

Westwater Water Project Memorandum of Understanding

This Westwater Water Project Memorandum of Understanding (“MOU”) is made by and between the State of Utah (the “State”), the Navajo Nation (the “Nation”), the Navajo Tribal Utility Authority (“NTUA”), San Juan County (the “County”), and the city of Blanding, Utah (the “City”). The entities will hereinafter be referred to jointly as “Parties.”

I. The Westwater Water Project

The Westwater Water Project (the “Project”) is a cooperative water project supported jointly by the Parties. The Project involves the funding and construction of new public drinking water facilities that will provide safe and reliable potable water to the city of Blanding and homes in the Westwater community. A new public supply ground water well will provide the City with an additional water source. In addition, a new master meter connection to the City’s public supply water system and water supply lines will deliver water to the Westwater community. The Parties agree that achieving the goals and objectives set forth in this MOU is in the mutual best interest of residents of the City, the Westwater community, and the citizens of the State of Utah.

II. Purposes of this MOU

The Parties share the goal of providing a lasting, safe and reliable source of drinking water to the City and community of Westwater. Achieving these goals will require the coordinated efforts of the Parties. The purpose of this MOU is to memorialize the Parties’ agreement and intentions to support the Project. The Parties also intend to enter into a formal Interlocal Agreement under the Interlocal Cooperation Act, Utah Code Section 11-13-101 *et seq.* at a later date. One purpose of this MOU is to establish the general framework for the future Interlocal Agreement.

III. The State’s Commitments

The State of Utah will support the completion of the Project by providing the following funding sources. Upon receipt of grants, no repayment by the receiving entity will be required regardless of whether or not the project is completed:

- \$497K to the County and \$381K to the City for design from the Drinking Water State Revolving Fund (“DWSRF”) in the form of principal forgiveness [in the amount of \$_____ on DATE].
- \$3.5M from a grant from American Rescue Plan Act (“ARPA”) funding, to be allocated as follows:

- \$1.85M for the Westwater community for a master meter, a water distribution system from the master meter to the lots within the Westwater community, and to connect the Westwater community to the City; and
- \$1.65M for the City, for a new water well.

The State of Utah also commits to assist the Navajo Nation in locating and securing additional water rights or shares if needed to meet the needs of the City and the Westwater community for 29 homes or equivalent residential units (“ERUs”).

IV. The Nation’s Commitments

The Nation will support the completion of the Project and will commit the funding necessary for Project construction by December 31, 2022 and Project completion by December 31, 2024. The Nation’s commitment includes time and professional staff resources to support the timely and successful completion of the Project. The Nation also commits to provide to the City water rights or shares equivalent to 29 ERUs in accordance with the Blanding City Resolution dated September 14, 2021. The Nation in coordination with the County will be responsible for ensuring that water shares or water rights can be immediately accessed by the City for the 29 ERUs before the commencement of water services to the Westwater community.

V. The NTUA’s Commitments

NTUA will pursue the design, construction and completion of the water distribution system for the Westwater community as soon as practicable but no later than December 31, 2022. NTUA will also serve as the ongoing, registered water system operator, owner, and administrative contact for the Westwater community distribution system.

VI. The County’s Commitments

The County will act as the fiscal sponsor for the Westwater community for grant funding from the State. The County will also commit to leasing water shares equivalent to 29 ERUs to either the Nation, or on their behalf, to the City.

The County shall also waive associated fees related to the project.

VII. The City’s Commitments

The City provides the following commitments for the Project:

- To pursue the design, construction and completion of a new public supply well for the city and master meter connection adequately sized for the Westwater community.
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- If after the design of the system the City determines that it requires additional funding for the construction and completion of the well, then the State agrees to assist in identifying other sources of funding. The City agrees to make a final decision about whether to accept and utilize the ARPA funding for the well by December 31, 2022 in order to ensure that the ARPA funding is obligated by December 31, 2024.
- To stipulate that the \$1.65M in ARPA funding the State is providing to the City meets all the requirements for connection fees, impact fees, or other fees necessary to connect and begin supplying water to support the 29 ERUs as part of the Project, under paragraph 4 of the Blanding City resolution dated September 14, 2021. This does not limit the ability of the City to charge water supply fees nor to negotiate impact fees, water supply fees, and other fees for growth in Westwater beyond the 29 ERUs in a later agreement, that will be sufficient to cover the costs of maintaining and expanding, as needed, the portion of the project operated by the City.
- To begin providing water service to the Westwater community as soon as the Westwater portion of the Project is completed, up to a maximum amount of 29 ERUs. Additional ERUs may be serviced upon consent of the City. The City commits to make reasonable efforts to prevent delays in providing water services for the Project.

VIII. Mutual Commitments

- The Parties agree to sign this MOU no later than May 30, 2022 in order to continue to make progress on the Project and associated funding.
- The Parties agree to use their best reasonable efforts to enter into a definitive Interlocal Agreement relating to the Project by DATE.
- This Agreement does not affect or modify existing laws, rules, regulations or responsibilities and authorities of the Parties.
- This MOU is not intended to and does not create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity, by any party against the State of Utah, the Navajo Nation, the NTUA, San Juan County, or the City of Blanding, their respective agencies, officers, or any affiliated person.
- The parties' actions under this MOU shall be without discrimination as to race, color, creed, sex, or national origin.

[Signature Page Follows]
