



Utah Governor's Office of  
Economic Opportunity

## Local Matching Grant Agreement

State of Utah American Rescue Plan Act Funds

### TERMS

By accepting the funds authorized under this agreement, you agree on behalf of Santaquin City to comply with the following terms:

1. You are an authorized representative of the organization receiving the funds and the representations and documentation provided in connection with the application and this agreement are complete, true, and correct.
2. This agreement will be effective on December 16, 2022 and will terminate on December 31, 2026. Your organization will participate in the Project as described in your application or proposal (see Attachment B).
3. Your organization agrees that the amount to be provided under this agreement is \$1,000,000.00.
4. Your organization agrees to invoice the full amount, on official letterhead referencing the contract number, within three months of the effective date of the contract.
5. Your organization will spend or encumber grant funds within six (6) months of this agreement.
6. Your organization will obtain 100% matching funds, does not have significant unprogrammed local ARPA dollars of 30% or more, and has not received significant revenue replacement after February 1, 2022 as required by [Appropriations Adjustments H.B. 3, Last General Session 2022, Lines 1600-1619](#).
7. Your organization will provide documentation of such matching funds upon execution of this agreement by emailing documentation to [utaheconcompliance@utah.gov](mailto:utaheconcompliance@utah.gov).
8. You attest that the representations made to the State of Utah in the Local Matching Grant project application continue to be true (or, if there have been any material changes, the State of Utah has been advised of such changes and has agreed in writing to those changes).
9. Your organization will comply with all terms and restrictions applicable to American Rescue Plan Act. <https://www.govinfo.gov/content/pkg/FR-2021-05-17/pdf/2021-10283.pdf>.
10. Your organization will provide to the State of Utah, or its designee, a summary report of how grant funds were spent or encumbered and complied with the American Rescue Plan Act, in a manner specified by the State of Utah, by December 31, 2026 or at the State's request and emailed to [utaheconcompliance@utah.gov](mailto:utaheconcompliance@utah.gov).
11. Your organization will maintain records and documentation for all expenses arising out of this agreement for at least seven (7) years from the date of the award and will allow State of Utah personnel and any other designated federal government or third-party contractor personnel to have reasonable access to records and documentation in connection with the funding.
12. Your organization will submit to audits as reasonably requested by the State of Utah or its designee(s).

13. Your organization understands and agrees to comply with all applicable provisions of Utah Code § 51-2a and Utah Code Title 63J.
14. Your organization fully indemnifies and holds harmless the State of Utah from all claims, losses, suits, actions, damages, and costs of every name and description arising out of this agreement, except for that portion of any claim, loss, or damage arising hereunder due to the sole fault of the State of Utah.
15. The State of Utah may require repayment of the funds and pursue any other reasonable penalty if, in its sole discretion, it determines that your organization has violated a law or requirement pertaining to the funding, including the terms of this agreement. Any misrepresentation or fraud made in connection with this agreement may result in criminal prosecution, civil liability, and/or other penalties.
16. If any term of this agreement is determined to violate the law or any conditions pertaining to the disbursement of federal funds to the State of Utah, then the parties agree that this agreement shall be modified to comply with the law, and that the State of Utah may, in its sole discretion modify the terms of this agreement accordingly.

## **CONTACTS**

### **SANTAQUIN CITY**

Name: Norm Beagley  
Address: 275 West Main Street  
Santaquin, UT 84655  
Phone: (801) 754-3211  
E-mail: [nbeagley@santaquin.org](mailto:nbeagley@santaquin.org)

Vendor #: 73535G

### **STATE OF UTAH**

Name: Kamron Dalton  
Title: Go Utah Managing Director, Operations  
Address: 60 East South Temple, 3<sup>rd</sup> Floor  
Salt Lake City, UT 84111  
Phone: (801) 538-8677  
E-mail: [kdalton@utah.gov](mailto:kdalton@utah.gov)

**SIGNATURE AND ACKNOWLEDGEMENT**

**BY SIGNING THIS AGREEMENT, YOU HEREBY ACKNOWLEDGE THAT THE YOU HAVE READ, UNDERSTOOD, AND AGREE TO ALL OF THE TERMS SET FORTH HEREIN.**

THE STATE OF UTAH

SANTAQUIN CITY

\_\_\_\_\_  
Name:  
Title:  
Date:  
Governor’s Office of Economic Opportunity

\_\_\_\_\_  
Name: Daniel M. Olson  
Title: Mayor, Santaquin City  
Date:

\_\_\_\_\_  
Name:  
Title:  
Date:  
Governor’s Office of Economic Opportunity

\_\_\_\_\_  
Attest:  
Name: Amalie R. Ottley  
Title: Recorder, Santaquin City  
Date:

\_\_\_\_\_  
Name:  
Title:  
Date:  
Governor’s Office of Economic Opportunity

\_\_\_\_\_  
Date:  
Division of Finance  
State of Utah  
Contract Number: 230630570  
Vendor #: 73535G  
Commodity Code: 99999

## ATTACHMENT A: STANDARD TERMS AND CONDITIONS FOR GRANTS BETWEEN GOVERNMENT ENTITIES

1. **DEFINITIONS:** The following terms shall have the meanings set forth below:
  - a. **“Contract”** means these terms and conditions, the cover pages, and all other attachments and documents incorporated by reference.
  - b. **“Grant Money”** means money derived from State fees or tax revenues that are owned, held, or administered by the State.
  - c. **“Grantee”** means the individual or entity which is the recipient of Grant Money from the State. The term “Grantee” includes Grantee’s agents, officers, employees, and partners.
  - d. **“Non-Public Information”** means information that is deemed private, protected, controlled, or exempt from disclosure under the Government Records Access and Management Act (GRAMA) or as non-public under other applicable State and federal laws. Non-public information includes those records the State determines are protected after having properly received a written claim of business confidentiality as described in Utah Code § 63G-2-309. The State reserves the right to identify additional information that must be kept non-public under federal and State laws.
  - e. **“State”** means the State of Utah Department, Division, Office, Bureau, Agency, or other State entity identified on the Contract providing the Grant Money.
  - f. **“SubGrantees”** means persons or entities under the direct or indirect control or responsibility of Grantee, including, but not limited to, Grantee’s agents, consultants, employees, authorized resellers, or anyone else for whom Grantee may be liable at any tier, including a person or entity providing or performing this Contract, including Grantee’s manufacturers, distributors, and suppliers.
2. **GOVERNING LAW AND VENUE:** This Contract shall be governed by the laws, rules, and regulations of the State of Utah. Any action or proceeding arising from this Contract shall be brought in a court of competent jurisdiction in the State of Utah. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** At all times during this Contract, Grantee and all acts performed under this Contract will comply with all applicable federal and State constitutions, laws, rules, codes, orders, and regulations, including applicable licensure and certification requirements.
4. **RECORDS ADMINISTRATION:** Grantee shall maintain or supervise the maintenance of all records, receipts and any other documentation necessary to properly account for payments made by the State to Grantee under this Contract. This includes documentation related to Grantee’s performance of the Contract terms, scope of work, project-specific requirements, and outcomes reported to the State by Grantee. These records shall be retained by Grantee for at least six (6) years after final payment, or until all audits initiated within the six (6) years have been completed, whichever is later. Grantee agrees to allow, at no additional cost, State of Utah and federal auditors, State staff, and/or a party hired by the State, access to all records necessary to account for all Grant Money received by Grantee as a result of this Contract and to verify that Grantee’s use of the Grant Money is appropriate and has been properly reported.
5. **INDEPENDENT CAPACITY:** Grantee and SubGrantees, in the performance of this Contract, shall act in an independent capacity and not as officers or employees or agents of the State of Utah agency effectuating this Contract.
6. **INDEMNITY:** Both parties to this Contract are governmental entities as defined in the Utah Governmental Immunity Act (Utah Code Ann. 63G-7-101 et. seq.). Nothing in this Contract shall be construed as a waiver by either or both parties of any rights, limits, protections or defenses provided by the Act. Nor shall this Contract be construed, with respect to third parties, as a waiver of any governmental immunity to which a party to this Contract is otherwise entitled. Subject to and consistent with the Act, each party will be responsible for its own actions or negligence and will defend against any claims or lawsuit brought against it.
7. **EMPLOYMENT PRACTICES:** Grantee agrees to abide by federal and State employment laws, including: (i) Title VI and VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; (ii) Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; (iii) 45 CFR 90 which prohibits discrimination on the basis of age; (iv) Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities; and (v) Utah's Executive Order, dated December 13, 2006, which prohibits unlawful harassment in the workplace. Grantee further agrees to abide by any other laws, regulations, or orders that prohibit the discrimination of any kind by any of Grantee’s employees.
8. **AMENDMENTS:** This Contract may only be amended by the mutual written agreement of the parties, which amendment will be attached to this Contract. Automatic renewals will not apply to this Contract even if listed elsewhere in this Contract.

9. **TERMINATION:** Unless otherwise stated in this Contract, this Contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. Any material violation of the terms of the program or Contract may give rise to for-cause termination.
10. **NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW:** Upon thirty (30) days written notice delivered to Grantee, this Contract may be terminated in whole or in part at the sole discretion of the State, if the State reasonably determines that: (i) a change in Federal or State legislation or applicable laws materially affects the ability of either party to perform under the terms of this Contract; or (ii) that a change in available funds affects the State's ability to pay under this Contract. A change of available funds as used in this paragraph, includes, but is not limited to, a change in Federal or State funding, whether as a result of a legislative act or by order of the President or the Governor.
11. **WORKERS COMPENSATION INSURANCE:** Grantee shall maintain during the term of this Contract, workers' compensation insurance for all its employees, as well as any SubGrantees as required by law.
12. **PUBLIC INFORMATION:** Grantee agrees that this Contract and invoices will be public records in accordance with the State of Utah's Government Records Access and Management Act (GRAMA). Grantee gives the State express permission to make copies of this Contract, related documents, and invoices in accordance with GRAMA. Except for sections identified in writing by Grantee and expressly approved by the State of Utah Division of Purchasing and General Services, all of which must be in accordance with GRAMA, Grantee also agrees that non-protected portions of Grantee's Application will be a public document, and copies may be given to the public as permitted under GRAMA. The State is not obligated to inform Grantee of any GRAMA requests for disclosure of this Contract, related documents, or invoices.
13. **PAYMENT:** The acceptance by Grantee of final Grant Money payment, without a written protest filed with the State within ten (10) business days of receipt of final payment, shall release the State from all claims and all liability to Grantee. No State payment is to be construed to prejudice any claims that the State may have against Grantee. State may withhold, adjust payment amount, or require repayment of any Grant Money under this Contract that is: provided in reliance on an inaccurate or incomplete representation, unsupported by sufficient invoices or other documentation, not used by Grantee for the project identified, used for any purpose in violation of the terms of this Contract or in violation of the law, or paid in excess of what is actually owed.
14. **REVIEWS:** The State reserves the right to perform reviews, and/or comment upon Grantee's use of the Grant Money. Such reviews do not waive the requirement of Grantee to meet all of the terms and conditions of this Contract.
15. **ASSIGNMENT:** Grantee may not assign, sell, transfer, subcontract or sublet rights, or delegate any right or obligation under this Contract, in whole or in part, without the prior written approval of the State.
16. **NON-PUBLIC INFORMATION:** If Non-Public Information is disclosed to Grantee, Grantee shall: (i) advise its agents, officers, employees, partners, and SubGrantees of the obligations set forth in this Contract; (ii) keep all Non-Public Information strictly confidential; and (iii) not disclose any Non-Public Information received by it to any third parties. Grantee will promptly notify the State of any potential or actual misuse or misappropriation of Non-Public Information. Grantee shall be responsible for any breach of this duty of confidentiality, including any required remedies and/or notifications under applicable law. Upon termination or expiration of this Contract and upon request by the State, Grantee will return all copies of Non-Public Information to the State or certify, in writing, that the Non-Public Information has been destroyed. This duty of confidentiality shall be ongoing and survive the termination or expiration of this Contract.
17. **PUBLICITY:** Grantee shall submit to the State for written approval all advertising and publicity matters relating to this Contract. It is within the State's sole discretion whether to provide approval, which must be done in writing.
18. **INDEMNIFICATION RELATING TO INTELLECTUAL PROPERTY:** Grantee will indemnify and hold the State harmless from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities, and costs in any action or claim brought against the State for infringement of a third party's copyright, trademark, trade secret, or other proprietary right. The parties agree that if there are any limitations of Grantee's liability, such limitations of liability will not apply to this section.
19. **OWNERSHIP IN INTELLECTUAL PROPERTY:** The State and Grantee each recognize that they have no right, title, interest, proprietary or otherwise in the intellectual property owned or licensed by the other, unless otherwise agreed upon by the parties in writing.
20. **WAIVER:** A waiver of any right, power, or privilege shall not be construed as a waiver of any subsequent right, power, or privilege.
21. **ORDER OF PRECEDENCE:** In the event of any conflict in the terms and conditions in this Contract, the order of precedence shall be: (i) this Attachment A; (ii) Contract signature page(s); (iii) the State's additional terms and conditions, if any; (iv) any other document listed or referenced in Contract; and (v) Grantee's terms and conditions that are attached to this Contract, if any. Any provision attempting to limit the liability of Grantee or limits the rights of the State must be in writing and attached to this Contract or it is rendered null and void.

22. **SURVIVAL OF TERMS:** Termination or expiration of this Contract shall not extinguish or prejudice the State Entity's right to enforce this Contract with respect to any default or defect in the Services that has not been cured.
23. **SEVERABILITY:** The invalidity or unenforceability of any provision, term, or condition of this Contract shall not affect the validity or enforceability of any other provision, term, or condition of this Contract, which shall remain in full force and effect.
24. **ENTIRE AGREEMENT:** This Contract constitutes the entire agreement between the parties and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written.

(Revision date: 21 March 2019)

## ATTACHMENT B: PROJECT DESCRIPTION

### PROJECT DESCRIPTION:

Santaquin's proposed project includes construction of a 3.3-million-gallon tank, a supporting booster pump station and 14,900 linear feet of pipe. This project will move one-third of city residents from a culinary water-based irrigation system to a reclaimed wastewater source for outdoor irrigation purposes. This conversion will save over 165M gallons of precious culinary water each year from being pumped out of the aquifer.

In addition to preserving 165M gallons of culinary water in the aquifer each year, the Santaquin tank project extends Santaquin's ability to store treated wastewater, thus not sending it to Utah Lake and helping keep Utah Lake from being polluted further. Utah Lake receives 215 tons of phosphorus per year due to other cities' wastewater treatment plant effluents entering the waterbody. Santaquin's ability to retain and reuse treated water through this tank project indirectly benefits all of Utah County while directly benefitting Santaquin City. Santaquin has a land area of 10.5 square miles or 0.5% of Utah County.

Santaquin's innovative water system has led to partnerships with many government and private parties. Santaquin's water reclamation and reuse facilities have been supported and celebrated by federal and state agencies. Past funding partners include USDA-RD, the Environmental Protection Agency (EPA), Central Utah Water Conservancy District (CUWCD), Utah Department of Water Quality, and Utah Department of Water Resources (see attachments for more information). The city's efforts have enabled developments to proceed while assuring each new and existing home and business will have sufficient water for generations. Santaquin is considered a "model of 'Best Practices' with regard to water conservation and reuse." Construction of this 3.3-million-gallon tank and related elements will provide most of the current city's residents with a more sustainable supply of reusable water for outdoor irrigation and preserve precious groundwater for culinary purposes. Please see attached exhibits for more project background and support.

The Summit Ridge Pressurized Irrigation Water Tank qualifies as a water and sewer infrastructure project under Sections 602(c)(1)(D), 603(c)(1)(D) of the American Rescue Plan Act which states an eligible use of the State and Local Fiscal Recovery Funds is "to make necessary investments in water, sewer, or broadband infrastructure." The Final Rule publication from the Department of the Treasury for the use of American Rescue Plan Act Funds for State and Local Funds, Federal Register publication Vol. 86, No. 93, page 17 states projects should be "necessary," defining necessary as something that "take(s) into account climate change," and a storage tank that allows for conservation of high-quality culinary drinking water in an increasingly arid state due to shifting climate does just that. Additionally, page 17 of the Final Rule provides "wide latitude to identify investments in water and sewer infrastructure... by aligning eligible uses... with the range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's Clean Water State Revolving Fund... or Drinking Water State Revolving Fund..." In the Utah League of Cities and Towns town hall titled "ARPA - Accessing Funding in Utah Municipalities" held on July 1, 2021, Tim Davis, director of the State of Utah's Division of Drinking Water cited storage tanks as an eligible project under the Drinking Water State Revolving Fund.

This project will keep water user rates low and as a basic human need, keeping costs low in an increasingly dry state is vital to benefitting those disproportionately affected by the negative economic impact of the COVID-19 pandemic. The city will save money in operational costs associated with our culinary water system such as water pumping and man hours of maintenance due to decreased lifting water from the aquifer to the new storage tank. In turn, operational savings and efficiencies will help keep user rates low because 1) the cost savings of city funds can be applied elsewhere in the water system and 2) there will be significant conservation of culinary water.

According to the Environmental Protection Agency (EPA), in dry climates like Utah’s, a single household’s outdoor water use can be as high as 60% of their total water use. Shifting a third of the city’s residents from a pressurized irrigation system that utilizes high quality culinary water to lower quality Type I water effectively conserves millions of gallons of culinary water in the system while still providing the needed water flows for agricultural operations, wildfire protection, and residential households. This project is a perpetuation of the city’s water reclamation and reuse system started in 2013. Coupled with the adopted tiered irrigation rate system and fully metered customer irrigation connections, the city will be able to closely monitor water usage and waste in the city’s overall water conservation system.

Santaquin’s water reclamation and reuse system is the only one in the State of Utah authorized to reuse 100% of its treated wastewater back into the city’s pressure irrigation (secondary) system. The system has been used citywide since 2009 with just under two-thirds of the city utilizing lower quality irrigation water sources. The proposed water tank will provide a source of reclaimed water for most of the remaining one-third of the city’s pressurized irrigation system connections. This would have saved Santaquin over 165 million gallons of culinary water last year (2021). In this respect, the proposed tank project is a continuation and completion of the innovative, 100% reclamation and reuse, water reclamation facility (WRF) for the city’s entire pressurized irrigation system.

Santaquin will measure the benefits of the Summit Ridge Water Tank project through the operational cost savings it provides and monthly water usage billings. Unlike most secondary irrigation systems in the state, Santaquin meters all customer irrigation connections in order to account for all water usage, enforces laws against abuse, and appropriately charges for usage utilizing a tiered rate schedule. Santaquin’s sewer effluent reclamation and reuse metered irrigation system is the preeminent example of sustainable water stewardship in the State of Utah. Continued intergovernmental investment into this system will perpetuate the state interest and emphasis in efficient water management.

Santaquin City received \$1,522,581 in ARPA funds which will be applied to this project. Santaquin petitioned for the state ARPA matching program in 2021 and ranked 16th out of over 350 projects. Unfortunately, no funding was awarded to Santaquin at that time. Santaquin is re-petitioning the state for matching ARPA funds in 2022 and has contracted with Lincoln-Hill Consultants to garner additional selection committee support for this project. Santaquin City also petitioned Utah County for matching funds in early 2022. Utah County recently awarded Santaquin City \$3M to help with construction of the tank and associated pipeline and booster pump station.

- November 15, 2021 - Engineering completed and general contractor is hired
- December 1, 2021 - Start construction on project
- April 2022 - Tank construction completed
- May 2023 - Final project completion
- June 2023 - Project closeout

<u>General Project Elements</u>	<u>Associated Costs</u>
Piping and Installation	\$2,233,800
Pressurized Irrigation Tank	\$2,466,200
Pumps and Installation	\$2,990,000
 Total Project Cost	 \$7,690,000



<u>Funding Sources for Project</u>	<u>Available Amounts</u>
Santaquin 2021-22 ARPA State Allocation funds to Non-Entitlement Units	\$1,522,581
2022 Utah County ARPA Funds	\$3,000,000
2021 Santaquin Water Revenue Bond	\$2,167,419
Potential State 2022 ARPA Matching Funds	\$1,000,000
Santaquin City Reserves	As Needed
 Total Project Cost	 \$ 7,690,000

This project was designed and out for bid in fall 2021. Recognizing the long lead times for materials and the potential for increased pricing, the Santaquin City Council authorized the purchase of all pipe (2.9 miles in length) and rebar needed for this project in September and October, 2021 respectively. Those purchases totaled more than \$1.7 million or 22% of the project cost. It is estimated that those early purchases saved nearly the same amount in potential inflation costs for the same materials.

The construction contract for the project was awarded with a guaranteed maximum price for all the major project elements (piping, valves and fittings, pump station, pumps, motors, electrical, valves, etc., pressurized irrigation tank construction). The city continues to work with the Construction Manager/General Contractor to monitor material costs and potential alternatives to keep the overall project at the \$7.69 million funding level. Any costs over the projected \$ 7.69 million will be born by the city.

This project is a pinnacle component of the city’s water reclamation and reuse plan. In 2013, the city completed a state of the art, membrane bioreactor (MBR), water reclamation facility, which can treat 1.5 million gallons of wastewater per day to near drinking water quality (i.e. Type I). The city has reused 2 billion gallons of Type I water since the plant began operations. That treated water has been pumped into the city’s irrigation system to supplement drought conditions and reduce pumping of water from the aquifer. The reclaimed water from the MBR supplies nearly one-quarter of the city’s outdoor water needs. During the non-irrigation season, treated water is stored in large ponds and storage tanks. The wave of growth occurring in Santaquin is quickly maximizing the storage capacity of the irrigation system. The proposed tank will provide additional storage and be a new reclaimed water source for just under one-third of the city’s population that currently uses culinary water for outdoor irrigation.

**BUDGET NARRATIVE:**

Funding Sources for Project:

Santaquin 2021-22 ARPA State Allocation funds to Non-Entitlement Units	\$1,522,581
2022 Utah County ARPA Funds	\$3,000,000
2021 Santaquin Water Revenue Bond	\$2,167,419
Potential State 2022 ARPA Matching Funds	\$1,000,000
Santaquin City Reserves	As Needed
 Total Project Cost	 \$ 7,690,000