



Highlands Water Co.
 5880 Highland Dr.
 Mountain Green, UT 84050
 801 876-2510
highlandswaterco@gmail.com
 24 hour phone #801-458-0175

STOKES STEVENSON
 1215 Wilmington Ave Ste. 120
 Salt Lake City, UT 84106

RE: Water Service Proposal - AFS Lee's Mountain Green Subdivision

Dear Zach,

Highlands Water Co. is happy to provide a Will Serve Letter for Lee's Marketplace and the adjoining lots, and can do so immediately upon receipt of a signed development agreement and payment of associated fees.

There would be no delay on our end, as we have ample source, storage, and water rights available to meet your required needs.

Here is a cost breakdown for what has previously been discussed:

- **Connection Fees:** \$2500 per connection
 - This would be for a 3/4" meter that is standard for residential connections. If a larger meter is needed, you would be responsible for the difference in material cost.
- **Infrastructure Fees:** \$8675 per ERU
 - This covers required source, storage, and transmission lines as well as payback agreements.
- **Water Rights:** You have a few options regarding water rights:
 - You may use your own water rights if you have them.
 - You may obtain a contract through Weber Basin Water Conservancy District.
 - We have water rights previously purchased through Weber Basin, as well as private water rights held by our company. Depending on which type of water rights you prefer, and pending board approval, these would cost between \$10,000 - \$15,000 per ERU. A discussion of water rights can be held as needed.
- **Inspection Fees:**
 - \$50 per inspection

- **Engineering Fees:**
 - Actual cost as billed
- **Attorney Fees:**
 - Actual cost as billed for development agreement
- **Usage Fees:** After lines are installed and operational, monthly usage costs are as follows:

0-12,000 gallons (monthly minimum)	\$32
12,001 - 50,000 gallons	\$1 per 1,000 gallons
50,001 - 100,000 gallons	\$1.50 per 1,000 gallons
100,001+ gallons	\$2.75 per 1,000 gallons

We've tried to be clear and comprehensive in this proposal. If you have questions about the items listed above, we are happy to address them.

Highlands Water Co. has been serving customers for nearly 60 years, and is well-situated to provide service to Lee's Marketplace. We have existing water lines on the east, west, and north sides of the property, and our source, storage, and infrastructure are established and reliable. We appreciate the opportunity to submit this proposal, and hope to work with Stokes Stevenson on this long-anticipated project.

Best regards,



Marjalee Smith
 President, Highlands Water Co.



Highlands Water Company
5880 Highland Drive
Mountain Green, Utah, 84050

Subject: Request for Water Service Proposal - AFS Lee's Mountain Green Subdivision

Dear Bart / Marjalee,

In an effort to avoid winter-related delays to the Lee's Marketplace store opening, the Morgan County Commission has granted a limited-scope permit for the construction of certain project improvements within the AFS Lee's Marketplace Subdivision. The scope of this permit is limited to the installation of utilities, right-of-way improvements, footings, foundation, and flooring.

To ensure that the water infrastructure is installed in a manner satisfactory to Highlands Water Company, you will be notified upon installation of the project's water improvements and will be given a 6-day period during which time you can inspect the infrastructure and provide acknowledgment of acceptance for future use.

Although site work is underway, Morgan County staff will not issue a building permit or allow for plat recordation without a valid Water Will Serve Letter from an approved water company. This means that without the Will Serve Letter, progress at the site will soon come to a halt, causing additional delays and financial burden to the Lee's Marketplace organization.

To prevent additional delays, we would like to request that Highlands Water Company prepare and submit a formal, written proposal to provide water service to the project. The proposal will be presented to the Lee's Marketplace organization to facilitate their decision in selecting a water provider.

Please make sure the proposal addresses all of the following requirements and aspects of water service:

- Will Serve Letter(s) – the Will Serve Letter(s) need to provide at a minimum 7 Equivalent Residential Units (ERUs) for Lot 1 (Lee's Marketplace) and a minimum of 1 ERU for each of the remaining lots within the subdivision, unless ERUs have previously been allocated to a lot for service (Lot 5).
- Capacity Details – Please detail any unique requirements to provide all elements of water service:
 - o Source: [Specify any source requirements]
 - o Storage: [Specify any storage requirements]
 - o Rights/Shares: [Specify any water right requirements]
- Cost Details – Please provide a comprehensive breakdown of all costs related to the installation and operation of the water service:
 - o Installation costs and Impact Fees
 - o Operational costs



- Any other applicable fees and charges

Please note that time is of the essence for the water service proposal and Will Serve Letter(s). The project will be ready to construct “vertical” building improvements by October 18th and will have completed all improvements allowed under its limited-scope permit by November 10th.

Please submit your proposal via email to Travis@stokesstevenson.com, Bryan@stokesstevenson.com, and Zach@stokesstevenson.com no later than Thursday, October 12th.

We sincerely appreciate your attention to this urgent matter and your cooperation in facilitating the timely progression of the Lee’s Marketplace project. Should you require any additional information or clarification on the project specifics, please do not hesitate to reach out.

Best,

Stokes Stevenson

Travis Lish
Managing Partner

Bryan Stevenson
Managing Partner

September 9, 2023