

MINUTES OF A REGULAR COUNCIL MEETING
HELD IN THE CITY CENTER
SEPTEMBER 2, 1997

The meeting was called to order by Mayor Keith Broadhead at 7 P.M. Council Members present: Lynn Adams, Calvin Wall, Marianne Stevenson, Paul Bean with Dennis Howard arriving at 7:05 P.M. Also present was City Manager Tom Austin.

Others in attendance: George Norcutt and Cal Gilbert, Premiere Cable representatives, Frank Staheli, John Reinhard, Denise Windley, Payson Chronicle, Joe Santos, Sunrise Engineers, Shawna Johnson, Planning Commission, Desirea Johnson, Mitch Maughan, City Attorney, Mike Carter, Chris Gifford, Ryan George, The Daily Herald, and Filip Askerlund.

PLEDGE OF ALLEGIANCE: was lead by Councilwoman Stevenson.

Councilman Wall moved to open the public hearing on the Mike Carter Annexation. Councilman Adams seconded the motion. The vote was unanimous. City Manager Austin indicated all publications are complete. The developers will deliver to the County Clerk 5 copies of the blue line maps and 5 copies of the petitions. There will be 29.247 acres annexed. Mayor Broadhead requested a map showing the two different zones involved in the annexation. Mike Carter was advised by Mayor Broadhead that the Urban/Wild-Land Interface Ordinance will need to be followed. Councilman Wall moved to close the public meeting. Councilman Bean seconded the motion with an unanimous vote. Councilman Bean moved to table the Mike Carter Annexation until the League Attorney David Church supplies Mr. Maughan a copy of the needed Annexation Ordinance. Councilman Howard seconded the motion. The vote was unanimous. Mr. Carter can go to the Planning Commission with his preliminary subdivision plans.

PUBLIC FORUM: Mr. Frank Staheli discussed the two architectural candidates for the library project, Lloyd Knowles and Kevin Madsen who attended the last Library Board meeting. Mr. Staheli would like to interview another architect for bid purposes. Councilman Howard suggested Mr. Staheli contact the BYU Architectural Department. The Boardmembers agreed Lloyd Knowles would be the best candidate. Also the Library Board met with Zions Bank representative Carl Empey. Mr. Empey presented different payment options to the Board.

The Planning Commission Chairwoman Shawna Johnson reported the The Urban Interface Ordinance was approved by Planning and Zoning with certain concerns. See attachments "A" & "B". Also approved were Zone Changes, Amendments to the Zoning Ordinance, Amendments to the General Plan and Amendments to the Subdivision Ordinance. See attachment "C".

Sunrise Engineers representative, Joe Santos reported he received the proposals back on the hydrogeologic and well ~~siting~~^{site} study. The three firms doing the study are Weston Engineering, see attachment "D", Kleinfelder, see attachment "E", and Terracon, see attachment "F". Mr. Santos reported Sunrise Engineering has not worked previously with Weston Engineering but they have a good reputation. Mr. Santos indicated he would feel comfortable working with Weston Engineering.

Mr. Santos discussed realignment of the road to Westovers which included the Wrights property, Brost property, Evans property, and DeGraffenreids property. Mr. Santos suggested having an easement signed by all affected by the alignment. The Evans' and DeGraffenreid's have deeded the needed 8' to the City. Mr. Santos received permission to go forward with the road alignment.

NEW BUSINESS: Premiere Cable T.V. representative Mr. Norcutt, reported they were still in the planning stages of a major upgrade to the cable system. There are plans to run cable to all subdivisions. Mayor Broadhead reminded Mr. Norcutt that there are new homes and new subdivisions which are not being serviced as per the franchise agreement. Mr. Norcutt asked to be informed when there is an open trench so they would be able to use it. Premiere Cable requested a 30 day notice be given to them by the developer. Mr. Norcutt suggested this notice be part of our Subdivision Ordinance. It was determined that Planning and Zoning will be responsible to inform the developer. A 30 day written notice must be given to Premiere Cable when the trench will be open. Mr. Norcutt indicated Premiere Cable would be willing to co-pay for the trench for the opportunity to use it.

City Manager Austin has been working on a Personnel Manual. A draft was given to all Council Members for review. The manual will be put on the agenda for the October Council Work Session. Mayor Broadhead set a goal to have the Personnel Manual complete and approved by December.

UNFINISHED BUSINESS: Councilman Adams reported the new resolution has not been written regarding the rental of the City Building Gym. Chris Gifford volunteered to serve on the Recreation Department Board.

Mitch Maughan approved the Mountainlands Association of Governments Interlocal Agreement as to form.

BILLS: Councilman Howard moved to approve the bills in the amount of \$55,494.45. Councilman Adams seconded the motion. The vote was unanimous.

APPROVAL OF MINUTES: Councilman Adams moved to approve the minutes of August 19, 1997. Councilwoman Stevenson seconded with a unanimous vote.

MISCELLANEOUS: The Council Members were reminded by the Mayor of the September 15th Work Session. The session will begin at 7 P.M. First on the agenda will be the meeting with the Recreation Board and at 8 P.M. the Council Members will meet with Richard Bradford to discuss the changes to the Zoning Ordinance. If time will allow there will be a discussion regarding Urban Interface.

Channel 2 will be filming Youth Court on Wednesday the 3rd. Officer Shane Johnson and Valerie Butler are handling this.

City Manager Austin will be going to Nephi with Councilman Howard to meet with Mr. Mangulson regarding Nephi Gas.

City Manager Austin reported all went well with the Bull Wars.

Councilman Bean questioned the progress of South County Development. Councilman Howard indicated a contract with H E Davis has been signed for infrastructure installation but he is running about a year behind. H E Davis contacted Mayor Broadhead for direction to obtain permission to haul out the gravel. There isn't at this time a ordinance that allows a crusher on the site. Mayor Broadhead instructed them to submit a developement plan.

A welcome back was extended to Council Member Bean.

Councilman Howard received a new proposal for the operation of the gas system. A copy was given to City Manager Austin for review.

Councilman Adams questioned what process is currently being used to attract new businesses.

Councilman Wall wondered if Valley Asphalt had contacted the City. They have not.

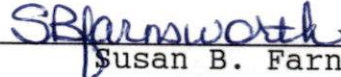
Mayor Broadhead took a League of Cities head count. There will be 5 people attending at different times throughout the event.

ADJOURNMENT: Councilman Wall moved to adjourn. Councilman Howard seconded the motion. The vote is unanimous.

Approved 9-16-97 *with 1 Correction*



Keith Broadhead, Mayor



Susan B. Farnsworth
City Recorder

Ordinance No**Draft**

An ordinance to establish standards for development in areas bordering on Wild-Lands.

1.0 Definitions

- 1.a Urban/Wild-Land Interface:** Any area where development and heavily forested or brush land remaining in a relatively natural state meet. Specifically, the land which this criteria is identified in the overlay map in appendix "A" of this code.
- 1.b Development:** Shall be construed to include any man-made change to improved or unimproved real estate, including but not limited to paving, excavation, drilling operations, storage of equipment or materials, or landscaping.
- 1.c Classification of Roof Coverings:** Shall be held to refer to the classification of a covering established by the Uniform Building Code [hereinafter "UBC"]. The classifications of roof coverings allowed in the Urban/Wild-Land Interface are as follows:
- 1.c.1 Class A.** These roof coverings are effective against severe fire exposures. Under such exposures, roof coverings of this class are not readily flammable, afford a fairly high degree of fire protection to the roof deck, do not slip from position and pose no flying brand hazard.
- 1.c.2 Class B.** These roof coverings are effective against moderate fire exposures. Under such exposures, roof coverings are not readily flammable, afford a moderate degree of fire protection to the floor deck, do not slip from position and pose no flying brand hazard.
- 1.d Construction:** Means the erection, building, enlargement, alteration, repairing or moving of a structure. This term also applies to the wiring, piping, heating, cooling, ventilation, refrigeration, sanitation or transportation of fixtures and equipment therein, as well as to the excavation, filling or paving of land.
- 1.e Fuel Breaks:** Refers to an area denoted by a thinning of native vegetation, removal of dead plant material and/or the replacing of highly flammable vegetation with fire resistant plants and/or irrigated areas as indicated in this ordinance.

- 1.f **Clusters:** Refers to developments of not less than five (5) separate contiguous building lots or sites. Each cluster shall be so designed as to provide that each building site within the cluster shall contain a location for a single-family dwelling which meets the standards of the UBC.

2.0 Permits

- 2.a **Requirements:** Consistent with Section 68-27-109 [5] [a] of the Utah Code Annotated 1953 as amended, which provides for the issuance of permits, no new building or structure, including all out buildings, shall commence construction nor be occupied until a Fire Safety Permit therefor has been issued by the Fire Chief or designee, stating the condition under which the building has been approved in accordance with the provisions of this ordinance. All out buildings shall have adequate fire access at all times with access to be determined prior to issuance of the building permit.
- 2.b **Fire Safety Permit:** All requests or applications for a building permit within the Urban/Wild-Land Interface area shall be deemed to be a concurrent request for a Fire Safety Permit providing certification by the Fire Chief or designee that the provisions of this ordinance are being met.
- 2.c **Conditions:** No building permit for sites within the Urban/Wild-Land Interface area shall be issued until a Fire Safety Permit is approved and issued by the Fire Chief or designee. All construction and use of the premises shall be in accord with such conditions as may be attached to the Fire Safety Permit. The cost of the fee will be set and established by the city council from time to time depending on needful and justifiable reasons.

3.0 Roads

- 3.a **Access:** All developments in the Urban/Wild-Land Interface area shall have more than one (1) access route which provides simultaneous access for emergency equipment and civilian evacuation. The design of access routes shall take into consideration traffic circulation and provide for looping of roads as required to ensure at least two (2) access points. Looped roads with a single access are not allowed.

4.0 Chimneys and Flues

- 4.a **Spark Arresters:** Notwithstanding Section I I .505 of the Uniform Fire Code, every chimney, flue or vent shall be provided with an approved spark arresting device consisting of twelve (12) gauge welded or woven wire mesh with openings not exceeding one-half (1/2) inch.

- 4.b **Clearance:** In accordance with Appendix II-A of the Uniform Fire Code, chimney outlets shall be constructed with at least a ten (10) foot clearance from all vegetation and obstructions.

5.0 Structural Design and Construction

- 5.a **Roof Coverings:** Non-combustible roof coverings are required on all new structures within the Urban/Wild-Land Interface area. Roof coverings shall be constructed of UL listed Class A or B materials in accordance with Chapter 32 of the UBC. **No wood roof coverings are permitted.**

- 5.b **Other Construction Features:** Vents, overhangs and stilt construction shall meet the following standards.

- 5.b.1 **Vents:** All vents shall be screened with a corrosion resistant, non-combustible wire mesh with nominal openings not to exceed one-quarter (1/4) inch.

- 5.b.2 **Projections:** Combustible projections of ten (10) inches or more and wood decks shall be protected as follows:

- 5.b.2.a **VEGETATIVE CLEARANCE APPLIES**
See 6.0 of this ordinance.

- 5.c **Construction Materials:** Exterior vertical walls shall be constructed of concrete masonry, brick veneer not less than three (3) inches in thickness, cement plaster in compliance with the exterior finish requirements of the UBC, or any other non-combustible material [including some types of siding] meeting the intent of this code if such material is approved by the building official.

6.0 Vegetative Clearance

- 6.a **Notification:** Applications for building permits shall contain a site plan with sufficient detail to allow for evaluation of clearances between vegetative fuels and structures.

- 6.b **Fuel Breaks:** The following minimum clearances shall be maintained, notwithstanding Appendix II-A of the Uniform Fire Code:

- 6.b.1 **Dead Material:** All dead vegetative material shall be removed and maintained clear at least one-hundred (100) feet from dwellings and fifty (50) feet from non-inhabited buildings.
- 6.b.2 **Grasses and Spreading Plants:** Grasses, Spreading Plants, Ground covering and Shrubs within fifty (50) feet of dwelling must be of types that are identified as fire resistant or must be served by an automated sprinkler or other irrigation system.
- 6.b.3 **Trees:** Trees must be at least thirty (30) feet at the base from dwellings, except that up to five (5) trees may be grouped together if a clearance of at least fifty (50) feet is maintained to any dwelling. Existing dwellings prior to this ordinance shall be exempt.
- 6.b.4 **Native Brush:** Native species, such as scrub oak and other indigenous vegetation. If native brush is closer than thirty (30) feet of dwelling, automatic sprinklers are required.
- 6.c **Public Lands:** Development on property adjacent to public lands, whether controlled by Santaquin City, the State of Utah, the United States Government or any other governmental entity, shall meet the same fuel break requirements as any other governmental entity, shall meet the same fuel break requirements as any other development. All building to an adjacent area that qualifies under this section will be inspected prior to issuance of permit. It will be the developers responsibility to create adequate green area around the development and to secure the fuel break prior to selling any lots that fall within this category.
- 6.d **Disposal of Vegetation:** Disposal of flammable vegetation shall be completed prior to final building inspection. Such vegetation may be disposed of by chipping, burying or removal to an approved landfill. Burning of such materials is prohibited except during open burn times and within the prescribed rules and regulations set forth for the burn window including but not restricted to a permit and possibly an inspection as the fire chief or his or her designee may deem necessary.
- 6.e **Fuel Tanks:** No propane or other fuel tanks above ground will be allowed.
- 6.f **Fire Hydrants:** Vegetation and other obstructions shall be maintained at no more than four (4) inches in height around a fire hydrant, notwithstanding Section 10.105 (a) of the Uniform Fire Code. Clearance shall be provided for three (3) feet on all sides of the Hydrant and must extend to the roadway.

6.g Recreational Fires: Open recreational fires shall be located a minimum of twenty-five (25) feet from a structure or combustible material unless contained in an approved barbecue pit located a minimum of ten (10) feet from overhead vegetative canopy and a ten (10) foot radius of noncombustible material or mineral soil which shall be provided to prevent pyrolysis of foliage. *(chemical change brought about by the action of heat)*

6.g.1 Fuel Pile Limitation: Fuel piles for recreational fires shall be no larger than three (3) feet in diameter and two (2) feet high.

6.g.2 Extinguishing Devices: A garden hose connected to a water supply or other approved fire extinguishing device shall be readily available for use at all fires. A person knowledgeable in the use of such fire extinguishing devices shall supervise the burning material until the fire has been extinguished.

7.0 Enforcement:

7.a Responsibility: The conditions outlined in this ordinance shall be maintained by the property owner and/or the applicable homeowners' association as a condition of maintaining "adequate fire protection" in accordance with Section 11-7-1 of the Utah Code Annotated and protective agreements, if any, made with Santaquin City at the time of annexation.

7.b Non-Exclusive Nature: The provisions of this ordinance represent minimum standards. Each owner of property in the Urban/Wild-Land Interface area is expected to use reasonable care in mitigating potential fire hazards, whether or not the potential hazard is enumerated in this ordinance.

7.c Pre-Existing Conditions: Property not in compliance with the vegetation clearance section of this ordinance at the time of passage shall have one year in which to conform to its provisions, or develop and submit a plan for approval by the Fire Chief or designee.

7.d Enforcement Official: Provisions of this ordinance shall be enforced by the City Fire Chief or designee. The Fire Chief is authorized to recommend alternatives to any of the provisions of this code upon application in writing by the owner, lessee or a duly authorized representative where there are practical difficulties that prevent carrying out the such provisions, provided that the spirit and intent of the code shall be maintained, public safety furthered and substantial justice done. The particulars of such modifications and decision of the Fire Chief shall be submitted to the Fire Board of Appeals as established by the Uniform Fire Code. The Fire Board consists of five (5) members, two (2) from planning and zoning, one (1) from

7.f.2 Building Permits: Santaquin City, its officers and employees, may enforce this ordinance by withholding building permits and it shall be unlawful to erect, construct, alter or change the use of any building or other structure within Santaquin City without approval of such building permit.

7.f.2.a Failure to Obtain Permit: Any owner, builder, contractor or other person doing or performing such work as described in Section 7.f.2 shall be deemed guilty of violating this ordinance at least to the same extent or manner as the owner of the premises, or the person for whom the use is established or for whom such buildings are erected or altered, and shall be subject to the penalties herein prescribed for a violation.

7.f.2.b Compliance: The city may not issue a building permit unless the plans of and for the proposed erection, construction, reconstruction, alteration or use fully conform to all ordinances then in effect.

7.g Violation: Any violation of the provisions of this ordinance is punishable as a Class C misdemeanor upon conviction. Each person, firm or corporation found guilty of such violation shall be deemed guilty of a separate offense for every day during which any violation is committed, continued or permitted by such person, persons, firm or corporation, and shall be punished as provided in this ordinance.

7.h Nothing in this ordinance may be construed to prevent enforcement under the provisions of the current edition of the Uniform Fire Code as adopted by the State of Utah and the City of Santaquin.

PASSED BY THE SANTAQUIN CITY COUNCIL THE ____ DAY OF ____, 1997

MAYOR

CITY RECORDER

PLANNING AND ZONING CONCERNS REGARDING:
URBAN INTERFACE ORDINANCE

1. What will the cost be for Plan check by Fire Chief?
2. How will the Ordinance be enforced?
3. Will a Fire Board be established?
4. P. & Z recommends the unused balance of the fee be put into a Fireman Fund.
5. The Ordinance needs to include all mentioned codes.

August 30, 1997

Susan -

Please call me at 377-1541 to confirm that you received this. Also, I would like to know when this will be on the Council's Work Session.

Following are the Planning Commission amendments to drafts of zoning ordinances as approved August 28, 1997.

AMENDMENTS TO THE ZONING ORDINANCE
(Refer to August 28, 1997 Draft of Scope of Work)

1. Page 3 - OVERLAY DISTRICTS, Section 02.0813. The first sentence is replaced and now reads: The C-2-O Overlay allows a mixture of residential and commercial uses as permitted conditional uses only in the C-2 zone. Other references to the term R-C Overlays are replaced with the term C-2-O Overlay.
2. Page 12 - PERMITTED CONDITIONAL USES, Section 02.0912.03, Part G. Delete Mobile home parks.
3. Pages 67 and 68 of the October 15, 1996 Zoning Ordinance, R-1-43 RESIDENTIAL ZONE, Section 02.0914.00. Planning Commission recommends deletion of this zone from the zoning ordinance.

AMENDMENTS TO THE MASTER STREETS SPECIFIC PLAN
(Refer to August 28, 1997 Draft of Scope of Work)

1. Page 27 - Add the following wording - Section 5.6.3.6 Minor Street - Fifty-six feet
2. Page 28 - Replace the word sidewalk with the words property line in Section 5.7.4.

THIS IS THE END OF THIS DOCUMENT

TO: Susan	754 3526
FROM: Richard	377 1541
2 PAGES	
August 30	



Weston Engineering, Inc.

P.O. Box 682007
Park City, Utah 84068-2007
(801) 647-9866
Fax (801) 647-9861

July 3, 1997

ATTN: **Mayor Keith Broadhead**

Santaquin City
c/o Mr. Joseph N. Santos
Sunrise Engineering, Inc.
25 East 500 North
Fillmore, Utah 84631

RE: **PROPOSAL for Technical Services**
Hydrogeologic and Well Siting Study
for Santaquin City

Dear Mr. Santos:

Weston Engineering, Inc. (WESTON) is pleased to provide you with this proposal to conduct a hydrogeologic and well siting study for Santaquin City. This proposal is provided to you in response to your letter dated June 18, 1997 (the Letter Request).

OBJECTIVE

The objective of the proposed scope of work is to determine if there are favorable well sites in the study area defined in the Letter Request. This study area is outlined on Figure 1 and includes all of Sections 10, 15, and 16 and portions of Sections 2, 3, 4, 9, 11, 14, and 17 of Township 10 South, Range 1 East, Salt Lake Base & Meridian (SLB&M) in Utah and Juab County, Utah.

SCOPE OF WORK

To determine if there are favorable well sites in the study area WESTON proposes to:

- Obtain and review published and readily available unpublished geologic and hydrogeologic reports and aerial photographs of the area;
- Compile geologic, construction, yield, and water quality data for wells in the area from the files of the Utah Division of Natural Resources (DNR), Division of Water Rights (DWR) and the Utah Department of Environmental Quality (UDEQ), Division of Drinking Water (DDW);
- Contact representatives of the Utah Geological Survey (UGS) and U.S. Geological Survey (USGS) to determine if there are ongoing not-yet published studies in the area which may be of use;
- Construct one or more geologic cross sections, as needed, to identify and estimate depth to potential target aquifers;
- Identify potential well locations and depths;
- Evaluate well locations for potential yield, water quality, and source protection issues; and
- Summarize findings in a letter report to Santaquin City.

PROPOSAL - Hydrogeologic and Well Siting Study
for SANTAQUIN CITY

No field work beyond a site visit as part of our evaluation of potential well sites is proposed as part of this scope of work.

COST ESTIMATE

Technical Services are provided on a time-and-expense basis in accordance with the Schedule of Fees and Conditions provided in Attachment A. Estimated total charges range from \$5,000 to \$6,000 and will not exceed **\$6,000** without written authorization from Santaquin City. This cost estimate assumes that no field work will be performed beyond a site visit as part of our evaluation of potential well sites.

TERMS AND CONDITIONS

The terms and conditions of WESTON's liability are provided in Attachment B to this proposal, "Terms and Conditions, Weston Engineering, Inc." Santaquin City understands and agrees that WESTON's responsibility under this Agreement is to apply its hydrogeology and engineering expertise and to exercise the usual standard of care in the engineering profession to collect and interpret hydrogeologic data. WESTON can only offer its professional opinions based on available hydrogeologic data. Therefore, to the fullest extent permitted by law, Santaquin City shall indemnify, defend and hold harmless WESTON, its officers, directors, employees, agents, consultants and subcontractors from and against all claims, damages, losses and expenses, whether direct, indirect, or consequential, including but not limited to attorney's fees, court costs, and other expenses, arising out of or resulting from the services or work of WESTON or any claims against WESTON, other than any claims arising out of or resulting from any negligent acts, errors, or omissions of WESTON.

Your acceptance of the proposed scope of services, terms and conditions, and fees and authorization to proceed with the scope of services described herein may be indicated by the signature of an authorized representative of Santaquin City in the space provided at the end of this proposal. Two originals are provided, please return one executed copy to me to authorize WESTON to proceed.

SCHEDULE

WESTON is prepared to initiate the scope of work upon our receipt of your authorization to proceed. A draft letter report can be provided to Santaquin City within approximately 5 to 6 weeks of our receipt of your authorization to proceed.

PROPOSAL - Hydrogeologic and Well Siting Study
for SANTAQUIN CITY

WESTON is grateful for the opportunity to provide Santaquin City with this proposal. If you have any further questions, or would like to discuss our recommendations and revised cost estimates further, please do not hesitate to call me at 647-9866 or "toll free" at 1-800-784-9866.

Respectfully submitted,

WESTON Engineering, Inc.



William D. Loughlin, P.G.
Supervising Hydrogeologist

**APPROVAL OF PROPOSED SCOPE OF WORK,
TERMS AND CONDITIONS, AND FEES AND AUTHORIZATION FOR WESTON
ENGINEERING, INC. TO PROCEED**

As an authorized representative of Santaquin City, the undersigned agrees to the proposed scope of services, terms and conditions, and proposed fees and authorizes Weston Engineering, Inc. (WESTON) to proceed.

Signature

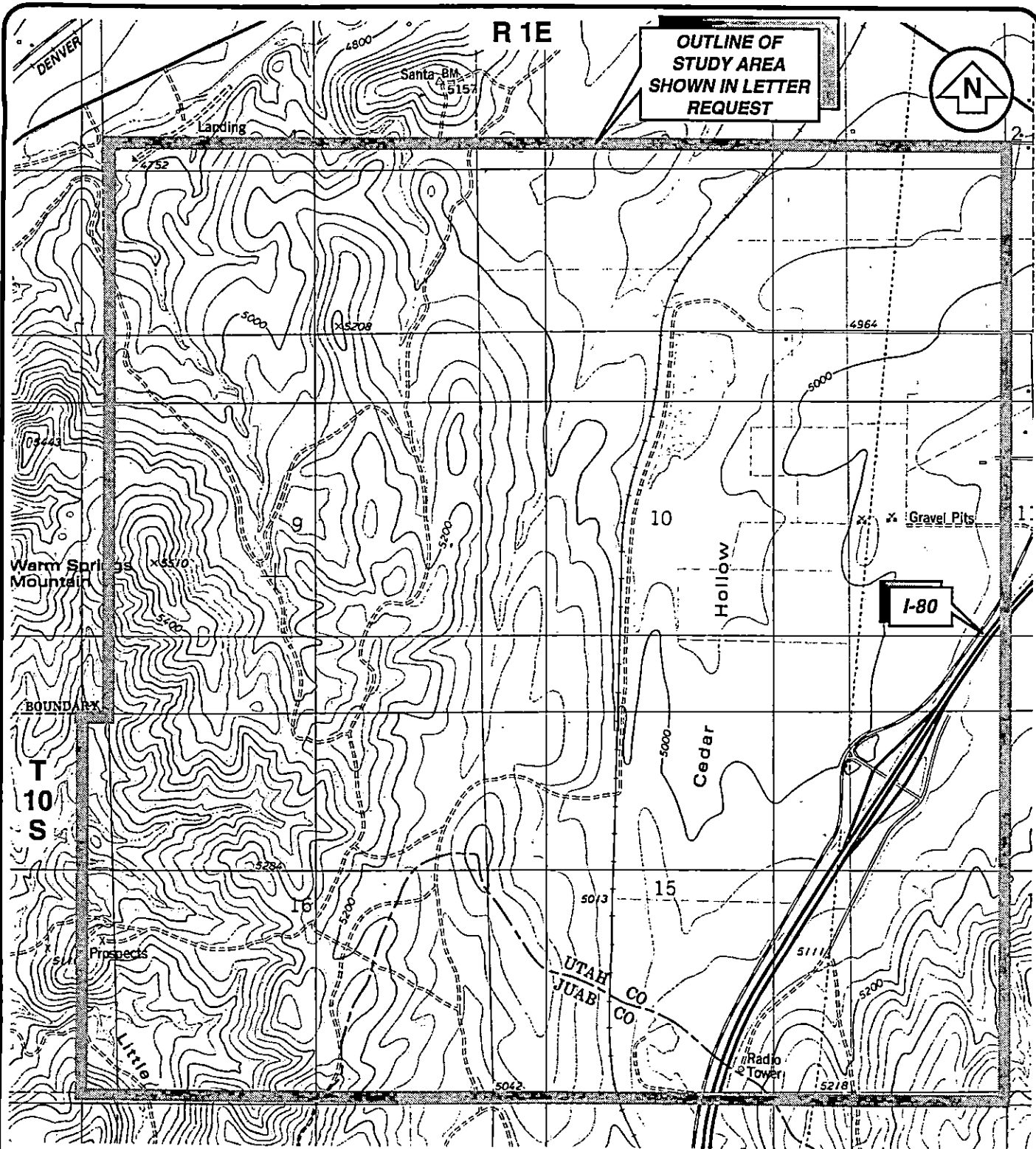
Date

Printed or Typed Name

Title

July 3, 1997

Page 3

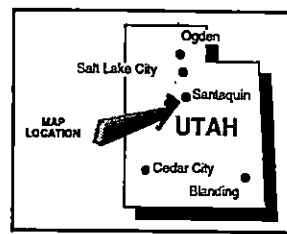


OUTLINE OF
STUDY AREA
SHOWN IN LETTER
REQUEST



0 1 MILE
Base map adapted from U.S. Geological Survey
Farnsworth Peak, Utah 7.5 topographic map, 1972

SCALE



**SANTAQUIN CITY
WELL SITING STUDY
LOCATION MAP
FIGURE 1**

ATTACHMENT A

WESTON ENGINEERING, INC.
SCHEDULE OF CHARGES
(Effective through December 1997)
for
SANTAQUIN CITY

Supervising Hydrogeologist/Engineer	\$75/hour
Water Systems Specialist	\$70/hour
Staff Engineer	\$65/hour
Staff Geologist	\$60/hour
Field Engineer	\$55/hour
Field Technician	\$45/hour
Secretary	\$35/hour
Computer Charges	\$17/hour
CADD Charges	\$30/hour
Mileage Charges	
Four Wheel Drive Vehicle	\$0.50/mile
Two Wheel Drive Vehicle	\$0.35/mile

Non-salary expenses directly attributable to the project such as travel expenses, identifiable telephone toll charges, identifiable reproduction expenses, equipment rental, subcontractor costs, etc. will be charged at actual cost plus 15 percent to cover overhead and administration.

Disputed invoices must be brought to the attention of WESTON ENGINEERING, INC. within 10 days of receipt of the invoice. Thereafter, the client acknowledges, by default, that invoices are correct and valid.

ATTACHMENT B

TERMS AND CONDITIONS
Weston Engineering, Inc.

A. FEES AND PAYMENT

1. The fee shall be on a time-and-expense basis be based on the Weston Engineering, Inc. (WESTON) Schedule of Charges (Effective through December 1997) for Santaquin City provided in Attachment A.
2. Payment shall be due within 30 days after date of invoice describing the work performed and expenses incurred during the preceding billing period.
3. Owner agrees that timely payment is a material term of this Agreement and that failure to make timely payment as agreed constitutes a breach hereof. In the event payment for services rendered has not been made within 60 days from the date of invoice, WESTON may, after giving seven days' written notice to Owner and without penalty or liability of any nature, and without waiving any claim against Owner, suspend all work on all authorized services as set forth herein. Upon receipt of payment in full for services rendered, plus interest charges, WESTON will continue with all services not inconsistent with Article C.4 herein. Payment of all compensation due WESTON pursuant to this Agreement shall be a condition precedent to Owner using any of WESTON's professional services work products furnished under this Agreement.
4. In order to defray carrying charges resulting from delayed payments, simple interest at the rate of 18% per annum (but not exceeding the maximum rate allowed by law) will be added to the unpaid balance of each invoice. The interest period shall commence 30 days after date of original invoice and shall terminate upon date of payment. Payments will be first credited to interest and then to principal. No interest charge will be added during the initial 30-day period following date of invoice.

B. COMMENCEMENT OF WORK

The work will be commenced immediately upon receipt of notice to proceed. If after commencement of the work the project is delayed for any reason beyond the control of WESTON for more than 60 days, the terms and conditions contained herein are subject to revision. Subsequent modifications shall be in writing and signed by the parties to this Agreement.

C. MISCELLANEOUS PROVISIONS

1. **BOOKS OF ACCOUNT.** WESTON will maintain books and accounts of payroll costs, travel, subsistence, field, and incidental expenses. Said books and accounts will be available at all reasonable times for examination by the Owner at the corporate office of WESTON.
2. **INSURANCE/INDEMNIFICATION/LIMITATION OF LIABILITY**
 - (a) WESTON will maintain insurance as will protect Owner from claims under the Worker's Compensation Laws, and from General Liability and Automobile claims for bodily injury, death, or property damage arising from the negligent performance by its employees in the functions and services required under this Agreement.

(b) WESTON asserts that it is skilled in the professional calling necessary to the services and duties proposed to be performed and that it shall perform such services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals of WESTON's caliber in the same locality, and to that end WESTON agrees to indemnify and hold Owner, its officers, its agents, and its employees harmless from and against any and all liability claims, suits, loss, damages, costs, and expenses arising out of or resulting from any negligent acts, errors, or omissions of WESTON, its officers, its employees, its agents, or its subcontractors in the performance of their services and duties hereunder, but not from the negligence or willful misconduct of Owner, its officers, and its employees. Further, to assure Owner that such standards will be maintained, WESTON maintains professional liability insurance to protect Owner from any negligent acts, errors, or omissions on the part of WESTON. This insurance does not cover pollution based claims. Notwithstanding the availability of professional liability insurance, the total aggregate of WESTON's liability to all parties related to this Agreement shall not exceed \$50,000 or the amount of WESTON's fees, whichever is less.

(c) Although the insurance as stated is currently in effect, due to the instability of the world insurance market, it is recognized that on periodic negotiation of policy renewals, it may not be possible to maintain the exact insurance coverage required under the terms of this Agreement. In such event, WESTON will use its best efforts to obtain insurance coverage that is reasonably available and most nearly equivalent to the insurance coverage herein described.

(d) In consideration of the unavailability of professional liability insurance for services involving or relating to hazardous waste or asbestos elements of this Agreement, or the removal or encapsulation of asbestos, if applicable, it is further agreed that Owner shall defend, indemnify, and hold WESTON, its consultants, its agents, and its employees harmless from and against all claims, damages, whether direct, indirect, or consequential, losses, and expenses including but not limited to attorney's fees, court costs and expenses, any and all claims and actions for bodily injury, death, or property damage arising out of or resulting from the alleged dispersal, discharge, escape, release, or saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases, or any other materials, irritants, contaminants, or pollutants, in or into the atmosphere, or on, onto, upon, or into the surface or subsurface of: (a) soil; (b) water, or watercourses; (c) objects; or (d) any tangible or intangible matter, whether sudden or not.

(e) Notwithstanding any provisions of this Agreement to the contrary, if this project involves construction as that term is generally understood, and WESTON does not provide engineering services during construction, including but not limited to on-site monitoring, site visits, shop drawing review, and design clarification, Owner agrees to indemnify and hold harmless WESTON, its consultants, its agents, and its employees from any and all liability arising out of the project or Agreement.

(f) WESTON shall not be liable for damages arising out of or resulting from the actions or inaction of governmental agencies, including but not limited to permits processing, environmental impact reports, dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, and building permits. Owner agrees to defend, indemnify, and hold WESTON, its consultants, its agents, and its employees harmless from any and all liability, other than that caused by the negligent acts, errors, or omissions of WESTON, arising out of or resulting from the same.

(g) Notwithstanding the terms of this Agreement to the contrary, WESTON makes no warranty, whether express or implied, as to the actual capacity or drawdown of any proposed water well(s) or the quality of ground water, if any, which may be produced by any water well(s) to be drilled and developed pursuant to this Agreement. Owner understands and agrees that WESTON's responsibility under this Agreement is to apply its hydrogeology expertise and to exercise the usual standard of care in the engineering profession to develop what ground water may reasonably exist, and may be economically feasible to use, beneath the proposed site(s).

3. DOCUMENTS

(a) All tracings, survey notes, and other original documents, as instruments of service, are and shall remain the property of WESTON, except where by law or precedent these documents become public property. Owner agrees to hold harmless, indemnify, and defend WESTON, its consultants, its agents, and its employees against all damages, claims, expenses, and losses arising out of any reuse of the plans and specifications without the written authorization of WESTON.

(b) All computer programs, software, and other like data developed during the course of the project, unless specifically developed for Owner, are and shall remain the sole property of WESTON.

(c) WESTON's liability to Owner for any computer programs, software products, or related data furnished hereunder is limited solely to the correction of residual errors, minor maintenance, or update(s) as agreed. WESTON makes no warranties of any kind, including any implied warranty of merchantability or of fitness for any particular purpose or against infringement, with respect to computer programs, software products, related data, technical information, or technical assistance provided by WESTON under this Agreement. In no event shall WESTON, its officers, its agents, or its employees be liable under or in connection with the Agreement under any theory of tort, contract, strict liability, negligence, or other legal or equitable theory for incidental or consequential damages relating to any computer programs, software products, or related data furnished hereunder.

4. **TERMINATION OR ABANDONMENT.** If any portion of the work is terminated or abandoned by Owner, the provisions of this Terms and Conditions regarding compensation and payment shall apply insofar as possible to that portion of the work not terminated or abandoned. If said termination occurs prior to completion of any phase of the project, the fee for services performed during such phase shall be based on WESTON's reasonable estimate of the portion of such phase completed prior to said termination, plus a reasonable amount to reimburse WESTON for termination costs.

5. **ATTORNEY'S FEES.** If either party becomes involved in litigation arising out of this Agreement or the performance thereof, the court shall award reasonable costs and expenses, including attorney's fees, to the party justly entitled thereto. In awarding attorney's fees, the court shall not be bound by any court fee schedule, but shall, in the interest of justice, award the full amount of costs, expenses, and attorney's fees paid or incurred in good faith.

6. **WAIVER.** WESTON's waiver of any term, condition, or covenant, or breach of any term, condition, or covenant shall not constitute a waiver of any other term, condition, or covenant, or the breach thereof.

7. **ENTIRE AGREEMENT.** This Agreement, and its attachments, contain the entire understanding between Owner and WESTON relating to professional engineering services. Any

prior or contemporaneous agreements, promises, negotiations, or representations not expressly set forth herein are of no force or effect. Subsequent modifications or amendments to this Agreement shall be in writing and signed by the parties to this Agreement.

8. **SUCCESSORS AND ASSIGNS.** All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, provided, however, that no assignment of this Agreement shall be made without written consent of the parties to the Agreement.

9. **CONSTRUCTION ESTIMATES.** Estimates of cost for the facilities considered and designed under this Agreement are prepared by WESTON through exercise of its experience and judgment in applying presently available cost data, but it is recognized that WESTON has no control over cost of labor and materials, over the construction contractor's methods of determining prices, or over competitive bidding procedures, market conditions, and unknown field conditions so that WESTON cannot and does not guarantee that proposals, bids, or project construction costs will not vary from WESTON's cost estimates.

10. **INJURY TO WORKERS.** It is understood and agreed that WESTON's fee is based on WESTON being named as an Additional Insured on construction contractor's insurance policy for Comprehensive General Liability and Builders All Risk Liability, and Owner agrees to insert into all contracts for construction between Owner and construction contractor(s), arising out of this design, a provision requiring the construction contractor(s) to defend, indemnify, and hold harmless both Owner and WESTON from any and all actions arising out of the construction project, including but not limited to, injury or death of any worker on the job site, not caused by the sole negligence of Owner or WESTON.

11. **SITE VISITS.** Visits to the construction site and observations made by WESTON as part of services during construction under this Agreement shall not make WESTON responsible for, nor relieve the construction contractor(s) of the obligation to conduct comprehensive monitoring of the work sufficient to ensure conformance with the intent of the Contract Documents, and shall not make WESTON responsible for, nor relieve the construction contractor(s) of the full responsibility for all construction means, methods, techniques, sequences, and procedures necessary for coordinating and completing all portions of the work under the construction contract(s) and for all safety precautions incidental thereto. Such visits by WESTON are not to be construed as part of the monitoring duties of the on-site monitoring personnel defined below.

12. **ON-SITE MONITORING.** When WESTON provides on-site monitoring personnel as a part of services during construction under this Agreement, the on-site monitoring personnel will make reasonable efforts to protect Owner against defects and deficiencies in the work of the contractor(s) and to help determine whether the provisions of the Contract Documents are being fulfilled. Their day-to-day monitoring will not, however, cause WESTON to be responsible for those duties and responsibilities which belong to the construction contractor(s) and which include, but are not limited to, full responsibility for the means, methods, techniques, sequences and progress of construction, and safety precautions incidental thereto, and for performing the construction work in accordance with the Contract Documents.

13. **SEVERABILITY.** If any provision of this Agreement is declared invalid, illegal, or incapable of being enforced by any court of competent jurisdiction, all of the remaining provisions of this Agreement shall nevertheless continue in full force and effect, and no provision shall be deemed dependent upon any other provision unless so expressed herein.



August 1, 1997

Kleinfelder File #: 35-YP7-405.002

Sunrise Engineering
25 East 500 North
Fillmore, Utah 84631

Attention: Mr. Joseph Santos

**SUBJECT: Proposal for Phase I Water Resources Assessment
Southwest Santaquin, Utah**

Dear Joseph:

Thank you for giving us the opportunity to be involved with the Culinary Water Master Plan for Santaquin City. The type of work you have requested, an assessment of aquifer characteristics and an investigation of favorable well sites, is what we refer to as a Phase I Water Resources Assessment. The study area that you described to me contains two different sorts of hydrogeological environments: (1) The eastern part of the study area (southern-most Utah Valley) has relatively simple geology and is underlain by several hundred feet of unconsolidated lacustrine and alluvial deposits, (2) The western part of the study area (Warm Springs Mountain) has relatively complex geology and is underlain by shallow volcanic and sedimentary bedrock. In the eastern area, it is likely that the unconsolidated deposits would contain suitable target aquifers for additional groundwater development. In the western area, it is likely that any large production wells (>100 gpm) would have to be sited within major fracture zones in the bedrock. These two areas require different approaches for assessing water resources.

This proposal presents two options for assessing water resources in the study area. Option 1 would limit the assessment to the eastern part of the study area (southern-most Utah Valley). Because the geology of the southern-most Utah Valley is relatively simple, Option 1 would require relatively little field work and aerial photograph analysis (see below). Option 2 would involve assessing groundwater resources throughout the entire described in your letter. If the City of Santaquin wishes to fully develop the available water resources within the study area,

35-YP7-405.002/3517P093
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they may wish to pursue this full assessment of the area. Note that Kleinfelder has developed specific methods for assessing water resources in areas of complex geology.

Kleinfelder is committed to providing a high level of service to its clients, commensurate with their wants and needs. If a portion of this proposal does not meet your needs, or if those needs have changed, Kleinfelder stands ready to consider appropriate modifications, subject to the standard of care to which we adhere as professionals. Modifications such as changes in scope, methodology, scheduling, and contract terms and conditions may result in changes to the risks assumed by you, as well as adjustments to our fees. We look forward to this opportunity to serve you.

BACKGROUND

We understand that the City of Santaquin is interested in assessing water resources on the southwest side of the city. The additional resources may be needed to supply culinary water to future residential developments in the area. This proposed water resources feasibility study will summarize the hydrogeologic characteristics of the study area (e.g. thicknesses of the geologic units, material types, approximate hydraulic conductivity, water levels, etc.), provide recommendations on sites for test wells, and provide general recommendations for design of test wells.

Kleinfelder has completed numerous water resources projects in Utah and throughout the intermountain west. We are, therefore, familiar with the region and with your needs.

HYDROGEOLOGY

The area between Santaquin and Warm Springs Mountain comprises the southern-most part of Utah Valley. The area is underlain by sediments deposited in Lake Bonneville (Harty and others, 1995). The Bonneville deposits are likely underlain by older lacustrine and alluvial deposits. These unconsolidated deposits generally consist of interbedded gravel, sand, and clay. Well logs from the area indicate that there is at least 300 feet of unconsolidated deposits under much of the area. The depth to water generally varies from about 60 feet to about 200 feet.

Warm Springs Mountain is underlain by volcanic and sedimentary bedrock. There is little information on the hydrologic characteristics of the bedrock in the Warm Springs Mountain

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area. However, the characteristics of fractures are typically the most important factors controlling the yields of bedrock wells. The successful construction of a bedrock well in the Warm Springs Mountain area will thus likely depend on an understanding of the regional and local fracture characteristics, and on siting the wells within zones of extensive fracturing. Our Phase I Water Resources Assessment is designed to identify and characterize zones of bedrock fracturing.

SCOPE OF SERVICES

Kleinfelder will provide a team of qualified hydrogeologists and engineers to accomplish the proposed water resources investigation. Thorough document review, geologic mapping, and aerial photography analysis will be performed. We divide the Phase I feasibility investigation into four tasks. During these tasks, we will assess the feasibility of developing water resources in the study area. The feasibility study is a critical portion of the overall groundwater development program. It typically represents a very small fraction of the overall cost of a long-term project such as this.

PHASE I: FEASIBILITY STUDY

This phase will involve the following tasks:

Task 1: Review Available References and Well Logs

Kleinfelder will review available engineering geology reports, hydrogeological references, and logs of existing wells in the area southwest of Santaquin to assess the hydrogeologic characteristics of the subsurface. This will allow us to evaluate the basic hydrogeological characteristics of the study area and establish additional data requirements. We will also interview State and Federal geologists who have been working in the Santaquin area.

Task 2: Aerial Photographic Terrain Analysis

We will review available aerial photographs of the Santaquin area. The photo terrain analysis is crucial for identifying fracture zones when conducting water resource feasibility studies in bedrock terrain, as well as identifying possibly significant ????. Fractures and fracture intersections are typically apparent on aerial photographs and are probable areas for

groundwater development. These ??? fractures and other favorable hydrogeologic features will provide targets for test holes. From the photographs, we can evaluate the geology, structure, and hydrogeology of the study area. If the assessment is limited to the eastern part of the study area, only limited aerial photograph analysis will be required.

Task 3: Field Reconnaissance

We will perform a geologic site reconnaissance of the area and locate potential test well sites based on the results of the preceding tasks. For each site, we will assess field conditions, obstacles, limits, and possible alternative methods for completing additional tasks. The field reconnaissance will include the following:

- Geological mapping of the hydrogeology of the study area. The mapping will include observed geologic features (locations of bedrock outcrop, characteristics of bedrock, orientations of bedding, locations and orientations of faults and joints, etc.);
- Assessment of fracture characteristics observed in outcrops;
- Location and assessment of springs and seeps;
- Assessment of accessibility for equipment and availability of utilities.

If the assessment is limited to the eastern part of the study area, only limited field reconnaissance will be required.

At the conclusion of Task 3, we will compile the data we developed and provide a preliminary verbal report on the feasibility of developing additional water resources in the study area.

Task 4: Prepare a Report of Findings

Kleinfelder will prepare a report of findings based on available hydrogeological data gathered from Tasks 1 through 3. The report will include the following:

- Assessment of the feasibility for developing groundwater supplies;

- Assessment of the potential yield of water bearing zones;
- Prioritization of well sites based on a decision matrix of well selection criteria; and
- Work plan and cost estimate for Phase II test well drilling if viable locations in the study area exist for test wells.

Kleinfelder will provide four copies of the Final Report.

SCHEDULE

We will begin our investigation immediately, contingent upon receipt of your verbal authorization to proceed. We anticipate submitting our Report of Findings for Phase I within 10 working days of authorization. We will provide verbal information to you as it is developed to reduce project delays.

FEE AND PAYMENT

We will provide the scope of services described above for Tasks 1 through 4 on a time and materials basis in accordance with our current fee schedule. Our estimated fees for Phase I services are as follows:

- Option 1 (limit assessment to the eastern part of the study area): \$3,200.
- Option 2 (assessment of the full study area): \$6,900

Future phases of the well project will be authorized by work requisitions that reference the conditions of our standard contract. Attendance at additional meetings, review of additional plans and specifications, the preparation of supplemental reports/letters or other services not described in the Phase I scope of services are not included in these estimates.

An invoice for our services will be submitted upon completion of our report or on an end-of-the-month basis, whichever occurs first. If our field investigation indicates conditions are present which may require additional study or a revised approach, we will discuss the situation with you and revise our schedule and fees accordingly.

ADDITIONAL SERVICES

If a suitable site for a well is found in the study area, Kleinfelder may recommend that Santaquin begin the process of installing test wells to develop groundwater reserves. The test well should be installed in such a way to facilitate rapid installation of a production well (if the aquifer characteristics and water quality are found to be suitable). We have divided the subsequent tasks into three possible phases. Phase II includes actual field testing of hydrogeologic characteristics of the target aquifer. Phase III will involve development of design plans and specifications for a production well, assistance in the acquisition of necessary permits, and installation and development of the final production well. These phases are described in more detail in Attachment 2

LIMITATIONS

Kleinfelder offers various levels of investigative and engineering services to suit the varying needs of different Clients. Although risk can never be eliminated, more detailed and extensive investigations yield more information which may help understand and manage the level of risk. Since detailed investigation and analysis involves greater expenses, our Clients participate in determining levels of service which provide adequate information for their purposes at acceptable levels of risk. Acceptance of this proposal will indicate Sunrise Engineering has reviewed the scope of services and determined you do not need or want a greater level of service than that being provided. Any exceptions should be noted and may result in higher fees.

Regulations and professional standards applicable to Kleinfelder's services are continually evolving. Techniques are, by necessity, often new and relatively untried. Different professionals may reasonably adopt different approaches to similar problems. Therefore, no warranty or guarantee, express or implied, will be included in Kleinfelder's scope of services.

AUTHORIZATION

We have attached our standard contract for water resources services for your review and, in addition to the scope of services proposed herein, is the basis for the proposed fee. Signed copies of the contract returned to us will serve as our formal authorization to proceed. We will return an executed copy to you for your records.

If there is a need for any change in the scope of services or schedule described in the proposal or in the standard contract, please call us immediately. Changes may require revision of the proposed fee which will be communicated to you upon assessment of the requested changes' effect on the fee.

All terms and conditions indicated in this work plan and our attached contract will be considered by both parties to be in effect from the effective date of the signed contract through completion of the project. The work plan will remain in effect for 60 days from the date shown on the proposal and thereafter shall be null and void unless our contract has been signed for the work to be performed.

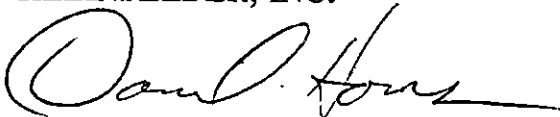
All information gathered during the study by Kleinfelder is considered confidential and will be released only upon written authorization of the Client or as required by law.

We appreciate the opportunity to submit this proposal and look forward to working with you on this project.

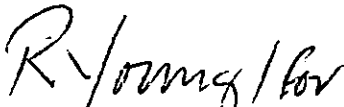
If you have any questions or need additional information, please contact the undersigned in our Salt Lake City office at (801) 466-6769.

Sincerely,

KLEINFELDER, INC.



Daniel M. Horns, Ph.D., P.G.
Project Geologist



William C.B. Gates, Ph.D., P.E., P.G.
Senior Engineering Geologist
Director, Water Resources Engineering Program

KLEINFELDER

Water Resources Engineering Services Agreement
Project No. 35-YP7-405.002

PARTIES

This Agreement is made this 1st day of August, 1997 between:

Sunrise Engineering
25 East 500 North
Fillmore, UT 84631

and

KLEINFELDER, INC.
2749 E. Parley's Way, Suite 100
Salt Lake City, UT 84109

hereinafter called "Client"

hereinafter called "Consultant"

PROJECT

Client engages Consultant to provide Phase I water resource investigation for Sunrise Engineering, as described in Proposal #35-YP7-405.002.

SCOPE OF SERVICES

Consultant agrees to perform services as described in Consultant's Proposal #35-YP7-405.002 for engineering services dated August 1, 1997.

Client agrees that all services not expressly included are excluded from Consultant's Scope of Services.

COMPENSATION

Client agrees to compensate Consultant on a time and materials based on Consultant's current fee schedule. Consultant's cost estimate for the services (as described in Consultant's proposal #35-YP7-405.002 dated August 1, 1997, are as follows:

Option 1: \$3,200

Option 2: \$6,900

Please circle and initial the selected option.

The Client shall be notified of changes to the scope described above or if additional work is recommended by Consultant. The description of the additional work or scope change and estimated costs will be described on separate work requisitions for Client authorization. Such work requisitions will be incorporated hereinto and made part of this Agreement upon execution by Client and Consultant.

Client and Consultant acknowledge that each has read and agrees to the General Conditions printed on the reverse side of this document which are incorporated herein and made a part of this Agreement and apply to all services performed by Consultant.

Client: **SUNRISE ENGINEERING** _____

Consultant: **KLEINFELDER, INC.** _____

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Facsimile Sheet

MISSION MISSION MISSION Statement

The mission of Terracon is to be a leading consultant in the fields of geotechnical, environmental and materials engineering, and related services by:

- Providing diverse, technologically progressive and cost-effective services that are responsive to our clients' needs;
- Challenging our employees with professional opportunities while rewarding individual performance and teamwork; and
- Sustaining a viable practice as a client-driven, growth-oriented and employee-owned firm.

Terracon

Date: July 30, 1997

To: Mr. Joseph Santos (801) 743-6151

Office/Company: Sunrise Engineering, 24 E. 500 N., Fillmore, UT

Facsimile Number: (801) 743-7900

From: Dan L. Crawford, P.G., R.E.A.

Office/Company: Terracon Consultants Western, Inc.
3900 South 92 West, Ste. 100
Salt Lake City, Utah 84107
(801) 266-2100

Facsimile Number: (801) 266-2191

Subject: Cost Estimate for Hydrological Study - Santaquin City

Number of Pages: 6 (including this sheet)

Please find our proposed cost estimate. We had the original letter returned to us so we are now faxing it.

Look forward to working with you on this project.

We can start immediately.

Visit our World Wide Web site at www.terracon.com

Terracon

CONSULTANTS WESTERN, INC.

92 West 3900 South
Suite 100
Salt Lake City, Utah 84107
Phone (801) 266-2100 Fax (801) 266-2191

July 23, 1997

Joseph N. Santos, Assistant City Engineer
Sunrise Engineering, Inc.
25 East 500 North
Fillmore, UT 84631

RE: **Cost Estimate for Hydrological Study for Santaquin City
and Other Water-Related Projects
Terracon Proposal No. P6197155**

Dear Joseph;

We are in receipt of the 1991 Bryce Montgomery hydrological study and have reviewed its contents thoroughly. We have also studied at length two (2) United States Geological Survey (USGS) reports completed in the area that identify the hydrology and simulation of ground-water flow in southern Utah and Goshen Valleys.

We have also met with Mr. Jim Martin to discuss the status of the existing well field and obtain local hydrological information. According to Jim, the Drinking Water Source Protection (DWSP) Plan for the two (2) existing wells (Cemetery and Center Street) and the spring has been rejected. The source delineation zones, contaminant source inventory and management plans are, to date, not approved.

Given this information, we have developed a phased approach to not only address the original hydrological study request, but to bring into compliance the existing wells, springs and future wells.

Per your request, we have developed a range of estimated costs for well siting and protection zone delineation for the existing and proposed wells. The cost estimates are based upon availability of existing data and the complexity of the site.

- Well Siting (3 Wells): \$3,000
- DWSP Plan (2 Wells, 1 Spring): \$ 9,000
- Preliminary Engineering Report (PER) for Three (3) Wells: \$ 9,000

Please note that the fee for DWSP Plans and the PER does not include the cost for performing a pumping test at the wells. If a pumping test needs to be performed by us, the cost will be between \$1,500 and \$2,500 per test.

The following tasks will be completed for the well siting:

- Data collection;

Offices of The Terracon Companies, Inc.

Arizona ■ Arkansas ■ Colorado ■ Idaho ■ Illinois ■ Iowa ■ Kansas ■ Minnesota
Missouri ■ Montana ■ Nebraska ■ Nevada ■ Oklahoma ■ Tennessee ■ Texas ■ Utah ■ Wisconsin ■ Wyoming

Geotechnical, Environmental and Materials Engineers

QUALITY ENGINEERING SINCE 1965

- Review of geologic and hydrogeologic data and aerial photographs, if available, for the area;
- Identification of recharge/discharge areas;
- A site inspection and selection of proper well sites;
- Evaluation of topographic information and subsurface lithology from well construction logs and development of a conceptual groundwater model, if applicable; Review geologic and hydrogeologic data for the area, and if necessary, gather additional information;

The PER and DWSP will include the above information and the following tasks :

- Analysis of pump test data;
- Delineation of the protection zones (15-year, 3-year and 250-day) using FLOWPATH (a two-dimensional finite difference model) or WHPA (a two-dimensional semi-analytical model), if applicable or using the geological mapping method;
- List of possible contamination sources;
- Prioritization of the existing potential sources;
- Development of management programs
- Preparation of a PER and DWSP report (two copies) according to the State-recommended format which will include the following:

1. INTRODUCTION
2. DELINEATION OF DWSP ZONES
3. LIST OF POSSIBLE POTENTIAL CONTAMINATION SOURCES AND ASSESSMENT OF THEIR CONTROLS
4. PRIORITIZED INVENTORY OF CONTAMINATION SOURCES
5. MANAGEMENT PROGRAM TO CONTROL EACH PREEXISTING POTENTIAL SOURCE
6. MANAGEMENT PROGRAM TO CONTROL AND PROHIBIT FUTURE POTENTIAL CONTAMINATION SOURCES
7. IMPLEMENTATION SCHEDULE
8. RESOURCE EVALUATION
9. RECORD KEEPING

If meetings with the regulatory agencies are required, these costs will be billed on a time and materials basis.

Should this proposal meet your approval, please sign and return the proposal via facsimile at (801) 266-2191 as our authorization to proceed. Our standard terms and conditions are enclosed for your convenience.

Hydrological Study for Santaquin City
Sunrise Engineering
Terracon Proposal No. P6197155

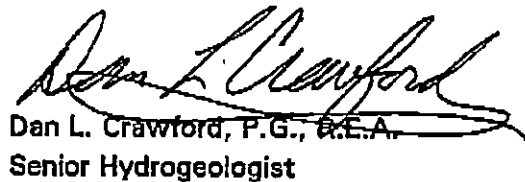
Terracon

We can start the work immediately and look forward to completing this project for you in a prompt and cost-effective manner. If this price is acceptable, please sign, date and return this proposal via facsimile at (801) 266-2191.

Sincerely,

TERRACON CONSULTANTS WESTERN, INC.


Daoglong Yang, P.E.
Project Engineer


Dan L. Crawford, P.G., G.E.A.
Senior Hydrogeologist

NOTICE TO PROCEED

The above proposal and attached Terms and Conditions are understood and accepted.

BY: _____
(Please Print Name)

FOR: _____

(Signature)

DATE: _____

TERMS AND CONDITIONS TERRACON

SECTION 1: SCOPE OF WORK: TERRACON shall perform the services defined in the contract and shall invoice the client for those services at the fee schedule rates. Any cost estimates stated in this contract shall not be considered as a firm figure unless otherwise specifically stated in this contract. If unexpected site conditions are discovered, the scope of work may change even as the work is in progress. TERRACON will provide these additional services at the contract fee schedule rate.

Rates for work beyond the scope of this contract and not covered by the contract fee schedule can be provided. TERRACON can perform additional work with prior authorization, and will provide confirmation of fees. All costs incurred because of delays in authorizing the additional work will be billed to the client.

Fee schedules are valid for one year following the date of the contract unless otherwise noted.

Initiation of services by TERRACON pursuant to this proposal will incorporate these terms and conditions.

SECTION 2: ACCESS TO SITES, PERMITS AND APPROVALS: Unless otherwise agreed, the client will furnish TERRACON with right-of-access to the site in order to conduct the planned exploration.

While TERRACON will take all reasonable precautions to minimize any damage to the property, it is understood by the client that in the normal course of work some damage may occur, the restoration of which is not part of this agreement.

Unless otherwise agreed, the client will secure all necessary approvals, permits, licenses and consents necessary to the performance of the services hereunder.

SECTION 3: SOIL BORING AND TEST LOCATIONS: The accuracy and proximity of provided survey control will affect the accuracy of in-situ test location and elevation determinations. Unless otherwise noted, the accuracy of test locations and elevations will be commensurate only with pacing and approximate measurements or estimates. If greater accuracy is required, the services of a professional surveyor should be obtained.

The client will furnish TERRACON with a diagram indicating the location of the site. Boring and test locations may also be indicated on the diagram. TERRACON reserves the right to deviate a reasonable distance from the boring and test locations unless this right is specifically revoked by the client in writing at the time the diagram is supplied. TERRACON reserves the right to terminate this contract if conditions preventing drilling at the specified locations are encountered which were not made known to TERRACON prior to the date of this contract.

SECTION 4: UTILITIES: In the performance of its work, TERRACON will take all reasonable precautions to avoid damage or injury to subterranean structures or utilities.

The client agrees to hold TERRACON harmless and indemnify TERRACON for any claims, payments or other liability, including costs and attorney fees, incurred by TERRACON for any damages to subterranean structures or utilities which are not called to TERRACON'S attention and correctly shown on the plans furnished to TERRACON.

SECTION 5: UNANTICIPATED HAZARDOUS MATERIALS: It shall be the duty of the owner, the client, or their representative to advise TERRACON of any known or suspected hazardous substances which are or may be related to the services provided; such hazardous substances include but are not limited to products, materials, by-products, wastes or samples of the foregoing which TERRACON may be provided or obtain performing its services or which hazardous substances exist or may exist on or near any premises upon which work is to be performed by TERRACON employees, agents or subcontractors. If TERRACON observes or suspects the existence of unanticipated hazardous materials during the course of providing services, TERRACON may at its option terminate further work on the project and notify client of the condition. Services will be resumed only after a renegotiation of scope of services and fees. In the event that such renegotiation cannot occur to the satisfaction of TERRACON, TERRACON may at its option terminate this contract.

SECTION 6: DISPOSAL OF HAZARDOUS MATERIALS AND CONTAMINATED EQUIPMENT: TERRACON does not create, generate or at any time own or take possession or ownership of or arrange for transport, disposal or treatment of hazardous materials as a result of its exploration services. All hazardous materials, including but not limited to samples, drilling fluids, decontamination fluids, development fluids, soil cuttings and tailings, and used disposable protective gear and equipment, are the property of the client, and responsibility for proper transportation and disposal is the client's unless prior contractual arrangements are made. All laboratory and field equipment that cannot readily and adequately be cleansed of its hazardous contaminants shall become the property and responsibility of the client. The client shall purchase all such equipment and it shall be turned over to the client for proper disposal unless prior alternate contractual arrangements are made.

SECTION 7: REPORTS AND INVOICES: TERRACON will furnish two copies of the report to the client. Additional copies will be furnished at the rate specified in the fee schedule. TERRACON will submit invoices to the client monthly and a final bill upon completion of services. Payment is due upon presentation of invoice and is past due thirty (30) days from the invoice date. Client agrees to pay a finance charge of one and one-half percent (1½%) per month, but not exceeding the maximum rate allowed by law, on past due accounts. Client also agrees to pay all costs and expenses, including reasonable attorney fees incurred by TERRACON relating to collection procedures on overdue accounts. Failure of client to abide by the provisions of this section will be considered grounds for termination of this agreement by TERRACON.

SECTION 8: OWNERSHIP OF DOCUMENTS: All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates, and other documents prepared by TERRACON as instruments of service, shall remain the property of TERRACON unless there are other contractual agreements.

SECTION 9: CONFIDENTIALITY: TERRACON shall hold confidential all business or technical information obtained from the client or his affiliates or generated in the performance of services under this agreement and identified in writing by the client as "confidential". TERRACON shall not disclose such information without the client's consent except to the extent required for: 1) Performance of services under this agreement; 2) Compliance with professional or ethical standards of conduct for preservation of public safety, health, and welfare; 3) Compliance with any court order or other governmental directive and/or; 4) Protection of TERRACON against claims or liabilities arising from performance of services under this agreement. TERRACON'S obligation hereunder shall not apply to information in the public domain or lawfully acquired on a non-confidential basis from others.

SECTION 10: STANDARD OF CARE: Services performed by TERRACON under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same locale. No other warranty, express or implied, is made or intended by the proposal for consulting services or by furnishing oral or written reports of the findings made. The client recognizes that subsurface conditions may vary from those encountered at the location where borings, surveys, tests or explorations are made by TERRACON and that the data, interpretations and recommendations of TERRACON are based solely upon the data available to TERRACON. TERRACON will be responsible for those data, interpretations, and recommendations, but shall not be responsible for the interpretations by others of the information developed.

SECTION 11: SAFETY: TERRACON has adopted safety policy procedures for its personnel when providing services at known or suspected hazardous waste sites. TERRACON personnel will adhere to these procedures as site conditions require. A copy of the "Safety Policy Procedures for Environmental/Hazardous Waste Projects" is on file with the corporate safety officer and is available for review. Terracon is not responsible or liable for injuries or damage incurred by third parties who are not employees of Terracon. It is understood that Terracon will not be responsible for job or site safety of the project. Job and site safety will be the sole responsibility of the contractor unless contracted to others.

SECTION 12: SUBPOENAS: The client is responsible, after notification, for payment of time charges and expenses resulting from the required response by TERRACON to subpoenas issued by any party other than TERRACON in conjunction with work performed under this contract. Charges are based on fee schedules in effect at the time the subpoena is served.

SECTION 13: LIMITATION OF LIABILITY: The client agrees to limit TERRACON'S liability to the owner and all construction contractors and subcontractors on the project arising from TERRACON'S professional acts, errors, or omissions or breach of contract or other cause of action, such that the total aggregate liability of TERRACON to all those named shall not exceed \$50,000 or TERRACON'S total fee for the services rendered on this project, whichever is greater, and client hereby releases TERRACON from any liability above such amount. The client further agrees to require of the contractor and his subcontractors an identical limitation of TERRACON'S liability for damages suffered by the contractor or the subcontractor arising from TERRACON'S performance of services. Neither the contractor nor any of his subcontractors assumes any liability for damages to others which may arise on account of TERRACON'S professional acts, errors or omissions.

SECTION 14: INSURANCE: TERRACON carries worker's compensation and employer's liability insurance and has coverage under public liability and property damage insurance policies. Certificates for all such policies of insurance will be provided to client upon request. Within the limits and conditions of such insurance, TERRACON agrees to indemnify and save client harmless from and against any loss, damage, injury or liability arising from any negligent acts of TERRACON, its employees, agents, subcontractors and their employees and agents. TERRACON shall not be responsible for any loss, damage or liability beyond the amounts, limits and conditions of such insurance. TERRACON shall not be responsible for any loss, damage or liability arising from any acts by a client, its agents, staff, consultants employed by others, or other third parties who are not employees of TERRACON.

SECTION 15: INDEMNITY: The client acknowledges that TERRACON has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substances or conditions at the site. Accordingly, except as expressly provided in this contract, the Client waives any claim against TERRACON and agrees to indemnify and save TERRACON, its agents, and employees harmless from any claim, liability or defense cost, including but not limited to attorney fees and other incidental costs, for injury or loss sustained by any party from such exposures allegedly arising out of or related to TERRACON'S performance of services hereunder. Client and TERRACON agree that they will not be liable to each other, under any circumstances, for special, consequential or punitive damages arising out of or related to this Contract.

SECTION 16: TESTING AND OBSERVATION SERVICES: If TERRACON is retained by Client to provide a site representative for the purpose of testing or observing specific portions of the work or other field activities as set forth in the proposal, then this section applies. For the specified assignment, TERRACON will report test results, observations and professional opinions to Client.

The presence of TERRACON field representatives will be for the purpose of providing field testing and observation. Our work does not include supervision or direction of the actual work of the Contractor, his employees or agents. The Contractor for this project should be so advised. The Contractor should also be informed that neither the presence of our field representative nor the testing and observation by our firm shall excuse him in any way for defects discovered in his work.

The term, "observation", implies that we would observe the progress of the work we have agreed to be involved with and perform tests from which to develop an opinion as to whether the work essentially complies with the job requirements.

With any manufactured product there are statistical variations in its uniformity and the accuracy of tests used to measure its qualities. As compared with other manufactured products, field construction usually has wider fluctuations in both product and test results. Thus, even with very careful testing and observation, it cannot be said that all parts of the product comply with the job requirement. Our proposal is for the scope of services requested by our Client. The degree of certainty for compliance with project specifications is much greater with full time observation than it is with intermittent observation.

SECTION 17: SAMPLES: TERRACON will retain all soil and rock samples that are transported to TERRACON laboratories for 60 days after submission of the report. Further storage or transfer of samples can be made at client expense upon written request.

SECTION 18: SEVERABILITY: If any of the provisions contained in this Agreement are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions will not be impaired.

SECTION 19: TERMINATION: This Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, TERRACON shall be paid for services performed to the termination notice date plus reasonable termination expenses. Expenses of termination or suspension shall include all direct costs of TERRACON required to complete analyses and records necessary to complete its files and may also include a report on the services performed to the date of notice of termination or suspension.

SECTION 20: ASSIGNS: Neither the client nor TERRACON may delegate, assign, subwrite or transfer its duties or interest in this agreement without the written consent of the other party.

SECTION 21: PRECEDENCE: These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice to proceed, or like document regarding TERRACON'S services.