CITY COUNCIL MEETING

PUBLIC NOTICE is hereby given that the City Council of Spanish Fork, Utah, will hold a regular public meeting in the Council Chambers in the City Office Building, **40 South Main Street**, Spanish Fork, Utah, commencing at **5:30 p.m. on August 7, 2007**.

ADDENDUM

AGENDA ITEMS:

1. **5:30 PM - EXECUTIVE SESSION**

2. **CALL TO ORDER, PLEDGE, OPENING CEREMONY, RECOGNITIONS:**
   a. Pledge

3. **PUBLIC COMMENTS:**
   Please note: In order to be considerate of everyone attending the meeting and to more closely follow the published agenda times, public comment will be limited to three minutes per person. A spokesperson who has been asked by a group to summarize their concerns will be allowed five minutes to speak. Comments which cannot me made within these limits should be submitted in writing. The Mayor or Council may restrict the comments beyond these guidelines.

4. **COUNCIL COMMENTS:**

5. **CONSENT ITEMS:**
   These items are considered by the City Council to be routine and will be enacted by a single motion. If discussion is desired on any particular consent item, that item may be removed from the consent agenda and considered separately.
   a. First Amendment to Utah Option and Lease Agreement
   b. URS Electronic Trading Partner Agreement
   c. Ivory Homes Connectors Agreement

6. **NEW BUSINESS:**
   a. Canal Companies Contract
   b. Appointment of Financial Advisor
   c. Out of City Water Connection Request – Jay Clayson
   d. 2007 Asphalt Overlay Bid Award – Schedule #1
   e. 2007 Asphalt Overlay Bid Award – Schedule #2
   f. Accept or Reject proposed Kelly Annexation for further study

7. **OLD BUSINESS:**
   a. Proposed Changes to Title 15

8. **OTHER BUSINESS:**
   a. Executive Session If Needed – To be Announced in the Motion

ADJOURN:

Notice is hereby given that:

- In the event of an absence of a quorum, agenda items will be continued to the next regularly scheduled meeting.
- By motion of the Spanish Fork City Council, pursuant to Title 52, Chapter 4 of the Utah Code, the City Council may vote to hold a closed executive meeting for any of the purposes identified in that Chapter.

SPANISH FORK CITY does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in the employment or the provision of services. The public is invited to participate in all Spanish Fork City Council Meetings located at 40 South Main St. If you need special accommodation to participate in the meeting, please contact the City Manager's Office at 798-5000.

CONNECTOR'S AGREEMENT

This connector's agreement made this _____ day of August, 2007, by and between Spanish Fork City,(City), and Ivory Homes, LTD, a Utah limited partnership (Ivory).

WHEREAS, Ivory is the owner of certain real property on the east side of Spanish Fork and northeast of Highway 6 and south of 400 North Street, known as the Mapleton Bench; and

WHEREAS, Ivory, at its expense, has installed a twelve inch culinary water line along 400 North from approximately 1600 East through approximately 1900 East, for 820 feet at a total cost of $39,776.29; and

WHEREAS, Ivory, at its expense, has installed a ten inch secondary irrigation water line along 400 North from approximately 1600 East through approximately 1900 East, for 820 feet at a total cost of $22,987.83; and

WHEREAS, Ivory, at its expense, has installed a twelve inch sewer main along 400 North from approximately 1600 East through approximately 1900 East, for 820 feet at a total cost of $94,671.05; and

WHEREAS, Ivory, at its expense, has installed electric lines from the Cut Bridge, easterly along the existing Cut Bridge Road to 100 South, for 1,220 feet, at a cost of $113,789.40, which section has developable frontage on only one side, due to the railroad tracks; and

WHEREAS, Ivory, at its expense, has installed electric lines along 100 South from approximately 1500 East to approximately 2000 East, for 2,962 feet, at a cost of $276,279.58; and

WHEREAS, it is anticipated that property to the north and west of the Ivory property, at some time in the future, will desire to connect to said lines in order to service said properties with City water, sewer, and irrigation services; and

WHEREAS, it is anticipated that property to the north of the Ivory property between the Cut Bridge and 100 south, at some time in the future, will desire to connect to said electric lines in order to service said properties with City electricity; and

WHEREAS, it is anticipated that property to the north and south of the Ivory property along 100 South from approximately 1500 East to approximately 2000 East, at some time in the future, will desire to connect to said electric lines in order to service said properties with City electricity; and

WHEREAS, the City has determined that it is just and proper that if the owners of the adjacent property connect on to said water, secondary irrigation water, sewer, or electric lines, within ten years from the date of installation, that said owner(s) should pay their share of the costs of the construction of said improvements;

NOW THEREFORE, in consideration of the payment of $10.00 by Ivory to City, City agrees:

1. That it will require the payment of $24.26 per foot of frontage as a condition to permit the owners of property to the north or west of the Ivory property to connect on to the culinary water line described herein.

2. That it will require the payment of $14.02 per foot of frontage as a condition to permit the owners of property to the north or west of the Ivory property to connect on to the secondary irrigation water line described herein.

3. That it will require the payment of $57.73 per foot of frontage as a condition to permit the owners of property to the north or west of the Ivory property to connect on to the sewer line described herein.

4. That it will require the payment of $93.27 per foot of frontage as a condition to permit the owners of property to the north of the Ivory property to connect on to the electric line between the Cut Bridge and 100 South described herein.

5. That it will require the payment of $43.64 per foot of frontage as a condition to permit the owners of property to the north or south of the Ivory property to connect on to the electric line on 100 South between approximately 1500 East to approximately 2000 East described herein.

6. That payment of the sums mentioned in the preceding paragraph shall be without interest.

7. That if connections or developments are made after ten years from the date of installation, there shall be no payments made as a precondition of connection to the described lines.

8. That upon receipt of such sum (if said sum is ever paid to the City,) City agrees to remit said sum to Ivory, or its assignees.

9. The parties agree that City has the right to determine and apportion the footage for connection, which footage shall be assessed at the rates set forth herein per foot for the water, secondary irrigation water, sewer, and electric lines, based upon the frontage of the property being serviced.

10. Ivory shall be responsible to inform the City to assess the fees if it notices the intent, need, or attempt to connect to the improvements. City will use its best efforts to properly assess the fees set forth herein, but shall incur no liability for its failure to do so, unless the failure is due to intentional misconduct.

DATED this _____ day of August, 2007.

SPANISH FORK CITY by:

_____

JOE L THOMAS, Mayor

Attest:

_____

KENT R. CLARK, City Recorder

IVORY HOMES, LTD by:

_____

CLARK D. IVORY, General Partner

MEMO

To: Mayor and Council
From: S. Junior Baker
Date: 2 Aug 2007
Re: Canal Companies Contract

The agenda contains an item under new business called "Canal Companies Contract." As you can see from the contract provided, it is between Salem City and Salem Canal Company. This is a prototype contract which is anticipated will be used by each city and the specific canal companies they need to contract with. We would anticipate using this contract, with just the names changed, to contract with East Bench Irrigation Company, Westfields Irrigation Company, Southeast Irrigation Company, and South Fields Irrigation Company. We may also need to have the same contract with Strawberry Highline Canal Company, since their canal traverses our city for a short distance.

Since this contract deals with the delivery of SVP (Strawberry Valley Project) water, a contract with Strawberry Water Users will also be necessary. It will be somewhat different than the contracts with the delivery canal companies. That contract has been in negotiation for approximately 20 years now, but appears to be very close to completion. If all goes well, it could be on the next agenda.

AGREEMENT BETWEEN
SALEM CANAL COMPANY
AND SALEM CITY REGARDING
DELIVERY OF IRRIGATION WATER

This Agreement is made effective this ____ day of _____, 2007 by and between:

Salem Canal Company, a Utah non-profit corporation, of P.O. Box 338, Salem, UT 84653 ("Canal Company"); and

Salem City, Utah, a municipal corporation of the State of Utah of _____, Salem, UT 84653 ("Salem City").

The Canal Company, and Salem City are referred to collectively in this agreement as the "Parties" and individually as a "party."

AGREEMENT PURPOSES

The Parties recite the following as their purpose for entering this Agreement:

A. The Strawberry Valley Project ("SVP") was authorized and constructed pursuant to the 1902 Reclamation Act. Under contracts with the United States of America, acting through the Department of Interior, Bureau of Reclamation ("Reclamation") and Reclamation law, the Strawberry Water Users Association (the "Association") is responsible for the care, operation, and maintenance of the SVP, excepting the Strawberry High Line Canal, and the Mapleton and Springville Lateral. The SVP provides approximately 70,000 acre-feet ("AF") of water annually to lands served with SVP water in the southern portion of Utah County. Approximately 61,000 AF of this SVP water is delivered from a Central Utah Project ("CUP") facility under an agreement among the Association, Central Utah Water Conservancy District, and the United States of America, acting through the Department of the Interior.

B. The Association delivers SVP water to nine different entities. This group includes seven mutual water companies that operate as nonprofit corporations and two irrigation districts that are political subdivisions of the State of Utah. These nine entities each have contracts with the United States that give them the right and responsibility to deliver SVP water to SVP water users through their respective canals. Canal Company is one of the nine entities.

C. Under contracts with the United States and pursuant to its articles of incorporation and bylaws, Canal Company is responsible for the care, operation, and maintenance of the Salem

Canal, including delivery of SVP water through the Salem Canal.

D. In addition to SVP water, Canal Company delivers water diverted from the Spanish Fork River to its shareholders from water rights owned by the Canal Company.

E. The southern Utah County area generally and Salem City are facing challenges resulting from population growth. SVP water and Spanish Fork River water delivered by the Canal Company into the corporate boundaries of Salem City will be critical to meeting the needs of a growing population.

F. Such growth also presents challenges to the Canal Company. At the same time as growth creates water demand within the Salem City, the Canal Company has continuing obligations to supply both SVP water and Spanish Fork River water to agricultural water users. Changes in land use, commonly called "land development," create new challenges to Canal Company to deliver water.

G. The purpose of this Agreement is to create processes by which the Parties and the parties to the other similar agreements will coordinate water supplies to present and future Salem City residents and to agricultural users in the SVP and Canal Company service area, and fulfill the respective roles of the Parties and other SVP water supply entities in meeting their obligations to supply SVP and Spanish Fork River water to the southern Utah County area.

AGREEMENT TERMS

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the Parties agree as follows:

1. STRAWBERRY WATER USERS AGREEMENT ANTICIPATED.

The Parties acknowledge that the Parties anticipate creation of an arrangement whereby water represented by the Association shares that are: (a)designated for service of lands located within Salem City and the Salem City Annexation Declaration Area, and (b) are appurtenant to such lands can be administered by Salem City on behalf of the SVP shareholder. The arrangement whereby the SVP water will be delivered by the Canal Company to lands within Salem City may be the subject of an agreement or other arrangements with the Association that address appurtenancy and other questions relating to SVP water.

1.1 The Parties shall negotiate in good faith to modify this Agreement as necessary to accommodate the terms of such future agreement affecting management of the SVP water.

1.2 Until such time as such an agreement or other arrangements are made to deliver the SVP water, the SVP water delivered by the Canal Company (a) into the Salem City

secondary irrigation system, (b) for other use by Salem City, or (c) as SVP water administered by Salem City, shall be transported and delivered as provided in this Agreement, subject to the terms of this Agreement and that certain agreement entitled "May 1, 1916 Contract Between United States of America and Salem Irrigation and Canal Company, a Corporation, Governing the Delivery of Water Sold to Land Owners under the Salem Canal System." The reproduced text of the May 1, 1916 agreement is attached as Exhibit "A" to this Agreement.

2. IRRIGATION SYSTEMS COORDINATION COMMITTEE.

Salem City and Canal Company hereby create an Irrigation Systems Coordination Committee consisting of two persons to be appointed by each Party hereto and a fifth member to be appointed by the four members appointed by the Parties.

2.1 The members of the Committee shall serve at the pleasure of the entity that appoints the member. The Committee may adopt its own rules of procedure so long as the procedures are consistent with law, the Canal Company articles of incorporation and bylaws, and Salem City ordinances.

2.2 The purpose of the Committee is to: (a) make recommendations to the Mayor and Council of Salem City and to the Board of Directors of Canal Company regarding design of secondary irrigation systems, (b) provide plat review and comments to Salem City on proposals for land development or land uses changes that involve either delivery of water for secondary irrigation or have any impact on Canal Company facilities, (c) make recommendations concerning the design and construction of secondary irrigation systems within Salem City and the Salem City Annexation Declaration Area, and (d) such other functions as may be referred to the Committee by either of the Parties. In its review of such matters and in making recommendations, the Committee shall apply the following criteria, along with such others as the Committee deems appropriate. The following criteria are intended to ensure appropriate delivery of SVP and Canal Company water into the Salem City secondary irrigation system:

2.2.1 A contract must be in place between Salem City and the Canal Company for delivery of water from the Salem Canal into the Salem City secondary irrigation system for each proposed or existing development to which water will be delivered. This provision may be satisfied by an appropriate amendment or addendum to this Agreement.

2.2.2 Each existing or proposed reach of the Salem City secondary irrigation system must provide a means satisfactory to the Canal Company to deliver SVP and Canal Company water to the lands where the water was historically used.

2.2.3 The Canal Company and its shareholders must be held harmless from

losses, costs, and expenses unique to the Salem City secondary irrigation system or caused exclusively by the secondary system.

2.2.4 The delivery of water should be consistent with the intent of the secondary irrigation master plan, which is in part to provide for the coordinated delivery of SVP and Canal Company water within Salem City and the Canal Company service area.

2.3 The Coordination Committee will also recommend practices, policies, and procedures that will:

2.3.1 Provide effective and early notice to Canal Company regarding developments and annexations within Salem City that may encroach on water delivery systems; and

2.3.2 Require the equitable improvement and protection of Canal Company water delivery systems by developers to mitigate the impacts of encroachment and improve the delivery and utilization of SVP and Canal Company water.

2.4 The Canal Company shall have no obligation to deliver SVP and Canal Company water into the Salem City secondary irrigation system except in a manner consistent with the secondary irrigation master plan, this Agreement, and the Canal Company articles of incorporation and bylaws.

2.5 Any disputes between Salem City and Canal Company regarding this Agreement or water delivery by Canal Company into the Salem City secondary water system may at the request of either Party be referred to the Committee for its recommendation. No court action may be filed by either Party regarding the subject matter of this Agreement unless the dispute shall have first been referred to the Committee for its recommendation. The recommendation of the Committee shall not be binding on the Parties unless the Parties agree in writing, whether before or after submission to the Committee, that the Committee recommendation shall be binding.

3. TRANSFER OF WATER SHARES FOR USE IN THE SALEM CITY SECONDARY IRRIGATION SYSTEM

Salem City has adopted ordinances which require the transfer of the right to use water to Salem City to meet the water demands created by each new land development. One intent of the ordinances and the secondary irrigation master plan is to set a framework for meeting the described criteria for approval of SVP and Canal Company water share transfers so that transfers can be made and the water from those shares can be delivered into the Salem City secondary irrigation system in a timely, cost effective, and predictable manner.

3.1 Upon approval of this Agreement by the Parties, and when Salem City has completed its secondary irrigation master plan, Salem City will make all arrangements for delivery of irrigation water into the Salem City secondary irrigation system.

3.2 Upon request from Salem City made by delivering the form attached hereto as Exhibit "B", the Canal Company will act reasonably and timely to determine whether the transfer of any Canal Company shares can be properly made and Salem City can thereby receive delivery of water from the shares upon transfer.

3.3 The Canal Company will not be obligated to approve such transfers if the forms are not complete or properly executed, or the share ownership is not consistent with Canal Company records, articles of incorporation, and bylaws. The Canal Company may, after good faith consultation with Salem City, require the Developer(s)/Landowner(s) to:

3.3.1 Pay reasonable fees to cover estimated actual direct and indirect administrative costs of reviewing and approving the transfers;

3.3.2 Provide adequate proof of title; and

3.3.3 Defend and indemnify Salem City and the Canal Company from losses and claims resulting from Canal Company acceptance of or compliance with such transfers.

3.4 If there is a time during which there is SVP and Canal Company water surplus to the demand made by the water users in the Salem City secondary irrigation system, Salem City may upon prior arrangement with the Canal Company supply such excess water at a nominal fee to the Canal Company so that the Canal Company may lease the use of such water to other water users for use on lands under the Canal Company system. The intent of this arrangement is to assure and allow full beneficial use of SVP and Canal Company water, while assuring proper compensation to Salem City for costs. The Canal Company shall require, unless otherwise agreed by Salem City, that any person leasing such water shall pay an amount sufficient to pay all assessments and other costs so as to hold Salem City and the Canal Company harmless from costs associated with supplying that water.

4. ASSESSMENTS, COST OF DELIVERY.

4.1 The Canal Company will assess Salem City an equitable assessment, based upon the cost of service and necessary reserves which is consistent with the assessment of other similarly situated shareholders within the Canal Company service area, for all Canal Company shares used to supply water to the Salem City secondary irrigation system.

4.2 The Canal Company may also charge Salem City such other necessary and reasonable additional costs as may be necessary to deliver SVP and Canal Company water into the secondary irrigation system. Any dispute whether costs charged are reasonable and necessary shall upon request from either party be referred to the Committee.

5. DELIVERY POINTS, CONTRACTS

Salem City may request delivery points where it intends to receive delivery into its secondary water system of SVP and Canal Company water.

5.1 Upon receipt of such requests, Canal Company will approve delivery points that are, in its reasonable discretion:

5.1.1 Consistent with

A. SVP and Canal Company water rights, and

B. Canal Company contracts with the United States;

5.1.2 Provide a reasonably adequate means of serving Canal Company shareholders; and

5.1.3 Do not impose any unmitigated additional cost, loss of water, obligation, or burdens on Canal Company or other canal companies that have contracts for the delivery of SVP water, or other Canal Company shareholders.

5.2 Salem City acknowledges that:

5.2.1 It may be required to enter into separate contracts with Canal Company or other local canal companies that have contracts for the delivery of SVP water; and

5.2.2 Such contracts may, at the reasonable discretion of the Canal Company, require that Salem City:

A. Pay separate operation and maintenance charges and satisfy Canal Company encroachment permit or license agreement requirements; and

B. Such requirements are intended to preserve, protect, and enhance the continued agricultural uses of SVP and Canal Company water by shareholders who choose to preserve agricultural lands as part of the local economy, as well as other shareholders.

6. ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED.

The provisions of this Agreement shall apply to and bind the successors and assigns of the Parties, but no assignment or transfer of this Agreement or any right or interest therein shall be valid until approved in writing by all Parties.

7. GOVERNING LAW.

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Utah.

8. ENTIRE AGREEMENT.

This Agreement and the documents incorporated into it by reference shall constitute the entire agreement among the Parties concerning the delivery of SVP water on SVP lands within Salem City. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement. This Agreement cannot be amended, altered, or modified in any manner except by a written amendment signed by each of the Parties.

9. NO WAIVER.

No failure by Salem City or Canal Company to insist upon the strict performance of any covenant, duty or term and condition of this Agreement, or to exercise any rights or remedies following a breach thereof shall constitute waiver of any such breach. Either Party may, by notice delivered to the other party, waive any of its rights or any conditions to its obligations hereunder, or any covenant or duty of the other Party, but shall be under no obligation to do so. No waiver shall affect or alter the remainder of this Agreement, but each and every other covenant, duty, and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

10. ATTORNEY'S FEES.

If it becomes necessary to enforce this Agreement, whether by litigation or other lawful dispute resolution process, each party in default shall be required to pay to the party not in default, in addition to all the sums that either party shall be called upon to pay, a reasonable attorney fee and other costs of enforcement.

11. RIGHTS AND REMEDIES.

The rights and remedies of the Parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions of this Agreement shall not preclude the exercise of any other provisions. The Parties confirm that damages at law may be an

inadequate remedy for breach or threatened breach of any provision hereof and that the respective rights and obligations of each party hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to or shall limit or affect any rights at law by statute or otherwise of the parties hereto aggrieved as against another party for a breach or threatened breach of any provision hereof.

12. PARAGRAPH HEADINGS.

The titles to the paragraphs of this Agreement are solely for convenience and shall not be construed to explain, modify, simplify, or aid in the interpretation of the provisions of the Agreement.

SALEM CITY:

_____

By: J. Lane Henderson, Mayor

Attest:

_____

Jeffrey D. Nielson, City Recorder

SALEM CANAL COMPANY:

By:_____

Bartell Mortensen, President

Attest:

_____

Secretary

EXHIBIT "A"

Reproduced text of May 1, 1916 Contract Between United States of America and Salem Irrigation and Canal Company a Corporation Governing the Delivery of Water Sold to Land Owners under the Salem Canal System

MAY 1, 1916 CONTRACT

Between

UNITED STATES OF AMERICA

And

SALEM IRRIGATION AND CANAL COMPANY,
a Corporation

GOVERNING THE DELIVERY OF WATER SOLD TO LAND OWNERS

UNDER THE SALEM CANAL SYSTEM

(Reproduction)

DEPARTMENT OF THE INTERIOR
UNITED STATES RECLAMATION SERVICE

Provo, Utah, May 3, 1916

Project Manager to the Director (Chief of Construction).

Subject: Forwarding contracts for approval.

The contract described below is forwarded herewith for approval:

Date: May 1, 1916 Strawberry Valley Project Executed by: J. L. Lytel, Project Manager With: Salem Irrigation and Canal Company, Salem, Utah Accompanied by bond and one copy. [Insert "Yes" or "No bond".] No bond.

Purpose: Carriage of water from Strawberry Reservoir through Company's Canal

Advise Project Manager at Provo, Utah with copy to Chief of Construction at Denver, Colorado of the approval of the above, using extra copy or copies hereof. Estimated amount involved, $ Mutual benefits Authority No.

Encls.

Washington, D. C. May 26, 1916

Approved by W. A. Ryan, Comptroller

Date of approval May 29, 1916

Bond, if any (see above), approved by same officer on same date.

1. P. Davis,
Director & Chief Engineer

This agreement, made May 1st nineteen hundred and sixteen, in pursuance of the Act of June 17, 1902, (32 Stat., 388), and acts amendatory thereof and supplementary thereto, between the UNITED STATES OF AMERICA, by
10. L. Lytel, Project Manager, United States Reclamation Service, thereunto duly

authorized by and subject to the approval of the Comptroller of the United States Reclamation Service, and the Salem Irrigation and Canal Company, a corporation organized, created and existing under and by virtue of the laws of the State of Utah, with its principal place of business at Salem, Utah County, State of Utah, hereinafter styled the "Company," its successors and assigns, witnesseth:

Whereas, the said Company is a corporation organized for and engaged in the furnishing and distribution of water for irrigation and has heretofore perfected a right to the use of a portion of the natural flow of Spanish Fork River for the irrigation of lands lying under the Company's system, said portion, however, being insufficient for the proper irrigation of all the said lands during the irrigation season; and

Whereas, some of the stockholders of said company are desirous of increasing the water supply for their lands from the supply of the said Strawberry Valley Project; and

Whereas, it is feasible for the company to distribute water through the Company's system to certain persons who are non-stockholders in the Company, hereafter referred to as non-stockholders, and

Whereas it is to the interest of the Company to have the said stockholders and non-stockholders increase the water supply for their lands from the supply available from the said Strawberry Valley Project; and

Whereas, water is available for supplying the lands of the said stockholders and non-stockholders from the supply of the said project;

Now therefore, in consideration of the mutual and dependent stipulations herein contained, the parties hereto do covenant and agree as follows:

Article 1. The United States will deliver from the available supply of the Strawberry Valley Project each year during the months of May to September, both inclusive, to the stockholders of the Company and to non-stockholders whose lands can be most feasibly irrigated through the Company's Canal, in the Salem Canal near the tail race of the Reclamation Service power plant, located in the northeast quarter of Section 33, T. 8 S., R. 3 E., S.L.B.M. to be diverted by the company for such stockholders and non-stockholders as have signed water right applications for their land on forms provided therefor and approved by the Secretary of the Interior, a total quantity of one-half, one, one and a half, or two acre-feet of water, as may be designated in each individual water right application for each acre of land covered by such water-right application, at such rate of delivery as the water-right applicants may

desire, in so far as such rate may be feasible as determined by the United States; but in no event at a rate of flow for any one month greater than 40% of the total amount to be delivered during the irrigation season. All the applications for water to be distributed through the company's system, shall, before being approved by the United States, be accepted by or on behalf of the Company.

Article 2. The water delivered under the terms of this contract to such persons as are entitled thereto from the water supply of the Strawberry Valley Project by reason of the execution and approval of water-right applications shall be for the sole purpose of distribution by the Company to such stockholders and non-stockholders as have executed water-right applications, subsequently approved by the United States, and such water shall be delivered in accordance with and subject to the conditions and limitations of water-right applications executed by each of said applicants. The United States shall have the right to place inspectors at any point on the Company's system during the irrigation season, and to make such measurements, observations and investigations as may be considered necessary by the representative of the United States in charge of the Strawberry Valley Projector his successors in charge thereof, thereinafter referred to as Manager, for the purpose of ascertaining if the terms of this provision are being properly carried out and the expense of such inspection shall be collected by the United States as part of the operation and maintenance charges payable by those receiving water from the United States through the Company's system.

Article 3. No water delivered pursuant to Article 1 by the United States into the canal system operated by the Company shall be supplied by the company to any lands other than those for which water-right applications have been accepted by the Company and approved by the United States.

Article 4. All stockholders and non-stockholders applying for water from the Strawberry Valley Project for use on land irrigated from the Company's system shall at their own expense arrange with the Company for the carriage of water furnished them at the head of the Company's system from the point of delivery by the United States to the land and the acceptance of the water right application by the Company shall be conclusive that the proper arrangements satisfactory to both the stockholders or non-stockholders and the canal company have been made, it being understood that charges to be made by the company to non-stockholders for permanent carriage of water to which they may be entitled hereunder, shall be reasonable.

Article 5. The stockholders and non-stockholders entitled to water service from

the Strawberry Valley Project, through the execution and subsequent approval of water right applications, shall have, subject to the terms of this contract and of their water-right applications, the right to have water delivered from the supply of the Strawberry Valley Project, through the Company's system, but they shall be obligated to the Company for the proportionate cost of betterments, operation and maintenance of the Company's system, which proportionate cost shall be assessed and collected by the Company. The proportionate cost for the delivery of each acre-foot of water to water-right applicants shall bear the same ratio to the total cost of betterments, operation and maintenance of the Company's system as the number of acre feet of Strawberry Valley Project water delivered bears to the total number of acre feet of water delivered through the Company's system. The United States assumes no responsibility for the collection of the said betterment, operation and maintenance charges, but the Company may refuse to permit any person who has not paid said charges to use the Company's Canal System for the conveyance of water to his land. The non-delivery of water to such person on this account shall not affect the right of the United States to collect operation and maintenance, and building charges as provided in the water-right applications from such persons in the same manner as if water had been delivered.

Article 6. The Company shall maintain a proper dam and headgates to divert the said water without loss and shall convey the said water to the place of use, and perform all acts necessary or required by law or custom in order to maintain its control over the same, and in order to secure its lawful and proper diversion from the said river through the headworks of the said company. The company shall assume all responsibility in conducting the said water from the point of delivery by the United States as herein provided to the place of use, but the company shall not be liable, provided it uses due diligence, for failure to deliver water under this contract, caused by hostile diversion, interruption of services made necessary by repairs, damages caused by floods, unlawful acts, unavoidable accident or failure of the United States to deliver said water.

Article 7. The Company shall install and maintain at its expense such measuring and controlling devices, or such automatic gages, or both, as shall be satisfactory to the Manager, provided that said measuring device shall be only for the purpose of measuring water into the Company's canal. The location of such devices shall be designated by the Manager, and in case the same shall not be installed at least thirty (30) days prior to the commencement of the irrigation season and maintained in a manner satisfactory to the Manager, the United States may install and

maintain such devices and the expense of such installation and maintenance shall be collected by the United States from the Company, the decision of the Chief Engineer of the U. S. Reclamation Service as to the cost of such installation and maintenance being final and binding upon both parties. Measurements of the water shall be made by the United States at or near the point of delivery herein provided for, and such measurements shall control the quantity of water delivered under this contract. In case of any dispute as to the measurements, the decision of the Chief Engineer of the U.S. Reclamation Service shall be binding upon both parties.

Article 8. The United States shall not be liable for failure to supply water under this contract caused by hostile diversions, unusual drought, interruption of service made necessary by repairs, damages caused by floods, unlawful nets, or unavoidable accidents.

Article 9. The Company may divert from the flow of the Spanish Fork River such an amount of water as it is entitled to under (a) the decree of the Fourth Judicial District Court of Utah, dated April 20, 1899 rendered by Judge W. M. McCarty, and (b) the decree of the same Court, dated January 21, 1901, rendered by Judge J. E. Booth, and subsequent appropriations through prescriptive rights, the total of said amount of water diverted at any time not to exceed fifty-five (55) second feet, and the Company, so far as its rights and interests are concerned, will permit the United States to take all other water in Spanish Fork River without interference.

Article 10. The United States will be entitled to divert from the Spanish Fork River, by reason of the release of the stored water of the Strawberry Valley Project, the total amount so released, less losses as estimated from year to year by the United States in carrying the said water from the Strawberry Tunnel outlet to the headworks of the Company, and to the other points of diversion from Spanish Fork River into various canals using such water. In case of dispute as to the correctness of such estimates, the decision of the Chief Engineer of the United States Reclamation Service shall be binding on the parties hereto.

Article 11. Nothing in this contract except as expressly hereinbefore provided shall be construed to invalidate, curtail, abridge, or alter, (a) the rights of the Company to continue to control, distribute, and divide the waters of Spanish Fork River that have been decreed to said Company and have been acquired through appropriation through use and prescriptive rights, or (b) the rights of the United States to control, distribute, and divide the flood and stored waters in Spanish Fork River belonging to the United States.

Article 12. The United States assumes no obligations to the Company or to its stockholders individually or to non-stockholders other than the delivery of water to the said stockholders and non-stockholders in Spanish Fork River at the headworks of the Company's canal as herein provided.

Article 13. The terms of this contract shall inure to the benefit of and be binding upon the successors in interest and assigns of the parties hereto.

Article 14. No Member of or Delegate to Congress, or Resident Commissioner, after his election or appointment or either before or after he has qualified and during his continuance in office, and no officer, agent, or employee of the Government, shall be admitted to any share or part of this contract or agreement, or to any benefit to arise thereupon. Nothing, however, herein contained shall be construed to extend to any incorporated company where such contract or agreement is made for the general benefit of such incorporation or company, as provided in Section 116 of the Act of Congress approved March 4, 1909 (35 Stat. L. 1109).

IN WITNESS WHEREOF the parties have hereto signed their names the day and year first above written.

UNITED STATES OF AMERICA

By___(SGD) J. L. Lytel_____
_Project Manager, U.S.R.S.

(SEAL)

Attest:

___(SGD) Angus D. Taylor
Secretary

The company acting in pursuance of the resolution of its Board of Directors dated
SALEM IRRIGATION AND CANAL COMPANY By___(SGD) Frank B. Davis_____
Post Office Address _____Salem, Utah_____
Approved: W. A. Ryan Comptroller, U.S.R.S. (Date) May 29, 1916

STATE OF UTAH)
) SS
COUNTY OF UTAH)

On the 1st day of May , A.D. 1916, personally appeared before me Frank B. Davis who being by me duly sworn, did say that he is the President of the Salem Irrigation and Canal Company, and that said instrument was signed in behalf of said corporation by authority of the resolution of its Board of Directors and said Frank B. Davis acknowledged to me that said corporation executed the same.

John Q. Stone
Notary Public

My Commission expires April 15, 1919

EXHIBIT "B"

Form of Request for Share Transfer

TO: Secretary, Salem Irrigation Company

Salem City requests that Salem Irrigation Company determine whether the capital share(s) of Salem Canal Company represented by Certificate No. _____, of which a copy is attached, can be transferred to Salem City upon presentation of a share assignment. A copy of the share assignment document is also attached.

Salem City further requests that Salem Irrigation Company determine whether the water to be delivered under these share(s) can be delivered into the Salem City secondary irrigation water system at [specify location] _____.

Date: _____

_____

[Signature and title of City official making request]

Action by Salem Canal Company:

The shares (__) can (__) cannot be transferred. If the shares cannot be transferred, state the reason: _____
_____.

The water to be delivered on account of these shares (__) can (__) cannot be delivered at the requested location. If the water cannot be delivered, state the reason:
_____
_____

Date: _____

_____

[Signature of Salem Canal Company official]

MEMO
SPANISH FORK CITY
PUBLIC WORKS DEPARTMENT

DATE: **August 3, 2007**

TO: **Mayor Thomas and City Council**

FROM: **Richard J. Heap, Public Works Director**

RE: **Out of City Water Connection Request**

We received a request from Jay Clayson to connect to the city water at 5626 South 300 West. They have a well that has gone dry. The main water line extends past his property, as well as an existing lateral stubbed into his property. This will prohibit the need to excavate in the street.

According to the policy adopted by council, in order to connect to the culinary water you must be a resident unless there is an emergency. The council has the authority to allow a County resident the permission to connect to city water in an emergency situation. We feel that since the well has gone dry it constitutes an emergency and recommend the council to authorize the water connection for Jay Clayson.

MEMO
SPANISH FORK CITY
PUBLIC WORKS DEPARTMENT

DATE: **August 3, 2007**

TO: **Mayor Thomas and City Council**

FROM: **Richard J. Nielson, Assistant Public Works Director**

RE: **2007 Asphalt Overlays Bid**

The bids for the 2007 Asphalt Overlays Project were submitted and opened on Thursday, July 26, 2007. Attached is a bid tabulation for Schedule 1 and Schedule 2.

We are recommending that Schedule 1 be awarded to the low bidder, Geneva Rock and that Schedule 2 be awarded to the low bidder, Staker & Parsons.

SPANISH FORK CITY

2007 Asphalt Overlays & Supplies
Bid Tabulation Schedule #1

NO.	ITEM	UNIT	QTY	Geneva Rock UNIT PRICE	Geneva Rock TOTAL PRICE	Staker & Parsons UNIT PRICE	Staker & Parsons TOTAL PRICE
1	2" Overlays	SQ. FT.	473,720	$ 0.92	$ 435,822.40	$ 1.06	$ 502,143.20
2	Lane Leveling	TON	2000	$ 56.00	$ 112,000.00	$ 66.85	$ 133,700.00
3	Asphalt Reconstruction	SQ. FT.	20387	$ 2.70	$ 55,044.90	$ 2.44	$ 49,744.28
4	New Construction - Road Widening	SQ. FT.	39	$ 830.00	$ 32,370.00	$ 530.00	$ 20,670.00
5	Manhole Collars	EACH	63	$ 730.00	$ 45,990.00	$ 350.00	$ 22,050.00
6	Valve Collars	EACH	1	$ 1,650.00	$ 1,650.00	$ 840.00	$ 840.00
7	Speciality Collars	EACH	11000	$ 1.95	$ 21,450.00	$ 1.45	$ 15,950.00
				TOTAL :	$704,327.30	**TOTAL :**	$745,097.48

		UNIT			
Asphalt Binder Base Price		TON		**$ 372.00**	$ 325.00
Asphalt Binder Base Price Increment		TON		**$ 50.00**	$ 25.00
Cost Adjustment Factors				**Difference in Unit Price**	
1	2" Overlays	SQ. FT.		$ 0.08	$ 0.02
2	Lane Leveling	TON		$ 8.00	$ 2.25
4	New Construction - Road Widening	SQ. FT.		$ 0.13	$ 0.02
8	New Parking Lot Asphalt	SQ. FT.		$ 0.12	$ 0.02

SPANISH FORK CITY

2007 Asphalt Overlays & Supplies
Bid Tabulation Schedule #2

				Staker Parson		Geneva Rock	
NO.	**ITEM**	**UNIT**	**QTY**	**UNIT PRICE**	**TOTAL PRICE**	**UNIT PRICE**	**TOTAL PRICE**
1	Small Asphalt Jobs - Under 300 Tons						
	Delivered and placed by bidder.	TON	1	72.25	$72.25	62.00	$62.00
2	Asphalt - picked up by the City at bidders plant	TON	1	45.95	$45.95	58.00	$58.00
3	1" Overlays	SQ FT	1	0.44	$0.44	0.51	$0.51
4	Manhole Collars	EACH	1	530.00	$530.00	615.00	$615.00
5	Valve Collars	EACH	1	350.00	$350.00	500.00	$500.00
6	Speciality Collars	EACH	1	840.00	$840.00	1300.00	$1,300.00
				TOTAL :	$1,838.64	**TOTAL :**	$2,535.51

SPANISH FORK CITY

MEMORANDUM

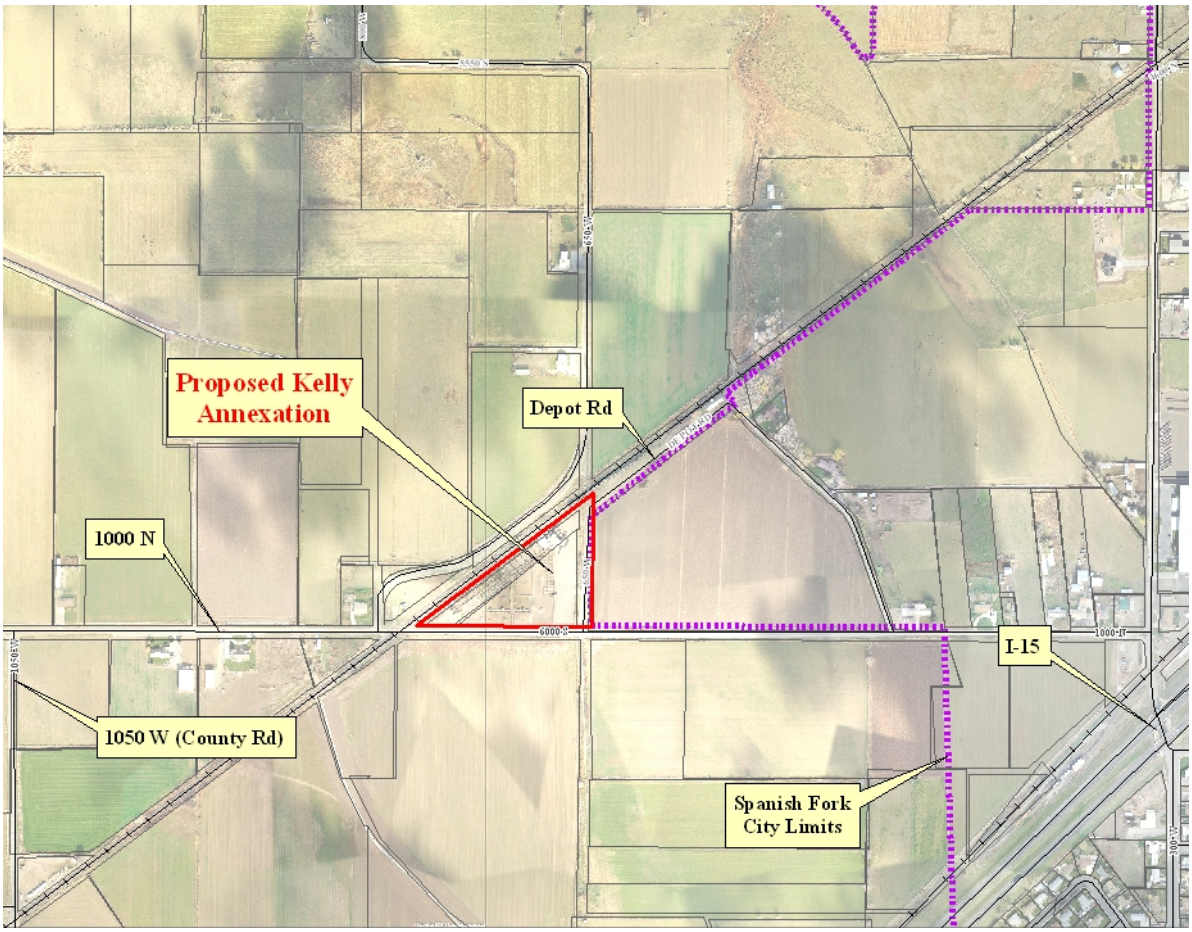
TO: Mayor and City Council

FROM: Dave Anderson, Planning Director

DATE: August 7, 2007

RE: Kelly Annexation

The City recently received a petition to annex a 3–acre parcel and adjacent land located at approximately 900 West 1000 North. The Development Review Committee reviewed the proposed Annexation and has recommended that the City Council accept the petition for further study. Accepting the petition will not bind the Council to ultimately approve the Annexation but would initiate the formal process of reviewing the proposal. Attached to this memorandum are draft minutes from the DRC's July 25, 2007 meeting.



40 South Main Street, Spanish Fork, Utah
Phone 801.798.5000 · facsimile 801.798.5005

Annexation
Applicant: Preston Naylor
Location: approximately 1000 North 800 West
Zoning: Industrial 1 requested
General Plan: Light Industrial

Discussion was held regarding sewer, and trails.

Mr. Oyler made a **motion** to the City Council that they **study** this annexation. Mr. Peterson **seconded** and the motion **passed** all in favor.

SPANISH FORK CITY

MEMORANDUM

TO: Spanish Fork City Council

FROM: Dave Anderson, Planning Director

DATE: August 7, 2007

RE: Proposed Changes to Title 15

This item was continued from your July 17, 2007 meeting to provide the Planning Commission with an opportunity to elaborate on the reasons for their recommendation. With that said, the Commissioners involved in making the recommendation provided comments in the August 1, 2007 meeting. The following is an excerpt of the minutes from that meeting:

Clarification on proposed Farnworth Zoning Text Amendment

Mr. Anderson stated this item was not sent back to the Commission for discussion but for clarification of the motion to recommend denial.

Commissioner Christianson explained his concern, some flag lots are necessary because surrounding properties have been created it that way that flag lots are necessary. However, he feels to take a large lot already in an improved subdivision and then subdivide it is not good.

Commissioner Robins says he understands the history behind flag lots. He feels they came from an agricultural base, back when we had big lots and farmers needed access to their property. He feels flag lots can be detrimental to safety and used the close proximity of driveways on 900 East as an example. Too much coming and going in that small of a section creates concern for people walking, he feels it is also unattractive and raises privacy issues. With the specific lot requested the people bought the houses around assuming there would not be a house built in their backyard, he feels it does not benefit the City as a whole to build like that.

Flag Lots

The City recently received an application from Darin Farnworth to amend Title 15. The specific change requested by Mr. Farnworth involves changing the text on page 15-39 to allow flag lots anywhere in the City. At present, the ordinance only allows flag lots in the older parts of the City, areas described as the original Plats A and B. One other zoning limitation on flags lot is their prohibition in zones except the R-O, R-3 and R-1-6 districts.

As the Development Review Committee reviewed Mr. Farnworth's Request, it was recommended that the ordinance be amended to allow flag lots anywhere in the City. The DRC also recommended that the ordinance also be changed to allow flag lots in the R-1-8 and R-1-9 districts. The prohibition of flag lots in the other districts would remain the same.

40 South Main Street, Spanish Fork, Utah
Phone 801.798.5000 · facsimile 801.798.5005

These proposed changes would be applied City wide. By way of information, the specific parcel that Mr. Farnworth would like to develop is located at 715 South 1100 East.

Planning Commission

It's important to note that the Planning Commission recommended that the proposed changes be denied for reasons that are provided in the excerpt of their minutes from the June 6 meeting. The excerpt of the draft minutes reads as follows:

> **Ordinance Amendment – Title 15**
> Applicant: Darin Farnworth
> Location: Citywide
>
> Mr. Anderson explained the proposal.
>
> Commissioner Christianson asked what the City's interpretation of an 'in ill lot' is.
>
> Mr. Anderson explained the language.
>
> Commissioner Robins asked for any history on how the Jensen and Frandsen parcels were allowed to be flag lots.
>
> Commissioner Christianson and Mr. Nielson gave the history.
>
> Discussion was held regarding flag lots.
>
> Darin Farnworth
> Mr. Farnworth addressed the Commission. The main reason is to clean up the property. Rodents and stray cats have moved in along with a lot of weeds. He feels that there are other properties outside of the original plats that have been allowed to become flag lots and would like the same consideration.
>
> Mr. Robins is not convinced that changing the ordinance to allow flag lots throughout the entire City is the right thing to do. He is okay with this proposal at this location but not elsewhere.

Discussion was held regarding discussion held in the Development Review Committee, and how many properties this change to the ordinance possibly could affect.

Commissioner Bradford invited public comment.

Linda Bartholomew
Ms. Bartholomew addressed the Commission. She is against this proposal. She explained that her house fronts Canyon Road. She feels the back yards are nice. She feels like putting a house in the middle of the block will mess it up. She would like green space. She feels that maybe a park or a basketball court would be better than a house.

Commissioner Robins feels that he is not convinced that flag lots are a good usage of land. He feels that they create safety hazards.

Commissioner Bradford has seen flag lots in other parts of town. He does not know how big of a problem they are. He feels that a little open space is good.

Commissioner Robins feels that flag lots can cause privacy concerns for neighbors.

Commissioner Christianson feels that flag lots are okay sometimes. He is concerned about changing the ordinance for the entire City over one parcel.

Commissioner Robins made a **motion** recommending the **denial** of the proposed Ordinance Amendment changes to Title 15. For the following reasons:

1. That flag lots can be detrimental to the safety of pedestrian access.
2. That they create privacy issues for surrounding property owners.

Commissioner Christianson **seconded** and the motion **passed** all in favor.

Proposed Changes

The proposed changes to Title 15 read as follows:

Page 15-39

The following is an excerpt from page 15-39 of Title 15 that outlines the change proposed by Mr. Farnworth:

> **F. Flag Lots**
> ~~a. Flag lots are allowed in the Original Plats A&B.~~
> **a. Flag lots are allowed as infill lots in the R-O, R-3, R-1-6, R-1-8, and R-1-9 zones but not as building lots in new subdivisions.**
> b. Minimum lot area of a flag lot is 8,000 square feet **except in the R-1-9 zone where the minimum size is 9,000 square feet.**
> c. The panhandle section shall not be included when calculating the minimum lot area.
> d. The panhandle section must have a minimum paved driveway width including curb and gutter of 20 feet, with 6-inch concrete curbing or other approved method of handling drainage.
> e. No more than two single family dwelling units

can share a driveway access.

Page 15-20

The following is the table that indicates, among other things, which zones flag lots are allowed in. The proposed change involves adding footnote 2 to both the R-1-8 and R-1-9 zones. The addition of this foot note would clarify that flag lots are allowed in the R-1-8 and R-1-9 zones.

TABLE 1 - Residential Development Standards

District	Base Density	Minimum Lot Area	Minimum Width [2]	Minimum Depth	Minimum Setback[1]				Max. Building Height	
					Front[11]	Rear	Side	Corner	Principal Bldg[1]	Accessory Bldg [1]
A-E	n/a	40 acres	400'	400'	50'	50'	50'	50'	35'	35'
R-R	n/a	5 acres	200'	200'	50'	50'	25'	50'	35'	35'
R-1-80	.4 units per acre	80,000 s.f.	180'	200'	40'	80'	20'	30'	30'	20'
R-1-60	.54 units per acre	60,000 s.f.	160'	200'	40'	60'	20'	30'	30'	20'
R-1-40	.81 units per acre	40,000 s.f.	140'	200'	30'	40'	20'	30'	30'	20'
R-1-30	1.07 units per acre	30,000 s.f.	130'	150'	40'	40'	15'	25'	30'	20'
R-1-20	1.61 units per acre	20,000 s.f.	125'	150'	30'	30'	15'	25'	30'	15'
R-1-15	2.15 units per acre	15,000 s.f.	100'	125'	30'	30'	15'	25'	25'	15'
R-1-12	2.69 units per acre	12,000 s.f.	100'	100'	25'	25'	10'	15-25'[8]	30'	15'
R-1-9	3.58 units per acre	9,000 s.f. [2]	85'	90'	20-25'[6]	25'	10'	15-25'[8]	30'	15'
R-1-8	4.03 units per acre	8,000 s.f [2,4]	75'[2]	90'	20-25'[6]	25'	10'	15-25'[8]	30'	15'
R-1-6	5.37 units per acre	6,000 s.f. [2,5]	50'	90'	20-25'[6]	25'	5-10'[7]	15-25'[8]	30'	15'
R-3	5.37 units per acre	6,000 s.f. [2,5]	50'	90'	20-25'[6]	25'	5-10'[7]	15-25'[8]	30'	15'
R-O	n/a	6,000 s.f. [2,3]	50'	90'	20-25'[6]	25 '	5-10'[7]	15-25'[8]	30'	15'

1- refer to 15.3.24.090(A) for accessory buildings
2- refer to 15.3.24.090(F) for flag lots.
3- 10,000 s.f. for duplex lots in the R-O zone.
4- 10,000 s.f. for twinhome or duplex lots.
5- 9,700 s.f. for twinhome or duplex lots; 14,000 s.f. for 3-plex lots; 18,000 s.f. for 4-plex lots.
6- 20 feet to living areas, 25 feet to garages or carports, and 20 feet to the front of the side entry of a garage.
7- 5 feet for single family dwellings; 10 feet for twinhomes, duplexes, accessory apartments, or non-residential uses; 15 feet for 3-plexes and 4-plexes
8- 15 feet to living areas, 25 feet to garages or carports, and 20 feet to the front of the side entry of a garage.
9-80 feet for twin homes or duplexes, 40 feet per unit.
10-flagpoles are limited to the height of principal buildings in residential zones.
11-maximum setback is 250 feet, with an all-weather driveway, capable of supporting a fire truck, and with adequate turn around space for a fire truck at the end of the drive. Greater distances may be allowed if a fire hydrant is installed within 250 feet of the principal building.
12-9700 s.f. for twin home or duplex lots

Development Review Committee

The Development Review Committee recommended that the above described changes be made to Title 15. As is the case with most ordinance amendments, the City has complete discretion in approving or denying proposals. In this case, should the Planning Commission feel comfortable with the concept of allowing flag lots outside the original areas of the City but not feel comfortable with the proposed changes, other options exist that staff can describe in your meeting.

Draft minutes from the Development Review Committee's May 30 meeting read as follows:

Farnworth Text Amendment (continued from May 23, 2007)

Mr. Anderson gave background and explained the proposal.

Discussion was held regarding square footage.

Mr. Heap said the first issue to talk about is whether or not to allow flag lots other than in the original City blocks.

Mr. Nielson said the discussion in the last DRC meeting was that Randy Jensen and Tracy Frandsen, the lots that are further to the south are outside of the original blocks and are flag lots.

Discussion was held regarding the Jensen and Frandsen lots.

Mr. Peterson said that there would need to be some power upgrades.

Discussion was held regarding what sections of the power lines would need to be upgraded.

Mr. Heap suggested adding restrictive language that would allow flag lots in other residential zones but not open them up completely.

Mr. Anderson said one option is to make it a conditional use. He then said that Christine Johnson the Assistant City Attorney expressed in the last DRC meeting that she has dealt with flag lots in Salem City as conditional use permits and that they are a nightmare, very subjective and political.

Mr. Farnworth said that the owner of the property is aging and cannot care for the property. It is too much for him to handle. The property is currently a weed patch and attracts mice and stray cats. The owner would like to sell it to clean it up.

Discussion was held regarding properties in town that have potential to be flag lots in town.

Mr. Baker said that he will create the verbiage that will discourage developer's to create flag lots on their plats.

Mr. Nielson said that the way Payson handles their flag lots is through and in-lay overfill zone. So it is a Zone Change to allow for it to happen.

Mr. Baker said that a Zone Change would still require a public hearing and we would want to discourage that.

Mr. Anderson made a **motion** to the Planning Commission recommending **approval** of the proposed amendment to Title 15 amending the chart and the text on 15-39 subject to Mr. Baker drafting the final language. Mr. Nielson **seconded** and the motion **passed** all in favor.