

February 10, 2011

To the Manila Water Board:

Pleasant Grove City and Cedar Hills City have reviewed the Manila Water Board proposal regarding dissolution of the Company and agree to the following arrangements:

1. The assets of the Manila Water Company will be divided proportionately between Pleasant Grove City and the City of Cedar Hills based upon the percentage of users within the respective existing municipal boundaries.
2. The infrastructure of the system will be shared according to an interlocal agreement and a memorandum of understanding between the two cities.
3. All water rights associated with Manila Water Company will be split as follows:
 - a. Those water rights associated with the wells will go to the respective cities.
 - b. All other water rights will go to the Pleasant Grove Metro Water District.
4. Pleasant Grove City and the City of Cedar Hills agree to keep the current Manila Water rates effective until January 1, 2012.

We would appreciate a letter from the Manila Water Board agreeing to these terms so we can move forward. If you have any questions or concerns about these terms please contact Scott Darrington, City Administrator of Pleasant Grove City at (801) 922-4529.

If the Manila Water Company agrees to these terms then the dissolution of the Company will be initiated by March 1, 2011 and be completed by June 1, 2011.



Bruce W. Call
Mayor
Pleasant Grove City



Eric Richardson
Mayor
City of Cedar Hills