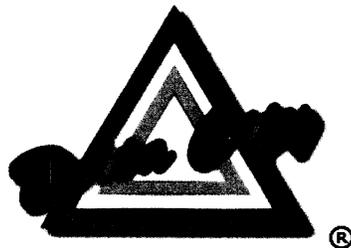


Delta City
76 N 200 W
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Certificate of Resolution Passage

STATE OF UTAH)
)
CITY OF DELTA) ss.

I, GREGORY JAY SCHAFER, as the duly appointed, sworn and acting Delta City Recorder, do hereby certify that the attached, numbered as City of Delta Resolution Number 14-379 was duly adopted by the necessary quorum of the Delta City Council on November 6, 2014.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the corporate seal of said City.



GREGORY JAY SCHAFER, MMC
City Recorder





RESOLUTION NUMBER 14-379

A RESOLUTION OF THE COUNCIL OF THE CITY OF DELTA, STATE OF UTAH, DETERMINING THAT EXIGENT CIRCUMSTANCES EXIST FOR THE DELIVERY OF CULINARY WATER AND SETTING FORTH DELTA CITY'S INTENT REGARDING THE SETTING ASIDE AND OTHERWISE ALLOCATING OF CERTAIN AMOUNT OF WATER RIGHTS OWNED BY DELTA CITY FOR THE CONTINUED DELIVERY OF CULINARY WATER TO THE SHERWOOD SHORES AREA.

WHEREAS, exigent circumstances developed with the delivery of culinary water to the homes and property commonly known as Sherwood Shores in that the water from underground wells operated by the Sherwood Water Company could not meet State and Federal regulations for water quality, specifically, the arsenic requirements;

WHEREAS, after receiving input and deliberation with residents of Sherwood Shores, including the Board of Sherwood Shores Homeowners Association, and the Utah Drinking Water Board, the Council of the City of Delta, State of Utah (the "Council") determined that the only cost effective solution to provide the residents of the Sherwood Shores area with adequate culinary waters was to import water from outside Sherwood Shores;

WHEREAS, Sherwood Shores is geographically adjacent to the incorporated boundaries of the City of Delta (hereinafter the "City");

WHEREAS, as authorized by Utah Code Ann. Section 10-8-14, the City owns and operates a certified waterworks distribution system and utility;

WHEREAS, the Utah Division of Drinking Water committed funding to the City with its Loan No. 3S172 (the "Funding") that included a \$1,127,000.00 construction grant and a \$624,000 construction loan at 0.0% interest for 30 years for the purpose of purchasing physical assets previously used by Sherwood Water Company to deliver water throughout the Sherwood Shores area, the installation of a transmission pipeline between Delta City and the Sherwood Shores area, and installing of radio read meters on all connections supplied by the transmission line (the "Project");

WHEREAS, the City has constructed the Project, including a Sherwood Shores Water Project Main Transmission Line that connects the Delta City water system to the delivery lines and customer hookups in the Sherwood Shores area;

WHEREAS, the City has incurred substantial liability by accepting the Funding and completing the Project;

WHEREAS, the City is authorized by Utah Code Ann. Section 10-8-14 "to sell and deliver surplus product or service capacity" of its waterworks system that is not required by the City or the City's inhabitants to others beyond the limits of the City;

WHEREAS, the Council of the City has determined that the City has surplus of both water rights and the service capacity of its waterworks system that is not required by the City or City inhabitants and that the surplus is currently sufficient to service not only the currently developed lots and homes of the Sherwood Shores area, but also the foreseeable future development and the Sherwood Shores subdivision;

WHEREAS, it is not anticipated or foreseeable that the supply of "surplus product or service capacity" via the Project will adversely affect the City, City inhabitants, or stifle growth or development within the limits of the City;

WHEREAS, within the restraints and parameters of Utah law, including Utah Code Ann. Section 10-8-14, it is the Council's intent that the City's delivery of culinary water to the Sherwood Shores area is a permanent circumstance and that the City has made a commitment to residents of the Sherwood Shores area;

WHEREAS, included in within the total amount of the Funding was an amount of Forty Thousand Dollars (\$40,000) to purchase forty acre feet of water rights to be used by Delta City to deliver culinary water to the Sherwood Shores area, such money was used to secure water for that purpose, and that dollar amount is included in the repayment of the Funding;

WHEREAS, the Council has previously passed Resolution Number 13-363 that, in summary, recognizes that the property owners and residents of Sherwood Shores are the primary beneficiaries of the Project requiring such water service customers pay a disproportionate water service rates to bear the burden of the Funding;

WHEREAS, the Council desires to forever memorialize and document this commitment.
NOW, THEREFORE, be it hereby RESOLVED by the Council of the City of Delta, State of Utah THAT:

Section 1. Adoption of Recitals. The above Recitals are hereby adopted and restated as part of this Resolution of the Council and should be read in a light most favorable to the Council's intent that, within the confines of law, Delta City will continue to provide culinary water to the Sherwood Shores area via the Project so long as it can do so within the law and without adversely affecting the citizens of Delta City.

Section 2. Assignment of Water (the "Assignment"). Delta City hereby sets aside and assigns an amount of Forty (40) acre feet of water for the delivery of culinary water to:

- a. Delta City water users that are supplied water services from the Sherwood Shores Water Project Main Transmission Line; and

- b. That are located outside the limits of Delta City.

Section 3. Determination by the City Council. The City Council hereby determines that:

- a. To the best knowledge of the Council, it is not anticipated or foreseeable that the Assignment of water referenced in Section 2 will negatively affect the City, City inhabitants, or stifle growth or development within the limits of the City;
- b. That the assignment of water in Section 2 is to be maintained so long as it is permissible under law and it does not adversely affect the citizens of Delta City; and
- c. That the Assignment should not be undone by the City without a clear showing that the Assignment is contrary to then existing law or adverse to the citizens of Delta City.

Section 6. To the extent that any resolutions, policies, procedures or fee schedules previously adopted by the City Council of the City of Delta conflict with the terms of this resolution, this resolution and the terms adopted hereby shall be deemed controlling and such other conflicting resolutions, regulations or policies shall be deemed amended to comply herewith.

PASSED AND ADOPTED this 6th day of November, 2014 by the following vote:

	Aye	Nay	Abstain	Absent
Robert W. Banks	X	_____	_____	_____
Kiley J. Chase	X	_____	_____	_____
John W. Niles	X	_____	_____	_____
Steven R. Pratt	X	_____	_____	_____
Betty J. Western	X	_____	_____	_____



Gayle K. Bunker

 GAYLE K. BUNKER
 MAYOR

Gregory Jay Schaffer

 GREGORY JAY SCHAFFER, MMC
 CITY RECORDER