

Q: What was and is Salt Lake City up to by apparently forcing this agreement on the LDS Church?

A: Control of water within Salt Lake City water sales area. If this well produces 3,000 to 5,000 acre-feet which it may, then the LDS Church's water bill would be reduced 85%. Run a line from this well to the University of Utah, and the U may be able to save over \$1 Million a year on its water bill.

The Catholic Church purchased a water right to drill a well, because it was tired of pay \$80,000 a year to SLC to water a cemetery. Will SLC force the Catholic Church into a "water agreement"? That remains to be seen.

MEMORANDUM OF UNDERSTANDING  
between  
CORPORATION OF THE PRESIDING BISHOP OF  
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS  
and  
SALT LAKE CITY COPORPORATION

RECORDED

DEC 18 2008

CITY RECORDER

THIS MEMORANDUM OF UNDERSTANDING (this "Agreement") is entered into this \_\_\_ day of December, 2008, by and between SALT LAKE CITY CORPORATION, a Utah municipal corporation (the "City"), and CORPORATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS, a Utah corporation sole ("CPB").

RECITALS

Does well in Salt Lake City require a 7 page "water agreement" with Salt Lake City?

WHEREAS, CPB owns the Brigham Young Park, which is situated on the south-east corner of the intersection of North Temple and State Street, Salt Lake City, Utah, and certain real property adjacent thereto (the "CPB Land"), as depicted in Exhibit A; and

WHEREAS, CPB operates several buildings in close proximity to the CPB Land (the "CPB Buildings") that receive municipal water services from the City; and

WHEREAS, CPB has determined that it is in its best interests to establish culinary back-up water supply facilities that would provide municipal water supply to some or all of the CPB Buildings during emergencies; and

WHEREAS, the City provides some of its municipal water to customers located in downtown Salt Lake City (including CPB) from the City's well located on Fourth Avenue in Salt Lake City; and

WHEREAS, it would be advantageous to the City to have back-up well capacity in addition to its Fourth Avenue well to provide municipal water service to customers located in downtown Salt Lake City, and a City-operated well located on the CPB Land would meet the City's needs for redundant capacity for customers served in that area; and

WHEREAS, the City and CPB have met and determined that it would be beneficial to both parties to have their respective requirements and agreed upon conditions set forth in this Agreement as a guideline for future and final negotiations for the development and operation of a well on the CPB Land; and

WHEREAS, both the City and CPB have the desire and the potential resources to meet the conditions set forth in this Agreement so that a well can be constructed on the CPB Land to provide redundant municipal water service to City customers located in downtown Salt Lake City, and to provide back-up emergency service to the CPB Buildings.

LDS Church pays for the well and transfers LDS Church water rights to well. SLC uses well and sells the water. Something does not make sense here. Why couldn't just use their own well and well water and not have to buy SLC water?

Why would the LDS Church pay to drill a well, equip it, and put a LDS water right in it and let SLC use both the well and sell the LDS water right?

So SLC is going to maintain the well. So what? How much maintenance could an idled emergency well require? Very little if any. What is the real point of this so-called Memo of Understanding? It's SLC water turf. No wells allowed which we can't control.

NOW THEREFORE, the City and CPB understand and agree that the conditions set forth below shall define their respective responsibilities as follows:

CONDITIONS

1. Project Description. In exchange for CPB constructing a well and related facilities (the "Well") on the CPB Land to be located approximately at the site identified on Exhibit A, the City will assume responsibility for operation of the Well once the Well is brought into production. CPB will use the Well to provide an emergency back-up water supply to some or all of the CPB Buildings. The City will use the Well to supply municipal water service to its customers in the downtown Salt Lake City area.
2. Change Applications. As soon as possible after execution of this Agreement, both CPB and the City will identify water rights to be used at the Well, and will submit the necessary change applications to the Utah State Engineer. The annual quantity of water authorized to be consumptively used under the water rights so identified by CPB to be moved to the Well shall, in the reasonable judgment of the City, exceed the quantity of water which CPB may reasonably be expected to use on an annual basis during Emergency Events (as defined in Section 7.)

Ownership keeps liability with LDS Church. All use to SLC keeps all others out and all effective benefit to SLC.

Basically, the LDS Church pays for a very expensive well SLC can use basically for free including the LDS Church's water which SLC can basically sell back to the LDS Church at high dollar. That's some public service.

Development Costs. CPB will contract for and pay for all costs required to bring the Well into production, including engineering, design, drilling, construction, and drinking water source protection compliance. Each party will be responsible for its own costs for attorney fees and pre-construction water right filings with the Utah State Engineer.

Well Construction; Ownership. The parties will cooperate to approve the design and construction plans for the Well. CPB will retain all ownership in the Well. The City will operate and maintain the Well pursuant to a separate Well operation agreement. Subject to first obtaining necessary City construction permits, and after both parties have submitted their change applications to the Utah State Engineer and the time period for objections has passed, CPB may elect to proceed to construct the Well. In addition, the City may provide technical advice to CPB concerning connections from the Well to the CPB Buildings. CPB will employ the services of a qualified contractor to construct the Well and will be responsible for obtaining a drilling permit from the Utah State Engineer. The contractor will provide adequate assurances and warranties to cover any operational defects for at least two years after the work is completed.

5. Operation Agreement for Use of Well. The parties will enter into a separate Well operation agreement to provide the City access to the Well for use, maintenance and operation of the Well. The operation agreement will set forth the terms for both the City's daily use of the Well and CPB's emergency-use of the Well (including the written emergency-use protocol). The Well operation agreement

Salt Lake City will pay "no charge" for the LDS Church's water.

shall include a lease to the City, at no charge, of the water derived from CPB's water rights moved to the Well. Conversely, there will be no charge to CPB for CPB's use of water delivered by the City during an Emergency Event. The parties acknowledge that the City's use of the Well capacity will serve as a redundant source for the City's water supply to provide service to the downtown area of Salt Lake City. It is anticipated that the term of the operation agreement between the parties will be twenty-five (25) years; provided that the parties, by mutual consent, may renew the operation agreement for an additional 25 years.

- 6. Normal Well Operations. The City will have no obligation to operate the Well until it is fully functional according to the City's standards. As soon as the Well is functional in accordance with such standards, the City will assume full operational control of the Well and operate it at the City's discretion. The City will cooperate with CPB during testing for emergency-use operations. The City will receive and utilize the full flow capacity of the Well for use within its municipal water system, and will beneficially use the water derived from the water rights of CPB that are the subject of the change applications submitted to and approved by the Utah State Engineer, to the full extent of, and consistent with, those water rights. The City and CPB shall mutually agree regarding the allocation of water produced at the Well as between the water rights of CPB and the City. The City will have all responsibility for day-to-day operations and maintenance of the Well, including electrical energy costs, water quality sampling, daily maintenance, minor repairs, backflow protection, and compliance with all Utah State Drinking Water Regulations.

Emergency-Use Operations. A qualifying emergency event (an "Emergency Event") would occur if there were a major disruption of municipal water service to one or more of the CPB Buildings for any reason. The City and CPB will work together to develop a written emergency-use protocol for providing municipal water service to the CPB Buildings during an Emergency Event. It is anticipated that during an Emergency Event, CPB would receive the first 600 gallons per minute from the Well, which would be delivered to CPB Buildings through water mainline pipes constructed by CPB from the Well to the CPB Buildings. The water delivered to CPB Buildings will be metered. The emergency use would commence immediately upon notice by CPB to the City; provided that if the Well were not operating at the time the Emergency Event occurred, emergency use would commence as soon thereafter as the City could reasonably complete start-up operations. The emergency-use would continue for the duration of the Emergency Event, and normal operations and use of the Well would be resumed by the City according to the protocol established by the parties.

- 8. Repairs to Well. During the term of the operation agreement, the City and CPB agree that they would share in equal portions the costs for major repairs or replacement of the Well, such as major repairs or replacement of any Well pumps, major electrical equipment repairs or replacement, and major repair or

What does "equal portions" mean? 50-50? The LDS Church may use the well 2 days in 2 years. SLC may use the daily or for 1,000's of acre-feet which is unlikely because SLC well capacity is overbuilt and under utilized.

Note: "full flow capacity" This means there is no more water for anyone else but SLC. That is the point for SLC to monopolize water rights and water sources to maintain high water costs to SLC residents and County residents. What harm would there be to SLC if there were no agreement? Other large customers may seek their own wells, too. If one overcharged water customer

What difference does it make who owns the well and the liability? It's who owns the use of the well which would be SLC under an agreement.

"any cause or no cause" usually used by parties who don't trust each other but respect each others power.

replacement of related buildings. Participation in such expenses shall not entitle the City to any ownership interest in the Well.

Termination. Either party may terminate this Agreement, for any cause or no cause, before the operation agreement is executed by the parties. The operation agreement shall allow CPB to terminate the operation agreement and withdraw from the project if CPB determines, in its sole discretion, that the costs of designing and constructing the Well and bringing the Well into production exceed its proposed budget. Either party may terminate the operation agreement and/or refuse to file a change application, or to withdraw any filed change application if, in the sole discretion of such party, the filing or prosecution of a filed change application may be detrimental to the water rights of such party. All costs incurred by a party prior to termination of this Agreement or the operation agreement shall be paid by such party.

10. Severability. If any section, sentence, paragraph, term or provision of this Agreement is for any reason determined to be or is rendered illegal, invalid, or superseded by other lawful authority including any state or federal, legislative, regulatory or administrative authority having jurisdiction thereof or determined to be unconstitutional, illegal or invalid by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision hereof or thereof, all of which will remain in full force and effect, unless it changes a major financial or operational provision.

11. Notices. Any notice, demand, request, consent, submission, approval, designation or other communication which either party is required or desires to give under this Agreement shall be made in writing and mailed to the other party at the addresses set forth below or at such other addresses as the parties may provide in writing from time to time. Such notices shall be faxed and mailed, by first-class mail, postage prepaid, as follows:

If to City, at:

Salt Lake City Corporation  
451 South State Street, Room 306  
Salt Lake City, Utah 84111  
Attention: Mayor

with copies to:

Salt Lake City Corporation  
c/o: Director, Department of Public Utilities  
1530 West Temple Street  
Salt Lake City, Utah 84115

and:

Salt Lake City Attorney  
451 South State Street, Suite 505  
Salt Lake City, Utah 84111

If to CPB, at:

Corporation of the Presiding Bishop of  
The Church of Jesus Christ of Latter-day Saints  
Real Estate Services Division  
50 East North Temple Street, 12<sup>th</sup> Floor  
Salt Lake City, Utah 841  
Attention: Natural Resource Services

12. Non-Waiver. No covenant or condition of this Agreement may be waived by either party, unless done so in writing by such party. Forbearance or indulgence by a party in any regard whatsoever shall not constitute a waiver of other covenants or conditions to be performed by the other party and shall not be deemed to be a waiver of any rights such party may have with respect to this Agreement.
13. Governing Law. This Agreement shall be governed by the laws of the State of Utah, both as to interpretation and performance. It shall be enforced only in either the federal or State district courts located in Salt Lake City, Utah.
14. No Third-Party Beneficiaries; No Assignment. There are no intended third-party beneficiaries to this Agreement. It is expressly understood that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the parties, and nothing contained in this Agreement shall give or allow any claim or right of action by any third person under this Agreement. It is the express intention of the parties that any person other than the party who received benefits under this Agreement shall be deemed an incidental beneficiary only. This Agreement may not be assigned.
15. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and no statements, promises, or inducements made by either party or agents of either party that are not contained in this Agreement shall be binding or valid, and this Agreement may not be enlarged, modified or altered except through a written instrument which is signed by both parties. To the extent of any conflict between the provisions of this Agreement and the provisions of any later agreements, the later agreements shall be controlling.
16. REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND

EMPLOYEES. CPB represents that it has not (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the parties hereto have executed the foregoing instrument as of the day and year first above written.

RECORDED

DEC 18 2008

CITY RECORDER



SALT LAKE CITY CORPORATION

By:

Ralph Becker  
Ralph Becker  
Mayor

ATTEST AND COUNTERSIGN:

Beverly Jones  
Deputy City Recorder

APPROVED AS TO FORM:

ER Vitt  
Salt Lake City Attorney's Office

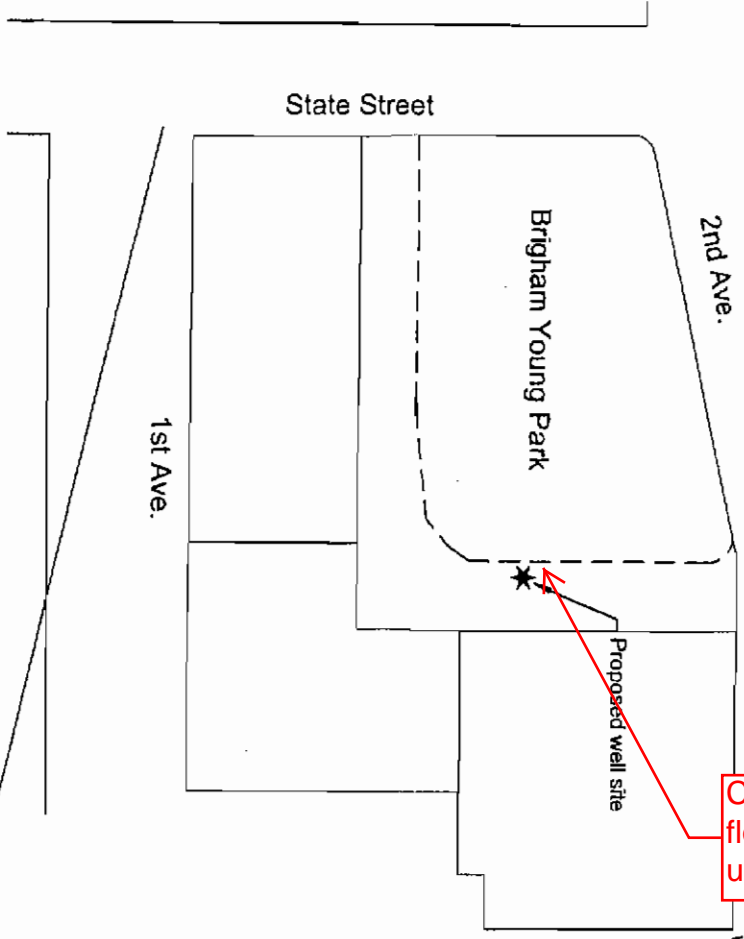
CORPORATION OF THE PRESIDING  
BISHOP OF THE CHURCH OF JESUS  
CHRIST OF LATTER-DAY SAINTS,  
a Utah corporation sole

By:

Dean M. Davles  
Name (Print): Dean M. Davles

Its: Authorized Agent

**EXHIBIT A**



City Creek underground flow area. Lot's of underground water here.

Proposed well site - N 635' E 1165'  
SW 1/4, SW 1/4, SEC 31, T1N, R1E

		31	

**Brigham Young Park Well**

November 07, 2008

**STATE OF UTAH -- DIVISION OF WATER RIGHTS -- DATA PRINT OUT for a35618(57-927)**

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 08/28/2010 Page 1

CHANGE: a35618 WATER RIGHT: 57-927 CERT. NO.: AMENDATORY? No COUNTY TAX ID:

BASE WATER RIGHTS: 57-10390, 57-927

RIGHT EVIDENCED BY: 57-927(A16520), 57-10390(A30215a), a portion of 57-2931

CHANGES: Point of Diversion [X], Place of Use [X], Nature of Use [X], Reservoir Storage [ ].

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NAME: Corporation of the Presiding Bishop LDS Church  
 ADDR: ATTN: Natural Resource Services  
 50 East North Temple, 12th Floor East  
 Salt Lake City UT 84150-6321  
 REMARKS:

NAME: Property Reserve Inc.  
 ADDR: Attn: Natural Resource Services  
 50 East North Temple Street, FL 12  
 Salt Lake City, Utah 84150-6320  
 REMARKS:

NAME: Salt Lake City Corp. (Public Water Supplier)  
 ADDR: Department of Public Utilities  
 1530 South West Temple  
 Salt Lake City, UT 84115  
 REMARKS:

90.807 Acre-feet = 90.807 X  
 325,851 gallons (1 Acre-foot =  
 29,589,551.75 or about 30 Million  
 gallons.  
 (39,558 CC (1 CCF =748 gallons)  
 @ SLC Public Utilities top tier  
 county rate is \$110,664.92 worth  
 of water per year.

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FILED: 06/01/2009 | PRIORITY: 06/01/2009 | ADV BEGAN: 07/23/2009 | ADV ENDED: 07/30/2009 | NEWSPAPER: Deseret News  
 ProtestEnd:08/19/2009 | PROTESTED: [No ] | HEARNG HLD: | SE ACTION: [Approved] | ActionDate:12/01/2009 | PROOF DUE: 12/31/2014  
 EXTENSION: | ELEC/PROOF:[ ] | ELEC/PROOF: | CERT/WUC: | LAP, ETC: | LAPS LETTER:  
 RUSH LETTR: | RENOVATE: | RECON REQ: | TYPE: [ ]

Status: Approved

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 \*\*\*\*\*H E R E T O F O R E\*\*\*\*\*  
 \*\*\*\*\*H E R E A F T E R\*\*\*\*\*  
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FLOW: 0.509 cfs OR 90.807 acre-feet	FLOW: 90.807 acre-feet
SOURCE: Underground Water Wells (5)	SOURCE: Underground Water Wells (2)
COUNTY: Salt Lake	COUNTY: Salt Lake COM DESC: SLC service area
	<p>Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-Day Saints, a Utah corporation sole (CPB) and Salt Lake City Corporation (the City) have entered into a Memorandum of Understanding regarding the development of a well for an emergency back-up water supply to several CPB buildings and a redundant municipal water service to City customers located in downtown Salt Lake City.</p> <p>In order to provide water for the well, two change applications are being submitted, one by CPB and one by the City. Salt Lake City will be adding this new well as a point of diversion to</p>

water rights 57-116 and 57-785. CPB will use water rights 57-10390 and 57-927, where the total annual diversion for the CPB rights should not exceed 90.807 acre-feet (or flow rate of 0.509 cfs).

If approved, the proposed change applications will allow CPB to construct a well in Brigham Young Park, which is located on the south east corner of the intersection of North Temple and State Street. CPB has determined that it is in its best interests to establish culinary back-up water supply facilities that would provide municipal water supply to some or all of the CPB-owned buildings during emergencies. CPB will be responsible for construction of the well and facilities.

Once operational, Salt Lake City will assume the responsibility for the operation of the well. The City currently uses the well located on Fourth Avenue to provide municipal water to customers located in downtown Salt Lake City (including CPB). It will be advantageous to the City to have back-up well capacity in addition to its Fourth Avenue well. Also, a City operated well located on CPB property would meet the City's needs for redundant capacity within its service area.

A 20 inch well 500 to 1,000 feet deep in the City Creek water channel could produce over 3,000 acre-feet of water. At SLC average charge, that is \$1.8 million per year in water.

POINT(S) OF DIVERSION ----->

Point Underground:

- (1) N 494 ft E 149 ft from SW cor, Sec 31, T 1N, R 1E, SLBM  
Diameter: 20 ins. Depth: 705 to ft. WELL ID#: 8636  
COMMENT: Well No. 4
- (2) N 476 ft E 150 ft from SW cor, Sec 31, T 1N, R 1E, SLBM  
Diameter: 20 ins. Depth: 636 to ft. WELL ID#: 5589  
COMMENT: Well No. 1
- (3) N 648 ft W 641 ft from SE cor, Sec 36, T 1N, R 1W, SLBM  
Diameter: ins. Depth: 635 to ft. WELL ID#: 5596  
COMMENT: Well No. 3
- (4) N 639 ft W 172 ft from SE cor, Sec 36, T 1N, R 1W, SLBM  
Diameter: 16 ins. Depth: 383 to ft. WELL ID#: 5595  
COMMENT: Well No. 2

Point Return:

- (1) S 205 ft E 539 ft from NW cor, Sec 06, T 1S, R 1E, SLBM  
COMMENT: Returned Water (57-927)

CHANGED AS FOLLOWS: (Click Location link for WRPLAT)

Point Underground:

- (1) N 635 ft E 1165 ft from SW cor, Sec 31, T 1N, R 1E, SLBM  
Diameter: 20 ins. Depth: 500 to 1000 ft. WELL ID#: 000000  
COMMENT: Brigham Young Park Well
- (2) N 1655 ft E 1510 ft from SW cor, Sec 31, T 1N, R 1E, SLBM  
Diameter: 20 ins. Depth: 464 to ft. WELL ID#: 000000  
COMMENT: Fourth Avenue Well (existing)

PLACE OF USE ----->

	--NW¼--	--NE¼--	--SW¼--	--SE¼--
Sec 31 T 1N R 1E SLBM	*	*	:X:	*
Sec 06 T 1S R 1E SLBM	*X:	*	*	*

CHANGED as follows:

	--NW¼--	--NE¼--	--SW¼--	--SE¼--
Sec 31 T 1N R 1E SLBM	*	*	:X:	*
Sec 06 T 1S R 1E SLBM	*X:	*	*	*

NATURE OF USE ----->	CHANGED as follows:
NATURE OF USE ----->	CHANGED as follows:
NATURE OF USE ----->	CHANGED as follows:
NATURE OF USE ----->	CHANGED as follows:
SUPPLEMENTAL to Other Water Rights: Yes	SUPPLEMENTAL to Other Water Rights: No
IRR: 3.8000 acres. USED 04/01 - 10/31	
	MUN: Salt Lake City USED 01/01 - 12/31
OTH: INDUSTRIAL: 3,250 Employees - USED 01/01 - 12/31	
71.307 acre-feet allowed for this use from both water right	

\*\*\*\*\*E N D O F D A T A\*\*\*\*\*

A 20 inch well 500 to 1,000 feet deep in the City Creek water channel could produce over 3,000 acre-feet of water. At SLC average charge, that is \$1.8 million per year in water.

