

Contract: _____
Project: UNSECURED SHORT-TERM LOAN U002
Amount: \$200,000
Applicant: Delta City
Tax ID#: _____

UNSECURED LOAN AGREEMENT

WATER QUALITY BOARD

STATE OF UTAH

Department of Environmental Quality
Division of Water Quality

This loan agreement is entered into by and between the State of Utah, Department of Environmental Quality, Division of Water Quality, Water Quality Board (hereinafter the "BOARD") and

DELTA CITY

applicant for financial assistance (hereinafter the "APPLICANT") under the Water Quality Board provisions contained in Utah Code § 73-10c. Pursuant to the provisions of the Statute and the powers and functions of the BOARD, and based upon the formal application of the APPLICANT, the evidence provided by the APPLICANT to the BOARD and its staff, and information developed by the BOARD in its own investigations and at the hearings on the application of the APPLICANT, the BOARD hereby finds and determines that:

1. The APPLICANT is a political subdivision pursuant to Utah Code § 73-10c-2(10);
2. The Proposed Project has been determined by the BOARD to meet wastewater project loan criteria and requirements, pursuant to Utah Code § 73-10c-4.1; and
3. The Proposed Project has been determined by the BOARD to not be economically feasible unless a loan is provided, pursuant to Utah Code § 73-10c-4(5).

Based upon these findings, the BOARD is authorized and empowered to, and does hereby, enter into the following loan agreement with the APPLICANT.

PAYMENT OF THIS CONTRACT IS SUBJECT TO THE FOLLOWING PROVISIONS:

GENERAL PROVISIONS

1. The BOARD shall provide the APPLICANT the amount of **\$200,000** (LOAN AMOUNT) for the completion of the Proposed Project as described in Exhibit-1, Work Description and Cost Breakdown.
2. The APPLICANT shall complete the Proposed Project described in Exhibit-1, Work Description, and Cost Breakdown within the time period identified in the Plan of Study or Engineering Plan. If work on the Proposed Project is not completed by **December 31, 2024**, the BOARD may terminate the loan by providing written notice to the APPLICANT. The termination will be effective upon receipt and no work completed after receipt of the written notice of termination shall be reimbursable.
3. The APPLICANT shall comply with the special loan provisions identified in the SPECIAL LOAN PROVISIONS.
4. The APPLICANT shall notify the BOARD in writing of any proposed modification to the Proposed Project that alters Exhibit-1, Work Description and/or an amount. If such notification is not received, the cost of the proposed modification will be disallowed.
5. All unused funds must be returned to the BOARD. Funds returned as surplus to the BOARD shall be applied as a reduction of the loan amount.
6. The funds shall be deposited with other funds necessary to complete the project into a supervised escrow account after loan closing. All disbursements from the account will be reviewed and certified by the APPLICANT and the BOARD.
7. The APPLICANT shall comply with all laws that normally govern its affairs in regard to contracts, fiscal procedures, and procurement procedures.
8. The APPLICANT shall indemnify and hold harmless the State of Utah, the Department of Environmental Quality and their officers, agents and employees from and against any and all loss, damage, injury, liability, and claims, including claims for personal injury or death, damages to personal property and liens of workmen and material men, howsoever caused, resulting directly or indirectly from the performance of this agreement by the APPLICANT, including attorney's fees and costs in the investigation or defense of any claim, whether or not the claim has merit.
9. The APPLICANT is an independent contractor, and, as such, does not have authorization, express or implied, to bind the State of Utah, the Department of Environmental Quality, the Division of Water Quality or the BOARD to any agreement, settlement, liability, or understanding whatsoever, nor to perform any acts as agent for the State of Utah, except as herein expressly set forth.

10. The APPLICANT expenditures under this loan determined by audit to be ineligible for reimbursement because they were not authorized by the terms and conditions of the loan or that are inadequately documented, and for which payment has been made to the APPLICANT will be immediately refunded to the BOARD by the APPLICANT. The APPLICANT further agrees that the BOARD shall have the right to withhold any or all subsequent payments under this or other contracts to APPLICANT until recoupment of overpayment are made.

11. This loan agreement may be altered, modified, or supplemented only by written amendment, executed by the parties hereto, and attached to the original signed copy of this loan agreement. The BOARD will not allow any claim for services furnished by the APPLICANT not specifically authorized by this loan agreement.

12. If it is determined that in any manner this loan agreement was improperly made or entered into, or if the monies are or were used improperly or contrary to the terms of this loan agreement, the APPLICANT shall pay to the BOARD the amount of all monies and benefits received by the APPLICANT by the BOARD.

13. The APPLICANT will designate a representative or representatives to assist their consultant and the BOARD in coordination with the community's governing board and planning decisions.

14. The APPLICANT agrees that the entire LOAN AMOUNT, which is provided to the APPLICANT, shall be repaid to the BOARD. The BOARD has determined the repayment period for the LOAN AMOUNT is to be 5 annual installments beginning on DATE as outlined in the REPAYMENT SCHEDULE. Interest payable on the unpaid balance is at an annual rate of 0%. Late payments will be assessed a penalty of 18% per annum. If the Proposed Project as described in Exhibit-1 results in a project funded by the BOARD, the balance of the LOAN AMOUNT may be rolled into the total funding package at an interest rate determined at the time the construction project is authorized.

SPECIAL LOAN PROVISIONS

1. The Division of Water Quality must approve the engineering agreement and plan of design before the advance will be executed.
2. The loan will be repaid in five annual installments beginning one year from the date the loan is fully disbursed or the project is otherwise completed.
3. The City must agree to participate annually in the Municipal Wastewater Planning Program (MWPP).
4. As part of the facility planning, the City must complete a Water Conservation and Management Plan.

EXECUTION

NOW, THEREFORE, by virtue of the authority contained in Utah Code § 73-10c, the parties hereto mutually agree to perform this loan agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the _____, 20____. This contract will take effect upon approval as evidenced by the appropriate signatures.

APPLICANT

DELTA CITY
76 North 200 West
Delta, UT 84624

STATE

APPROVED - UTAH WATER QUALITY BOARD

By: _____
John Niles (Date)
Delta City Mayor

By: _____
Kenneth M. Hoffman, P.E., (Date)
Assistant Executive Secretary

ATTEST:

APPROVED - DIVISION OF FINANCE

By: _____

JURAT

DISTRICTS

STATE OF UTAH)

:ss

DELTA CITY)

On this _____ day of _____, 20____, personally appeared before me John Niles, who being by me duly sworn did say he/she is the Mayor, respectfully, of Delta, a City of the State of Utah, and that the foregoing instrument was signed in behalf of said entity by authority of a motion of its governing body passed on the ____ day of _____, 20____ and said persons acknowledged to me that said service area executed the same.

Notary Public, residing at

My Commission Expires: _____

Exhibit No. 1

Work Description and Cost Breakdown

Delta City
UNSECURED LOAN

SCOPE OF WORK

This loan will provide funding for the engineering design of a sewer lift station upgrade and repair and replacement of sewers.

IMPLEMENTATION SCHEDULE:

It is estimated that the design will be completed by December 31, 2024.

COST ESTIMATE:

Consulting Engineer	\$492,000
Administration	\$15,000
Legal	\$30,000
Environmental	\$35,000
Topographical Survey	\$25,000
Bidding	\$16,000
Total Estimated Cost	\$613,000

COST SHARING:

Local ARPA Funds	\$213,000
Board Short Term Design Loan	\$200,000
Board Design Grant	\$200,000
Total Funding	\$613,000

REPAYMENT SCHEDULE:

DATE	AMOUNT
January 15, 2026	\$40,000
January 15, 2027	\$40,000
January 15, 2028	\$40,000
January 15, 2029	\$40,000
January 15, 2030	\$40,000