



CITY OF RICHMOND

P.O. Box 9

Richmond, Utah 84333

(435) 258-2092

(435) 258-3604 Fax

Mayor

Michael E. Hall

City Council Members

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City Manager

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September 26, 2011

Mr. Logan Checketts
Cherry Peak Ski Area, LLC
3132 North 4000 West
Dayton, ID 83232

Re: Water service availability

Dear Mr. Checketts,

In response to your e-mail of August 11, 2011 requesting a letter from Richmond City relative to your development, we offer the following:

1. In a letter of agreement dated September 20, 1984, signed by Mayor Marvin Traveller, in behalf of Richmond City, and Dr. Jonathon Daines, in behalf of the Daines family, the City agreed to provide eight (8) permanent water hook-ups "...the size of the one I already have...". The existing hook-up referred to was for water to service a "summer cabin" but did not specify any additional pipe diameter. It is acknowledged in the document that this is untreated water.

2. By inference, the eight (8) hook-ups would therefore be intended for seven (7) additional similar dwellings or uses, meaning seven (7) additional summer cabins.

3. No reference or inference relative to commercial application and associated water demand is incorporated within the text of the signed document, nor recognized by the City.

4. During our visit and tour of the proposed ski area on Saturday, July 9th, you stated that Dr. Jonathan Daines would be retaining his hook-up on Cache County Property Tax number 18-057-0013, for his own use. You also stated that you had acquired the additional seven (7) hook-ups for use with the ski area, which are associated with Lots 1 through 4 of the Cherry Creek Canyon Subdivision and Cache County Property Tax numbers 18-057-0005, 18-057-0011, 18-057-0012. The City will require copies of the acquisition documents or other satisfactory proof that you have legal title to said seven (7) hook-ups.

5. You also indicated that the ski area would require in the neighborhood of ten million (10,000,000) gallons of water per year.

6. In the proposed Master Plan posted at http://dl.dropbox.com/u/37931797/081011_Cherry%20Peak%20Resort%20Master%20Plan.pdf the anticipated requirement for water is seven million (7,000,000) gallons between September and February for snow making. We assume the additional three million (3,000,000) gallons would be the total utilized during the balance of each year. Please advise if this assumption is incorrect.

7. Richmond City understands the requirements and needs of your project; however, we also bear the responsibility of ensuring a constant and adequate water supply to the City and its residents. Since the City water tanks and distribution system are all “downstream” from the ski area, we are obligated to put necessary restrictions in place to maintain the City’s culinary water supply stability. In this regard, the City reserves the right to review, comment on, and object to any proposed sewer system, if the City determines the integrity of its culinary water sources are threatened.

A. Richmond City is restricted by Utah Code Annotated Title 10, Chapter 8, Section 14 (1)(d) to sell and deliver only “surplus” water and/or surplus service capacity of its culinary water system to non-residents. We can provide, under normal conditions, save “Acts of God” that may disrupt water flow or quality, and subject to added demands upon the City water supply by reason of increased residential/commercial demands and future growth of the City, a total of five thousand (5,000) gallons of water per month per connection for a total of thirty-five thousand (35,000) gallons per month at the normal residential base rate. This amount is calculated upon the original intent of the connections to provide water service to seven (7) cabins that would not be expected to be used year round. To insure clarity, the thirty-five thousand (35,000) gallons amount would be the total for the combined seven (7) connections per month, and is not cumulative.

B. We will sell to you, at current commercial business rates, as much water as possible within the parameters of the City’s requirements including culinary usage, fire suppression capability, and other, normal, requirements on a daily basis. As noted above, these restrictions are required to comply with the provisions of UCA 10-8-14(1)(d).

C. The City will require the business to install separate water meters, meeting the standards of Richmond City, to measure Dr. Daines water usage and, separately, the usage of the resort. These meters will need to be placed and maintained to allow year-round reading by Richmond City workers. Any other equipment, back-flow devices, and other items required by law and/or determined to be necessary shall also be provided at your sole expense.

D. No pumping from the water service line can be allowed. We realize that the resort will need to pump water for its use, whether culinary or for snow-making purposes, but the pumps must be completely removed from the water service line and installed in conformance with all applicable codes.

E. Assuming that water will be collected into ponds, based upon a two-inch service line, you will be required to have a fixed "air-gap" of a minimum of two (2) feet between the end edge of the discharge nozzle from the water service line discharge point and the maximum surface height of the pond or other collection point. This requirement complies with Federal and State "cross-connection prevention" mandates that must be strictly observed.

If you can concur with the items contained within this letter, please let me know and we can formulate a formal contract. The provisions of this letter have been reviewed and approved by the Richmond City Council.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michael E. Hall", written in a cursive style.

Michael E. Hall
Mayor

cc: County Planning Office, Attn: Chris Harrild