PARTICIPATION AND REIMBURSEMENT AGREEMENT

This PARTICIPATION AND REIMBURSEMENT AGREEMENT (this "Agreement") is made and entered into by and between San Juan County, a political subdivision of the state of Utah (the "County"), and the Pack Creek Water Company, a Utah Non-Profit company (the "Company"). The County and the Company may be collectively referred to as the "Parties" herein or may be solely referred to as a "Party" herein.

Recitals

- A. WHEREAS, in June 2021, a wildfire in and around the Pack Creek Community (the "Community") that is serviced by the Company caused changes to water flows that pose a threat to the Community's culinary water resource and other infrastructure;
- B. WHEREAS, the U.S. Department of Agriculture, Natural Resources Conservation Service ("NRCS"), has agreed to provide engineering and funding for 75 percent of the costs of the San Juan Pack Creek Emergency Watershed Protection 2021 Design Plan (the "Project Plan") and Projects as indicated on Exhibit A, which includes projects intended to protect community infrastructure and the Company's culinary water resources;
- C. WHEREAS, the U.S. Department of Agriculture, Natural Resources Conservation Service requires 25 percent of the costs as a "local match" in order to meet the grant funding obligation.
- D. WHEREAS, the County has agreed to support the Community by acting as the sponsor of the Project Plan;
- E. WHEREAS, the Parties are authorized to enter into this Agreement pursuant to Title 17, Chapter 50, Section 303 of the Utah Code Annotated. (the "Act");
- F. WHEREAS, The County, wishes to enter into a Participation and Reimbursement Agreement with the Company to allow the Company to continue to provide reliable culinary water to its shareholders and to finalize the construction and final payment of all contractors under the Project Plan;
- G. WHEREAS, the Company desires assistance in the form of a loan from the County to assist the Community in paying its portion of the local match requirements and pro rata matching costs of the Project Plan belonging to the Community and to reimburse those funds as specified in this Agreement;
- H. WHEREAS the fulfillment of this Agreement is vital to and in the best interests of the County and the Community for the health, safety, and welfare of its residents, and in accord with public purposes and will provide a benefit to the Community and its residents.

NOW, for and in consideration of the mutual promises, obligations, and/or covenants contained herein, and for other good and valuable consideration, the receipt, fairness, and sufficiency of which are hereby acknowledged, and the Parties intending to be legally bound, the Parties do hereby mutually agree as follows:

- 1. <u>Purpose</u>. The purpose of this agreement is to specify the terms and conditions of the Parties' cooperative funding and implementation of the Project Plan, including reimbursement of County funds used as payment to cover the Company's matching funds required by NRCS.
- 2. Loan to the Company. The County agrees to provide the Company's required local match (the "Company Match") through direct payments to the Contractor as the project progresses in the Pack Creek area. The amount of the Company Match will depend on the total project costs, minus any credited "in-kind" contributions, as determined by NRCS. The anticipated total matching fund requirement for the Company is anticipated to be no more than \$244,569, unless change orders are approved by the County, the Company, and NRCS exceeding this amount. The Company agrees to reimburse the County for the amount of the Company Match. Apart from providing the Company Match as described above, the County's participation

will consist of contributing 25% of the project's costs, either in cash or through "in-kind" services, to meet its matching fund obligations for the County's portions of the project, which are anticipated to total no more than \$60,888 unless change orders increase this amount.

- 3. Reimbursement to the County. The Company agrees to repay the Loan Amount in full in five (5) equal, annual installments over the course of five (5) years. Each annual 1/5 payment by the Company shall be due no later than October 30, with the first annual payment to be made on or before October 30, 2025. The Loan shall mature on October 30, 2029 ("Maturity Date").
- 4. <u>Effective Date of this Agreement.</u> The Effective Date of this Agreement shall be on the earliest date this Agreement is fully executed (the "Effective Date").
- 5. <u>Term of Agreement.</u> This Agreement shall run from the Effective Date until the Maturity Date, unless the Company prepays the Loan in full at which time this Agreement shall terminate (the "Term"). The Parties may, by written amendment to this Agreement, extend the Term of this Agreement.
- 6. <u>Termination of Agreement.</u> This Agreement may be terminated prior to the completion of the Term by any of the following actions:
 - 6.1. The mutual written agreement of the Parties;
 - 6.2 By either party:
 - 6.2.1 After any material breach of this Agreement, which as to the County shall mean the failure to loan or pay to the Company the Loan Amount required under Section 2 above, and as to the Company shall mean a failure to pay when due any annual installment required under Section 3 above; and
 - 6.2.2 Thirty calendar days after the non-breaching party sends a written demand to the breaching party to cure such material breach, and the breaching party fails to timely cure such material breach; provided however, the cure period shall be extended as may be required beyond the thirty calendar days, if the nature of the cure is such that it reasonably requires more than thirty calendar days to cure the breach, and the breaching party commences the cure within the thirty calendar day period and thereafter continuously and diligently pursues the cure to completion; and
 - 6.2.3 After the written notice to terminate this Agreement, which the non-breaching party shall provide to the breaching party, is effective pursuant to the notice provisions of this Agreement; or
 - 6.3 By payment by the Company of the full amount advanced by the County at any time prior to October 30, 2029. There shall be no penalty for prepayment by the Company.
- 7. <u>Notices.</u> Any notices that may or must be sent under the terms and/or provisions of this Agreement should be delivered, by hand delivery or by United States mail, postage prepaid, as follows, or as subsequently amended in writing, with a copy provided by electronic mail to the last known emails for the Parties:

To the Pack Creek Water	With a copy to:	To the County:
Company:	San Juan County	San Juan County
Pack Creek Water Board	Attn: Attorney's Office	Administrator
Attn: President	PO Box 9	Attn: Mack McDonald
PO Box 1300	Monticello UT 84535	PO Box 9
Moab, Utah 84532		Monticello, Utah 84535

8. <u>Indemnification and Hold Harmless.</u>

7.1. The Company, for itself, and on behalf of its officers, officials, members, managers, employees, agents, representatives, contractors, volunteers, and/or any person or persons under the supervision, direction, or control of the Company (collectively, the "Company Representatives"), agrees and promises to indemnify and hold harmless the County, as well as the County's officers, officials, employees, agents, representatives, contractors,

- and volunteers (collectively, the "County Representatives"), from and against any loss, damage, injury, liability, claim, action, cause of action, demand, expense, cost, fee, or otherwise (collectively, the "Claims") that may arise from, may be in connection with, or may relate in any way to the acts or omissions, negligent or otherwise, of the Company and/or the Company Representatives arising from this Agreement or the Project Plan, whether or not the Claims are known or unknown, or are in law, equity, or otherwise. No term or condition of this Agreement, including, but not limited to, insurance that may be required under this Agreement, shall limit or waive any liability that the Company may have arising from, in connection with, or relating in any way to the acts or omissions, negligent or otherwise, of the Company or the Company Representatives under this Section 7.
- 7.2. The County, for itself, and on behalf of its officers, officials, members, managers, employees, agents, representatives, contractors, volunteers, and/or any person or persons under the supervision, direction, or control of the County (collectively, the "County Representatives"), agrees and promises to indemnify and hold harmless the Company, as well as the Company's officers, officials, employees, agents, representatives, contractors, and volunteers (collectively, the "Company Representatives"), from and against any loss, damage, injury, liability, claim, action, cause of action, demand, expense, cost, fee, or otherwise (collectively, the "Claims") that may arise from, may be in connection with, or may relate in any way to the acts or omissions, negligent or otherwise, of the County and/or the County Representatives arising from this Agreement or the Project Plan, whether or not the Claims are known or unknown, or are in law, equity, or otherwise. No term or condition of this Agreement, including, but not limited to, insurance that may be required under this Agreement, shall limit or waive any liability that the County may have arising from, in connection with, or relating in any way to the acts or omissions, negligent or otherwise, of the County or the County Representatives under this Section 7.
- 9. Governmental Immunity. The Parties recognize and acknowledge that San Juan County is covered by the Governmental Immunity Act of Utah, codified at Section 63G-7-101, et seq., Utah Code Annotated, as amended, and nothing herein is intended to waive or modify any and all rights, defenses or provisions provided therein. Officers and employees performing services pursuant to this Agreement shall be deemed officers and employees of the Party employing their services, even if performing functions outside of the territorial limits of such party and shall be deemed officers and employees of such Party under the provisions of the Utah Governmental Immunity Act.
- 10. No Separate Legal Entity. No separate legal entity is created by this Agreement.
- 11. <u>Survival.</u> Sections 2, 3 and 7 survive termination of this Agreement.
- 12. <u>Benefits.</u> The Parties acknowledge, understand, and agree that the respective representatives, agents, contractors, officers, officials, members, employees, volunteers, and/or any person or persons under the supervision, direction, or control of a Party are not in any manner or degree employees of the other Party and shall have no right to and shall not be provided with any benefits from the other Party. County employees, while providing or performing services under or in connection with this Agreement and Project, shall be deemed employees of the County for all purposes, including, but not limited to, workers compensation, withholding, salary, insurance, and benefits. Company employees, while providing or performing services under or in connection with this Agreement, shall be deemed employees of the Company for all purposes, including, but not limited to, workers compensation, withholding, salary, insurance, and benefits.
- 13. Waivers or Modification. No waiver or failure to enforce one or more parts or provisions of this Agreement shall be construed as a continuing waiver of any part or provision of this Agreement, which shall preclude the Parties from receiving the full, bargained for benefit under the terms and provisions of this Agreement. A waiver or modification of any of the provisions of this Agreement or of any breach thereof shall not constitute a waiver or modification of any other provision or breach, whether or not similar, and any such waiver or modification shall not constitute a continuing waiver. The rights of and available to each of the Parties under this Agreement cannot be waived or released verbally and may be waived or released only by an instrument in writing, signed by the Party whose rights will be

diminished or adversely affected by the waiver.

- 14. Binding Effect; Entire Agreement, Amendment. This Agreement is binding upon the Parties and their officers, directors, employees, agents, representatives and to all persons or entities claiming by, through or under them. This Agreement, including Exhibit A and any other related NRCS project documents, constitutes and/or represents the entire agreement and understanding between the Parties with respect to the subject matter herein. There are no other written or oral agreements, understandings, or promises between the Parties that are not set forth herein. Unless otherwise set forth herein, this Agreement supersedes and cancels all prior agreements, negotiations, and understandings between the Parties regarding the subject matter herein, whether written or oral, which are void, nullified and of no legal effect if they are not recited or addressed in this Agreement. Neither this Agreement nor any provisions hereof may be supplemented, amended, modified, changed, discharged, or terminated verbally. Rather, this Agreement and all provisions hereof may only be supplemented, amended, modified, changed, discharged, or terminated by an instrument in writing, signed by the Parties.
- 15. Force Majeure. In the event that either Party shall be delayed or hindered in or prevented from the performance of any act required under this Agreement by reason of acts of God, acts of the United States Government, the State of Utah Government, fires, floods, strikes, lock-outs, labor troubles, inability to procure materials, failure of power, inclement weather, restrictive governmental laws, ordinances, rules, regulations or otherwise, delays in or refusals to issue necessary governmental permits or licenses, riots, insurrection, wars, or other reasons of a like nature not the fault of the Party delayed in performing work or doing acts required under the terms of this Agreement, then performance of such act(s) shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, without any liability to the delayed Party.
- 16. <u>Assignment Restricted.</u> The Parties agree that neither this Agreement nor the duties, obligations, responsibilities, or privileges herein may be assigned, transferred, or delegated, in whole or in part, without the prior written consent of both Parties.
- 17. Choice of Law; Jurisdiction; Venue. This Agreement and all matters, disputes, and/or claims arising out of, in connection with, or relating to this Agreement or its subject matter, formation or validity (including non-contractual matters, disputes, and/or claims) shall be governed by, construed, and interpreted in accordance with the laws of the state of Utah, without reference to conflict of law principals. The Parties irrevocably agree that the San Juan County District Court (the Seventh Judicial District Court) shall have exclusive jurisdiction and be the exclusive venue with respect to any suit, action, proceeding, matter, dispute, and/or claim arising out of, in connection with, or relating to this Agreement, or its formation or validity. The Parties irrevocably submit to the exclusive jurisdiction and exclusive venue of the courts located in the State of Utah as set forth directly above.
- 18. Severability. If any part or provision of this Agreement is found to be invalid, prohibited, or unenforceable in any jurisdiction, such part or provision of this Agreement shall, as to such jurisdiction only, be inoperative, null and void to the extent of such invalidity, prohibition, or unenforceability without invalidating the remaining parts or provisions hereof, and any such invalidity, prohibition, or unenforceability in any jurisdiction shall not invalidate or render inoperative, null or void such part or provision in any other jurisdiction. Those parts or provisions of this Agreement, which are not invalid, prohibited, or unenforceable, shall remain in full force and effect.
- 19. <u>Rights and Remedies Cumulative.</u> The rights and remedies of the Parties under this Agreement shall be construed cumulatively, and none of the rights and/or remedies under this Agreement shall be exclusive of, or in lieu or limitation of, any other right, remedy or priority allowed by law, unless specifically set forth herein.
- 20. <u>Attorneys' Fees</u>. In the event of a dispute under this Agreement, the Prevailing Party shall be awarded its reasonable attorneys' fees and costs.
- 21. Recitals Incorporated. The Recitals to this Agreement are incorporated herein by reference and made

contractual in nature.

- 22. <u>Headings</u>. Headings contained in this Agreement are intended for convenience only and are in no way to be used to construe or limit the text herein.
- 23. <u>Authorization</u>. The persons executing this Agreement on behalf of a Party hereby represent and warrant that they are duly authorized and empowered to execute the same, that they have carefully read this Agreement, and that this Agreement represents a binding and enforceable obligation of such Party.
- 24. <u>Counterparts.</u> This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be deemed an original, and all such counterparts taken together shall constitute one and the same Agreement.

WHEREFORE, this Agreement is effective on the date last signed below.

PACK CREEK WATER COMPANY	ATTEST:		
By Scott Brown, President	ByNorma Roth, Secretary		
Date	-		
BOARD OF COUNTY COMMISSIONER	RS OF SAN JUAN COUNTY		
By Jamie Harvey Commission Chair			
Date	_		
ATTEST:	Approved as to form and for compliance with State law:		
Lyman Duncan County Clerk/Auditor	Mitchell Maughan, San Juan County Attorney		

Exhibit A Project Plan and Anticipated Costs

SECTIONS 22 & 23, TOWNSHIP 27 SOUTH, RANGE 23 EAST, SALT LAKE BASE AND MERIDIAN (SLBM)

CONSTRUCTION PLANS PREPARED FOR SAN JUAN PACK CREEK EWP 2021 PHASE 1 DESIGNED BY UNITED STATES DEPARTMENT OF AGRICULTURE NATURAL RESOURCES CONSERVATION SERVICE

CLEARANCES AND PERMITS

IT SHALL BE THE RESPONSIBILITY OF THE SPONSOR TO OBTAIN ALL NECESSARY CLEARANCES, PERMITS, RIGHTS OF WAY, AND TO COMPLY WITH ALL ORDINANCES AND LAWS PERTAINING TO THE CONSTRUCTION OF THIS PROJECT.

IT SHALL BE THE RESPONSIBILITY OF THE SPONSOR TO ASSURE THAT THE PROJECT IS CONSTRUCTED ACCORDING TO THE ATTACHED DRAWINGS AND SPECIFICATIONS. ANY CHANGES SHALL BE SUBMITTED IN WRITING TO THE NRCS 48 HOURS PRIOR TO IMPLEMENTATION FOR APPROVAL.

GENERAL NOTES

THE CONSTRUCTION PLANS INCLUDE THESE DRAWINGS AS WELL AS THE ATTACHED SPECIFICATIONS AND OPERATIONS AND MAINTENANCE PLAN.

LOCATION OF UTILITIES

Jason Dodds NRCS Engineer 2390 West Highway 56, Suite 14

Cedar City, UT 84721 435-868-3947 Office 435-590-7661 Mobile

NO REPRESENTATION IS MADE AS TO THE EXISTENCE OR NON-EXISTENCE OF ANY UTILITIES PUBLIC OR PRIVATE.

THE COOPERATOR MUST OBTAIN THE EXACT LOCATION AND DEPTH OF ALL UTILITIES FROM THE UTILITY COMPANIES PRIOR TO EXCAVATION OR CONSTRUCTION ACTIVITIES.

Sheet List Table			
Sheet Number	Sheet Title		
1	COVER SHEET		
2	OVERALL PLAN VIEW		
3	3-STEP GRADE CONTROL STRUCTURE		
4	4-STEP GRADE CONTROL STRUCTURE		
5	LOW WATER CROSSING		
6	LOW WATER CROSSING DETAILS		
7	IRRIGATION OUTLET STRUCTURE		
8	J-HOOK DETAILS		
9	IRRIGATION OUTLET DETAILS		
10	ROCK WALL DETAILS		
11	WATER AND POWER CROSSING		

NRCS CONTACT INFORMATION:

NRCS SHALL BE NOTIFIED 72 HOURS PRIOR TO CONSTRUCTION.



KNOW WHAT'S BELOW! CONTACT BLUE STAKES OF **UTAH 811 TO HAVE UTILITY** LINES LOCATED AND MARKED. VISIT BLUESTAKES.ORG OR CALL 811 AT LEAST 48 HOURS BEFORE EXCAVATING. IT'S FREE AND IT'S THE LAW!

HAVE REVIEWED THESE PLANS, DETAILS, SPECIFICATIONS AND	O&IV
GREEMENTS, AND FIND THEM ACCEPTABLE.	

SPONSOR	 DATE

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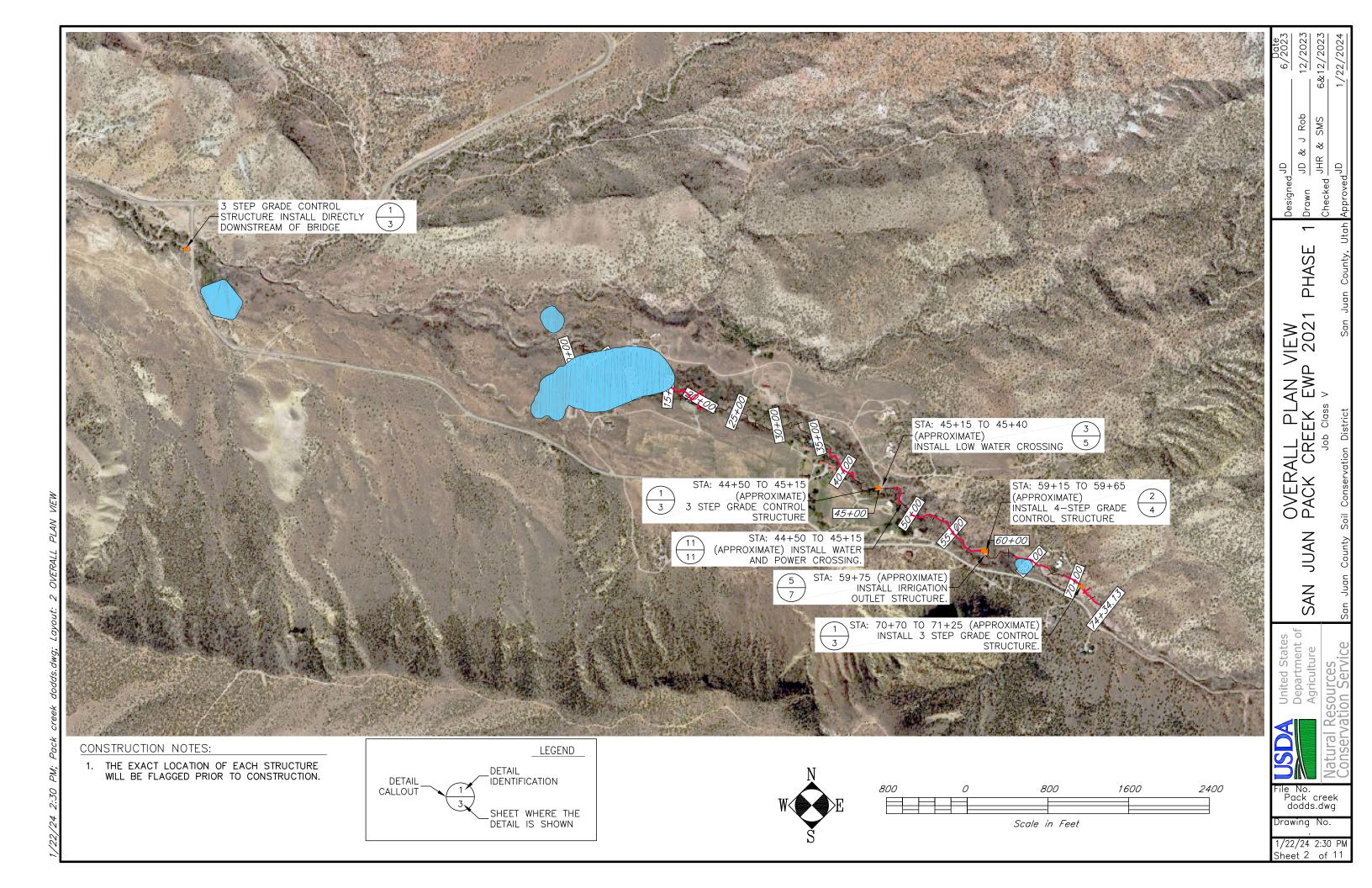
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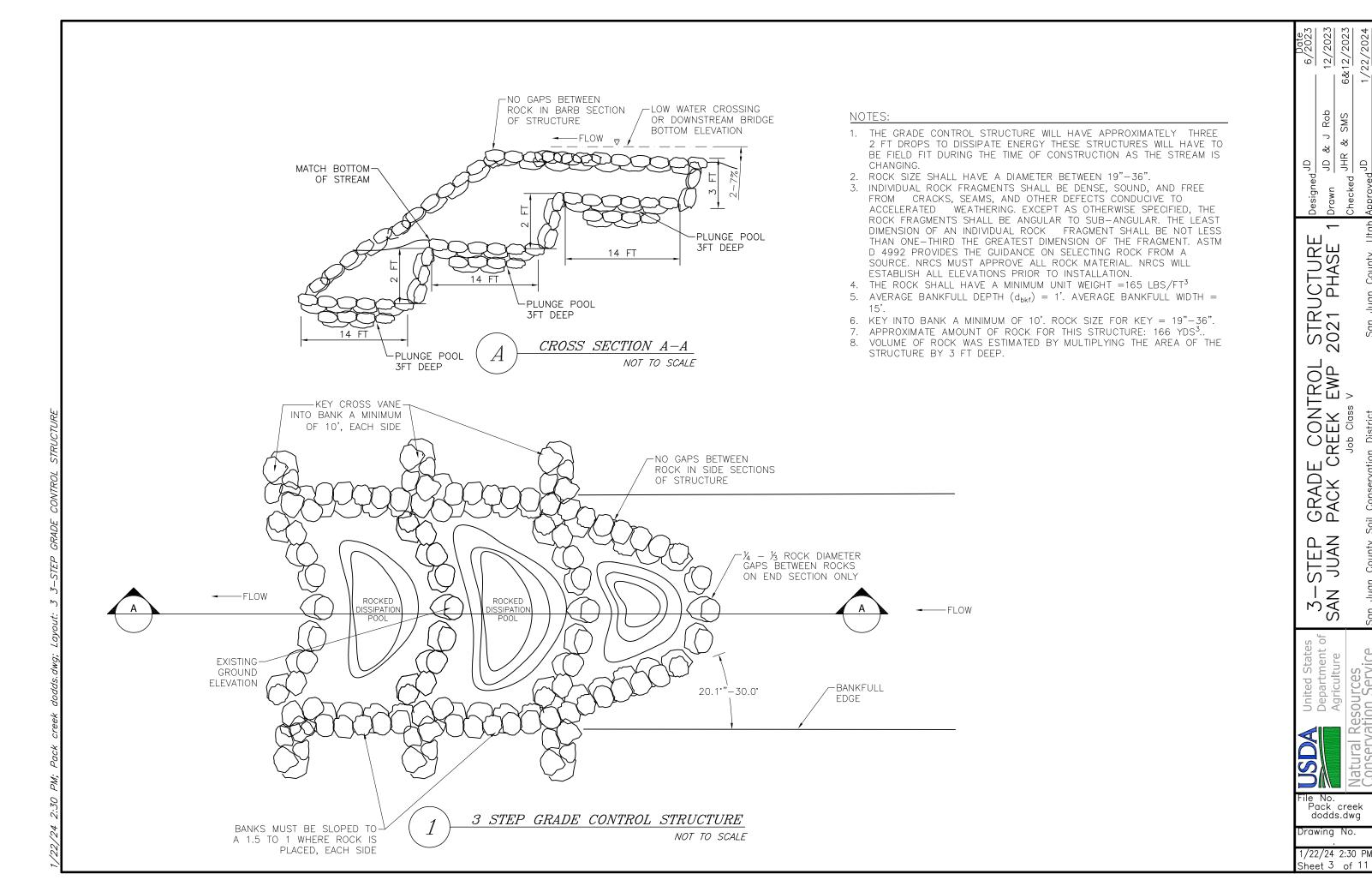
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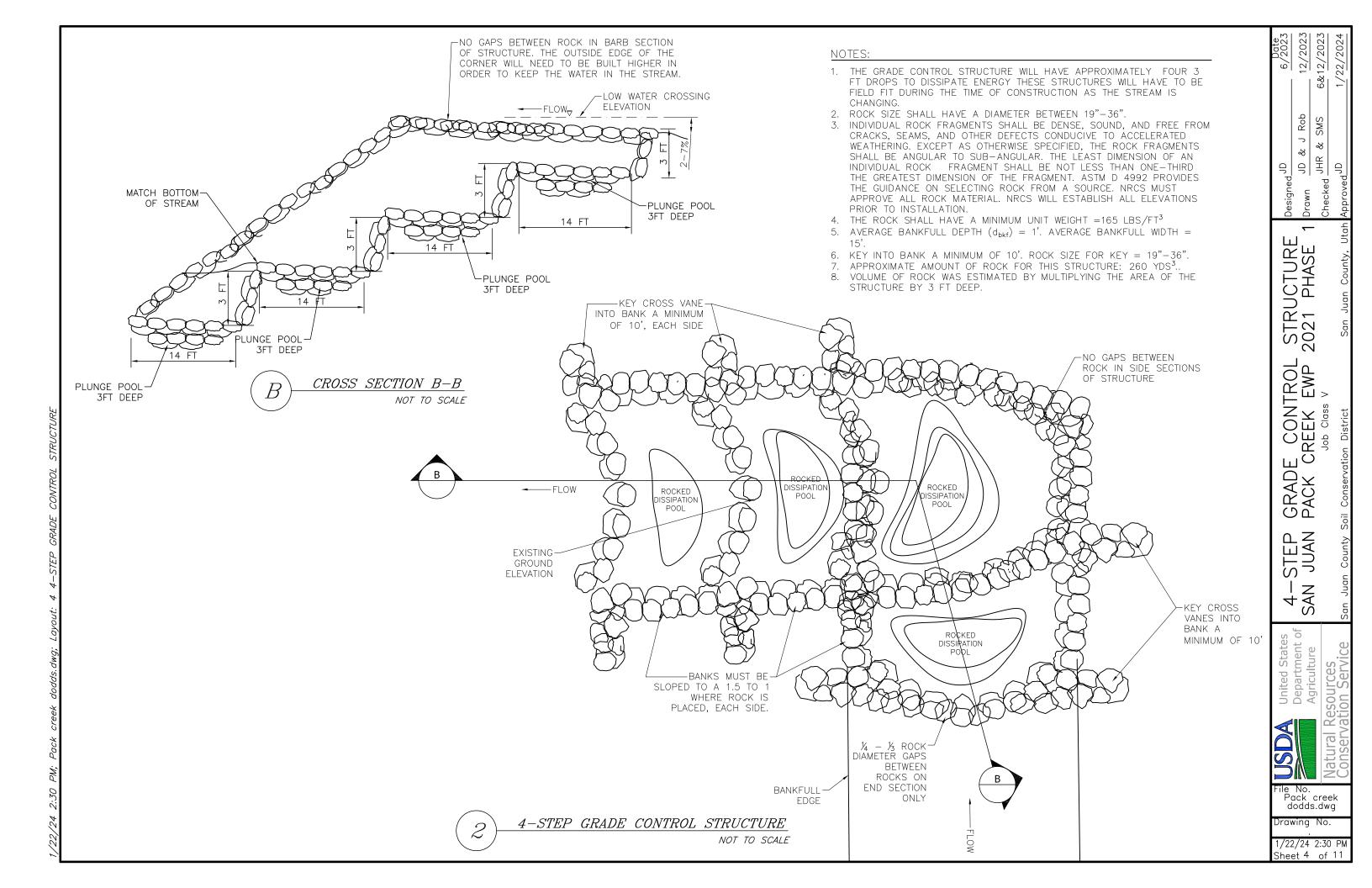


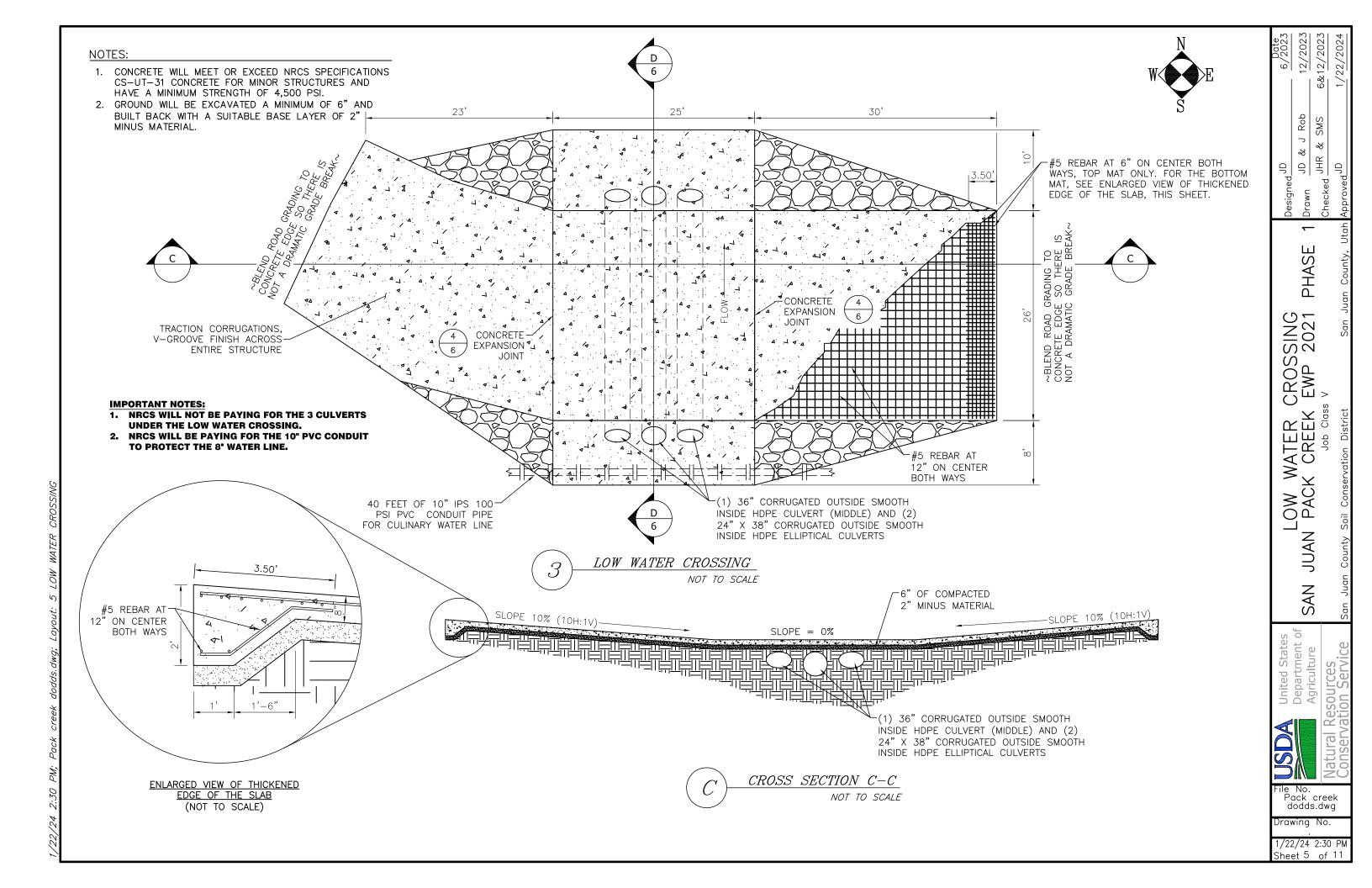


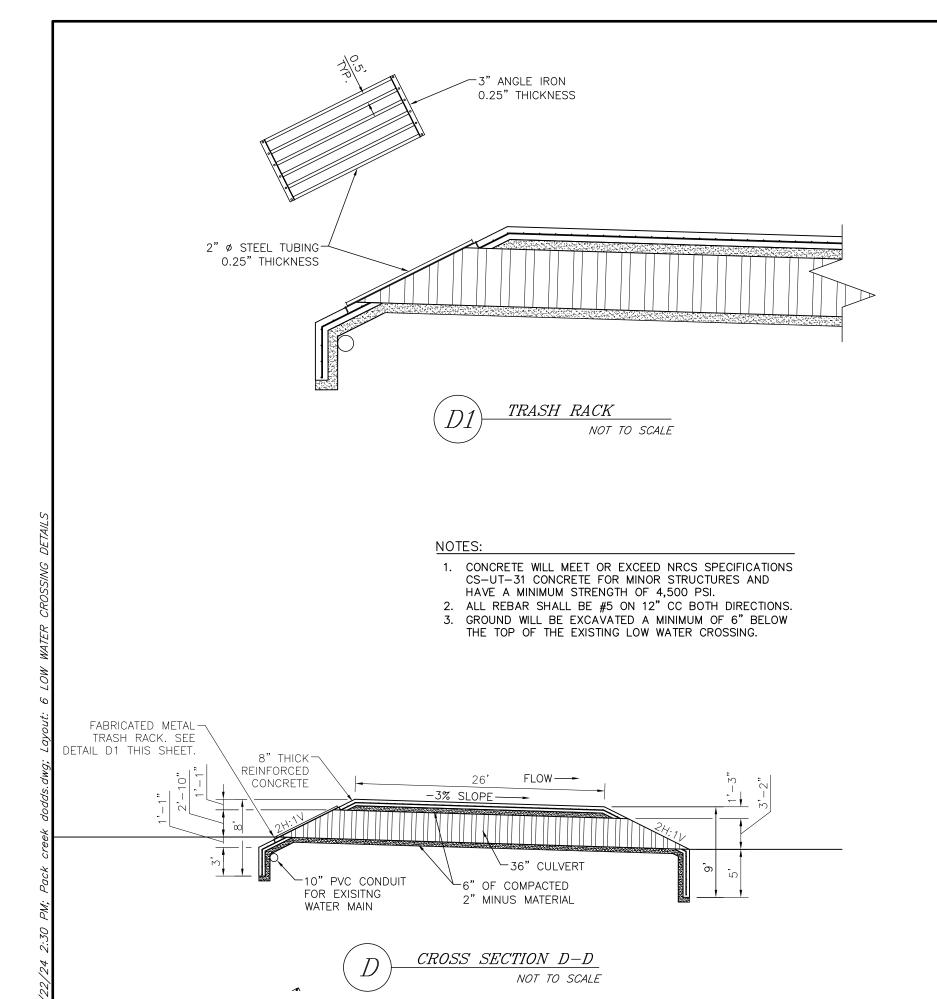
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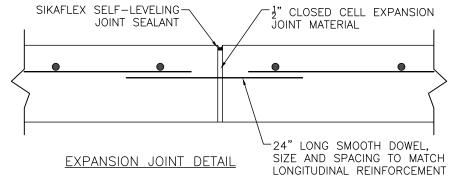
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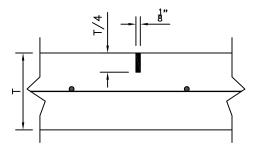
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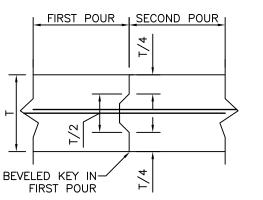








SAW CUT JOINT DETAIL



CONSTRUCTION JOINT DETAIL



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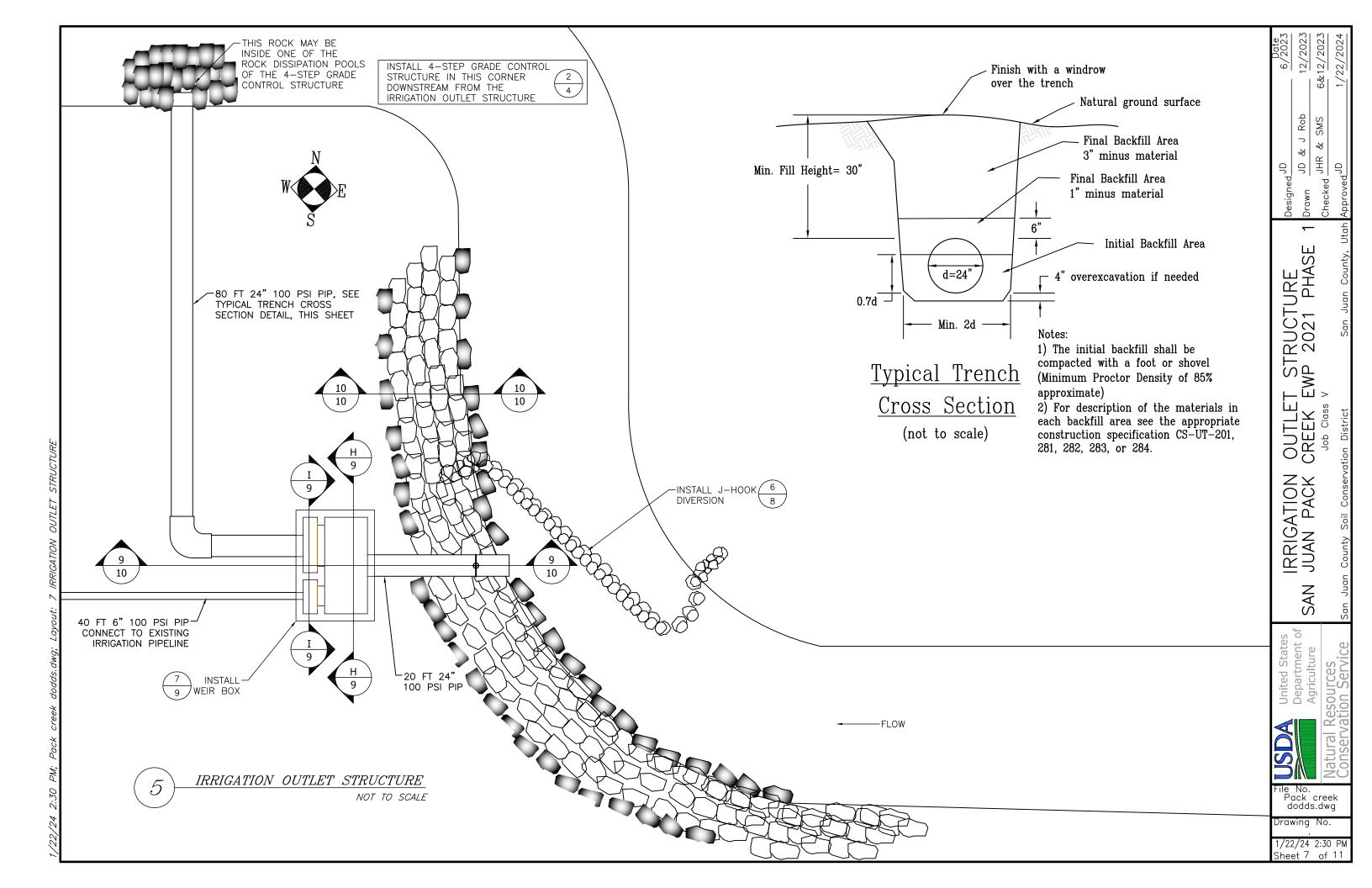
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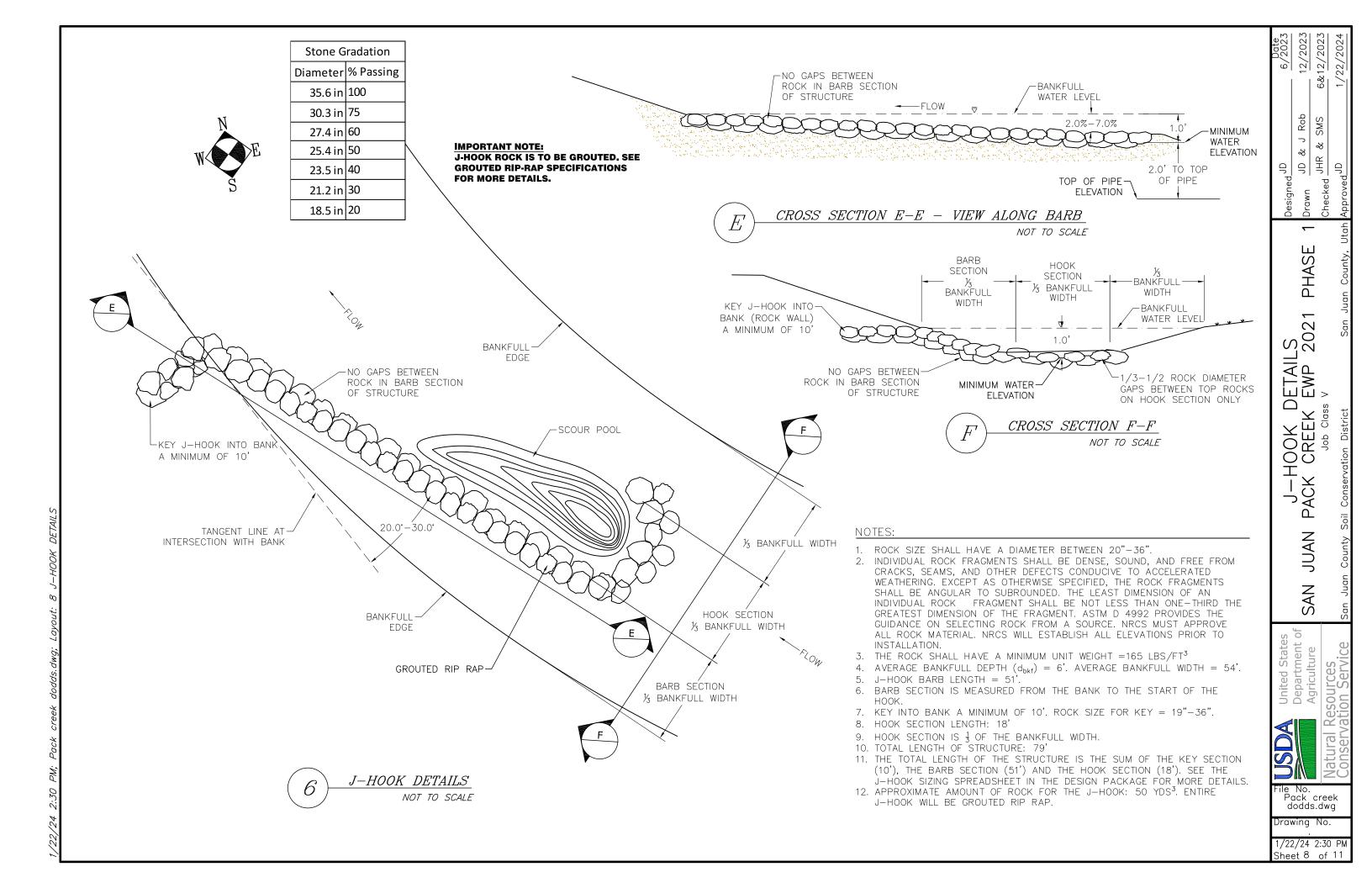
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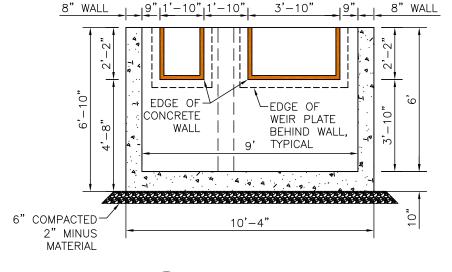
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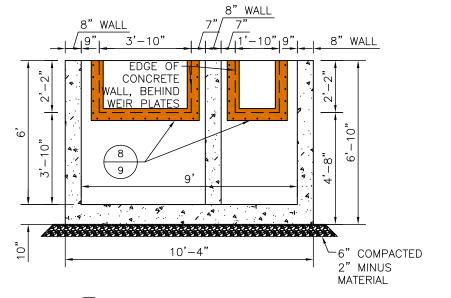
48" WIDE X 28" DEEP SMALL TIN OUTLET GATE FORMED/CUT INTO WEIR BOX CONCRETE WALL APPROXIMATELY 1".

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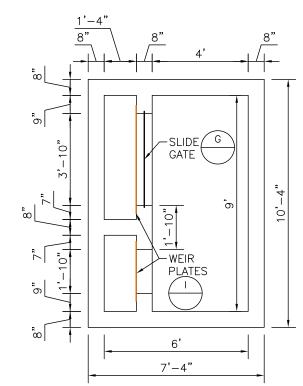


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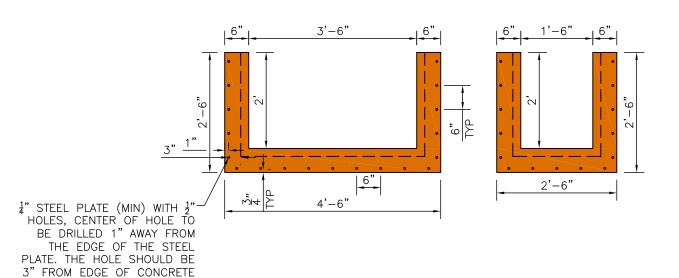


I CROSS SECTION F-F
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WEIR BOX TOP VIEW

NOT TO SCALE



NOTES:

1. CONCRETE WILL MEET OR EXCEED NRCS SPECIFICATIONS CS-UT-31 CONCRETE FOR MINOR STRUCTURES AND

2. ALL REBAR SHALL BE #5 ON 12" CC BOTH DIRECTIONS.

HAVE A MINIMUM STRENGTH OF 4,500 PSI.

8 WEIR PLATES
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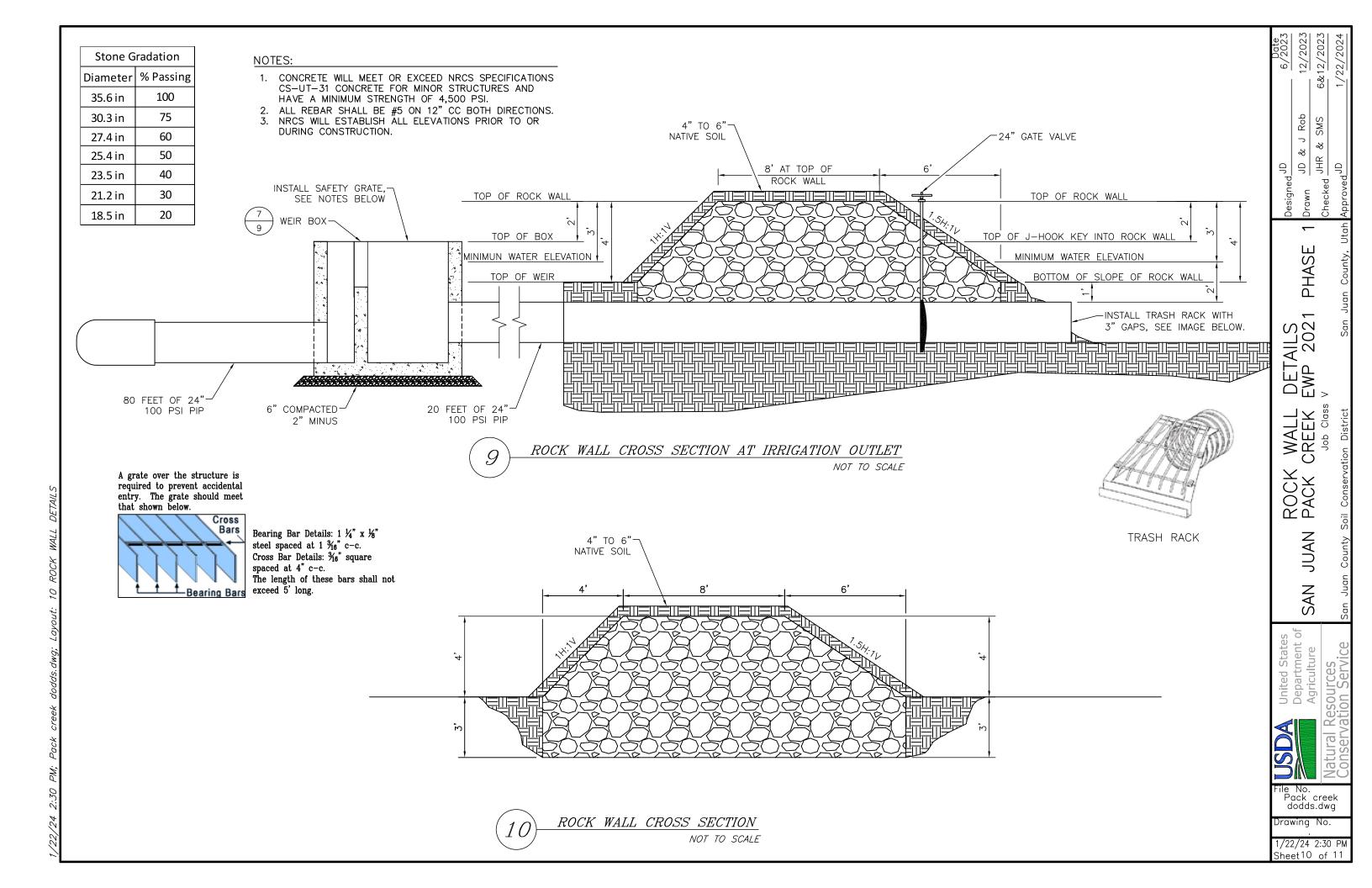
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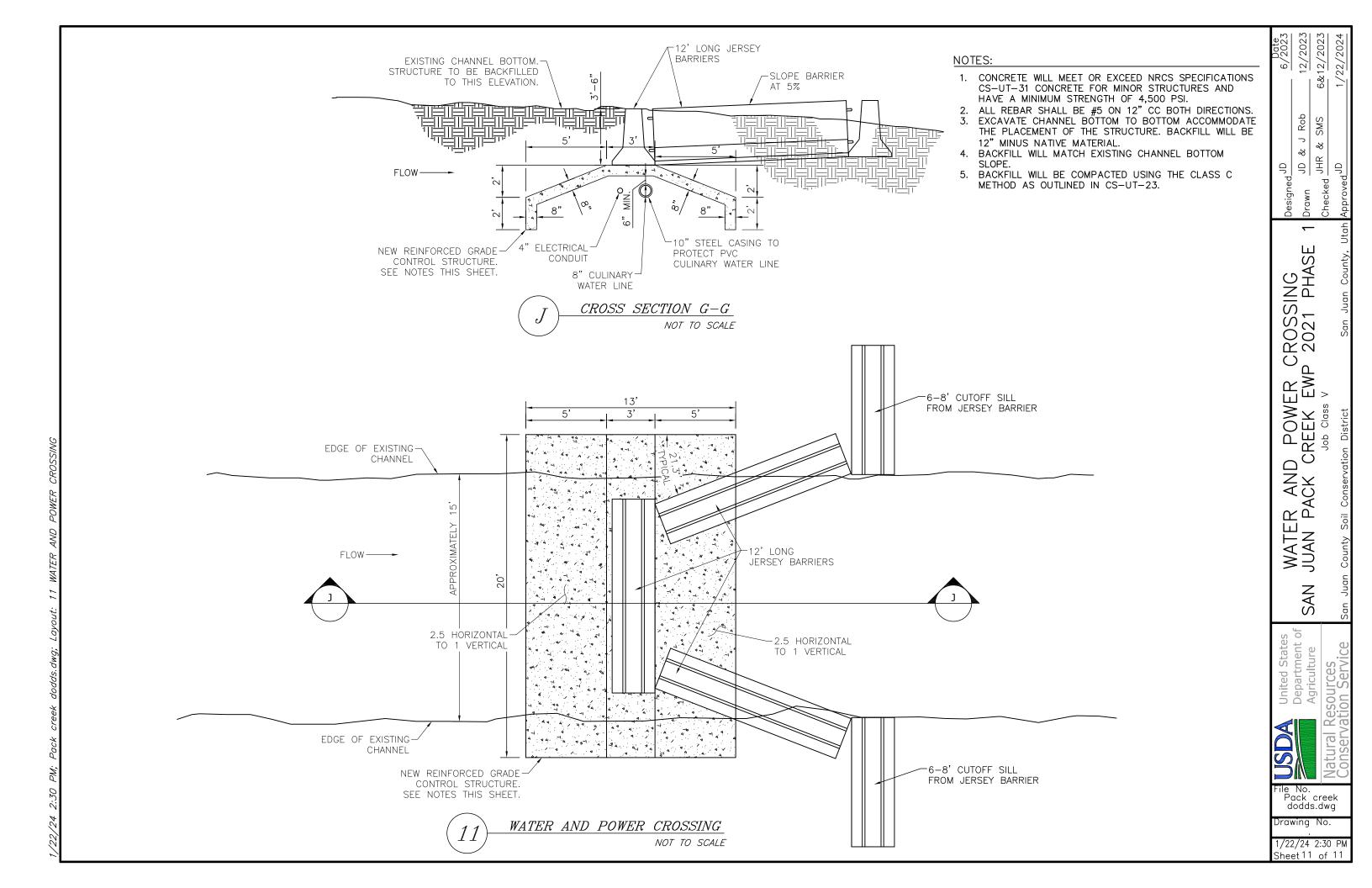
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SECTIONS 22 & 23, TOWNSHIP 27 SOUTH, RANGE 23 EAST, SALT LAKE BASE AND MERIDIAN (SLBM)

CONSTRUCTION PLANS PREPARED FOR SAN JUAN PACK CREEK EWP 2021 PHASE 2 DESIGNED BY UNITED STATES DEPARTMENT OF AGRICULTURE NATURAL RESOURCES CONSERVATION SERVICE

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Sheet Number	Sheet Title		
1	COVER SHEET		
2	PLAN VIEW		
3	PROFILE VIEWS - R&R 1 AND TR 2		
4	PROFILE VIEWS - R&R 3 AND TR 4		
5	PROFILE VIEWS - R&R 5		
6	PROFILE VIEW R&R'S 6, 7 & 8		
7	CROSS SECTION VIEWS - 1 & 2		
8	CROSS SECTION VIEWS - 3 & 4		
9	CROSS SECTION VIEWS - 5 & 6		
10	CROSS SECTION VIEW - 7		
11	ROCK N ROLL LOGS DETAIL		
12	STREAMBANK PROTECTION DETAILS		
13	TREE HARVEST DETAIL		

NRCS CONTACT INFORMATION: Jason Dodds NRCS Engineer 2390 West Highway 56, Suite 14 Cedar City, UT 84721 435-868-3947 Office 435-590-7661 Mobile

PRIOR TO CONSTRUCTION.



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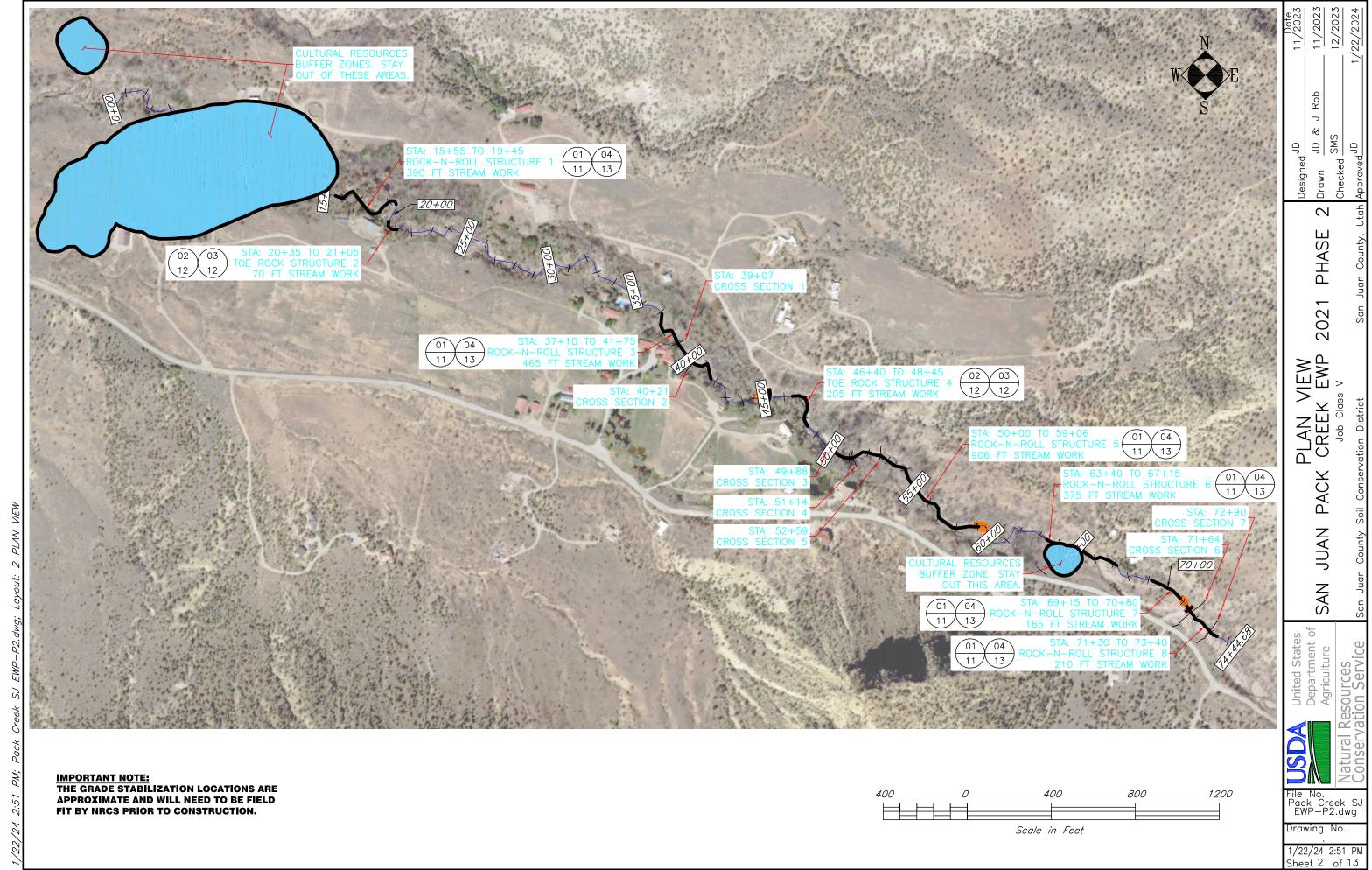
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NRCS Cost Share		
Proposed Budget off contractors bid	\$1,039,253.00 25% Match Match can be in kind	
Community	\$ 841,346.00 \$210,336.50	
County	\$ 197,907.00 \$ 49,476.75	
	\$ 1,039,253.00 \$ 259,813.25	
* These numbers may change due to field fit on site.		
These numbers are fixed.		
Care of Water	\$ 60,000.00	
Community	45,000 \$11,250.00 75%	
County	15,000 \$3,750.00 25%	
	60,000 \$15,000.00	
Mobilization	\$ 122,573.00	
Community	\$ 91,930.00 \$22,982.50 75%	
County	\$ 30,643.00 \$7,660.75 25%	
	\$ 122,573.00 \$30,643.25	
	Community Total Match	\$244,569.00
	\$1,221,826.00 County Total Match	\$60,887.50