRF funds defines an obligation as "an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment." 31 CFR § 35.3. The Projects and Expenditure Report User Guide also includes contracts as obligations.⁵ Obligation is similarly defined as "orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period," in the Uniform Administrative Requirements for federal awards. 2

¹ United States Department of Treasury, Compliance and Reporting Guidance, State and Local Fiscal Recovery Funds, November 15, 2021, <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>.

² United States Department of Treasury, Projects and Expenditure Report User Guide, State and Local Fiscal Recovery Funds, January 24, 2022.

³ User Guide, p. 10

⁴ Compliance Guidance, p. 17

⁵ Projects and Expenditure Report User Guide, State and Local Fiscal Recovery Funds, p. 12, <https://home.treasury.gov/system/files/136/Projects-and-Expenditure-Report-User-Guide.pdf>

CFR § 200.1; 2 CFR § 200.71. For purposes of the Agreement, an obligation is incurred by Subrecipient when the Subrecipient enters into a contract with a contractor, service provider, or supplier with respect to and in furtherance of the Projects; the Agreement between the Subrecipient and the County does not constitute an obligation for purposes of Subrecipient's compliance with the Rule.

iv. Expenditures

Reporting must be consistent with the definition of "expenditure" in 2 CFR Part 200. The Uniform Administrative Requirements for federal awards defines "expenditures" as "charges made by a non-Federal entity to a Projects or program for which a federal award was received." 2 CFR § 200.1; 2 CFR § 200.34. However, the definition does not clarify whether the "non-Federal entity" is the recipient or the subrecipient. According to the User Guide, an expenditure is "when the service has been rendered or the good has been delivered to the entity, and payment is due."⁶ This definition similarly does not clarify whether "the entity" is the recipient or the subrecipient. For a subrecipient, the service or goods would be delivered to the subrecipient, and then the subrecipient would ask the recipient for funds. Expenditures may be reported on a cash or accrual basis, but the methodology must be disclosed and consistently applied.⁷

For purposes of this Agreement and the Subrecipient's reporting obligations under this Agreement and Exhibit, the County will consider funds "obligated" when the Subrecipient incurs the obligation (enters into a contract with a contractor or supplier) and "expended" payment is due to a contractor or supplier under that contract and payment is made by the Subrecipient.

C. Required Information for Projects and Expenditure Reports

Since the County is required to submit quarterly or annual Projects and Expenditure reports (using the **Assistance Listing Number 21.027**), the Subrecipient is required to provide the County with the necessary information on the Subrecipient's Projects in a timely manner so that the County can comply with its reporting obligations under ARPA and the Final Rule. The Subrecipient shall provide necessary information to the County within 15 days of the end of each quarter to facilitate the County's filing of such reports. The County will furnish Subrecipient with forms or links to submit information for the Projects and Expenditure reports.

Subrecipients **must be** registered in SAM.gov and must provide identifying and demographic information (DUNS number, Unique Entity Identifier (UIE) number, or its Taxpayer Identification number (TIN), and location) to the County in order to receive ARPA funds.

III. Civil Rights Compliance

The Treasury will request information regarding Subrecipient's compliance with Title VI of the Civil Rights Act of 1964 on an annual basis. This may include a narrative describing the Subrecipient's compliance in addition to other questions or assurances.

⁶ Projects and Expenditure Report User Guide, State and Local Fiscal Recovery Funds, p. 12, <https://home.treasury.gov/system/files/136/Projects-and-Expenditure-Report-User-Guide.pdf>

⁷ Compliance Guideline, p 9