

RESOLUTION NO. 10-20

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT MORE THAN \$684,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS OF HYRUM CITY, UTAH, FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; AUTHORIZING PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED; AUTHORIZING THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND THE HOLDING OF A PUBLIC HEARING; AND RELATED MATTERS.

WHEREAS, the City Council (the “*City Council*”) of Hyrum City, Utah (the “*City*”) considers it desirable and necessary and for the benefit of the City to issue its water revenue bonds (the “*Bonds*”) for the purpose of financing the cost of acquiring and constructing a water re-use pump station and related improvements (the “*Project*”); and

WHEREAS, the City Council now desires to publish a Notice of Bonds to Be Issued pursuant to Section 11-14-316, Utah Code Annotated 1953, as amended; provide for the holding of a public hearing pursuant to Section 11-14-318, Utah Code Annotated 1953, as amended; and direct the publication of a Notice of Public Hearing (the “*Notice of Public Hearing*”); and

WHEREAS, expenditures relating to the Project (the “*Expenditures*”) have been paid within 60 days prior to the passage of this resolution (the “*Resolution*”) or (ii) will be paid on or after the passage of this Resolution and prior to the issuance of the Bonds;

NOW, THEREFORE, Be It Resolved by the City Council of Hyrum City, Utah, as follows:

Section 1. Bonds to Be Issued. The City Council hereby finds and determines that it is desirable and necessary and for the benefit of the City for it to issue, for the purpose of financing a portion of the costs of the Project, not more than \$684,000 aggregate principal amount of its water revenue bonds, to mature in not more than 11 years from their date or dates, to bear interest at a rate or rates not to exceed 3.4% per annum (provided that any unpaid sinking fund installments or interest following the due date thereof will bear interest at the rate of 18% per annum from the due date of such amount until paid), and to be sold at a discount from par not to exceed 2% percent, expressed as a percentage of principal amount, all in accordance with and pursuant to the provisions of a Master Resolution Providing for the Issuance of Water Revenue Bonds, adopted October 7, 2010, by the City Council of the City (the “*Master Resolution*”), a copy of which is attached hereto as *Annex B*, and a Supplemental Resolution authorizing the issuance and sale of the Bonds (the “*Supplemental Resolution*”), to be adopted by the City Council at a future date, a draft of which, in substantially final form, is attached hereto as

Annex B, and the City Council hereby declares its intention to issue the Bonds according to the provisions of this section.

Section 2. Authorization. The City Council hereby authorizes and approves the Project and the issuance of the Bonds to finance the Project pursuant to the provisions of this Resolution, the Master Resolution and the Supplemental Resolution; *provided* that the principal amount, interest rate or rates, and maturity or maturities, and discount shall not exceed the maximums set forth in Section 1 hereof.

Section 3. Publication of Notice of Bonds to Be Issued. In accordance with the provisions of Section 11-14-316, Utah Code Annotated 1953, as amended, the City Recorder shall cause the following Notice of Bonds to Be Issued to be published one time in the *Herald Journal*, a newspaper of general circulation in the City, and shall cause a copy of this resolution, together with the exhibits thereto, to be kept on file in her office for public examination during the regular business hours of the City Recorder for at least 30 days after the date of such publication. The Notice of Bonds to Be Issued shall be in substantially the following form:

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 11-14-316, Utah Code Annotated 1953, as amended, that on December 2, 2010, the City Council of Hyrum City, Utah (the “City”) adopted a resolution (the “*Resolution*”) in which it authorized and approved the issuance of the City’s water revenue bonds (the “*Bonds*”) in an aggregate principal amount of not to exceed \$684,000, to mature in not more than 11 years from their date or dates, to bear interest at a rate or rates not to exceed 3.4% per annum (provided that any unpaid sinking fund installments or interest following the due date thereof will bear interest at the rate of 18% per annum from the due date of such amount until paid), and to be sold at a discount from par, expressed as a percentage of principal amount, of not to exceed 2%.

The Bonds are to be issued and sold by the City pursuant to the Resolution, including as part of the Resolution (1) a copy of a Master Resolution Providing for the Issuance of Water Revenue Bonds, adopted October 7, 2010, by the City Council (the “*Master Resolution*”), and (2) the form of a Supplemental Resolution (collectively, the “*Supplemental Resolution*”). A copy of the Master Resolution and a draft of the Supplemental Resolution, in substantially final form, were attached to the Resolution at the time of the adoption of the Resolution. The Supplemental Resolution will be adopted by the City Council at a future date prior to the issuance of the Bonds, in substantially the form thereof attached to the Resolution, with such changes thereto as shall be approved by the City Council upon the adoption thereof, *provided* that the principal amount, interest rate or rates, maturity or maturities and discount will not exceed the maximums set forth above.

The Bonds are to be issued for the purpose of financing the cost of acquiring and constructing a water re-use pump station and related improvements, and paying all costs and expenses incident to the authorization and issuance of the Bonds, all as set forth in the Master Resolution and the Supplemental Resolution.

A copy of the Resolution (including a copy of the Master Resolution and a draft of the Supplemental Resolution) is on file in the office of the City Recorder, located at 83 West Main, in Hyrum City, Utah, where it may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. Such Resolution (including a copy of the Master Resolution and a draft of the Supplemental Resolution) shall be so available for inspection for a period of at least 30 days from and after the date of the publication of this notice.

NOTICE IS FURTHER GIVEN that pursuant to law for a period of 30 days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the above-described Resolution (including the Supplemental Resolution) of the City Council of Hyrum City, Utah, or the Bonds or any provisions made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause.

DATED this 2nd day of December, 2010.

HYRUM CITY, UTAH

By _____
City Recorder

Section 4. Public Hearing. In satisfaction of the requirements of Section 11-14-318, Utah Code Annotated, as amended, a public hearing shall be held by the Council on January 6, 2011, at 6:30 p.m., at the regular meeting place of the Council, located at 83 West Main Street, in Hyrum City, Utah, with respect to the issuance by the City of the Bonds for the purpose of financing certain costs of the Project and the potential economic impact of the Project.

Section 5. Publication of Notice of Public Hearing. (a) The City Recorder shall cause the Notice of Public Hearing, in substantially the following form, to be published once each week for two consecutive weeks in the *Herald Journal*, a newspaper of general circulation in the City, with the first publication being at least 14 days prior to the date set for the public hearing:

**NOTICE OF PUBLIC HEARING
CITY OF HYRUM, UTAH**

PUBLIC NOTICE IS HEREBY GIVEN that the City Council (the “*Council*”) of Hyrum City, Utah (the “*City*”) adopted a resolution (the “*Resolution*”) on December 2, 2010, providing for the issuance and sale of up to \$684,000 of water revenue bonds (the “*Bonds*”) of the City, and calling a public hearing to receive input from the public with respect to the issuance of the Bonds and the potential economic impact that the improvements, facilities, or properties to be financed in whole or in part by the Bonds will have on the private sector, pursuant to Section 11-14-318, Utah Code Annotated 1953, as amended.

The City intends to issue the Bonds for the purpose of financing the costs of acquisition and construction of a water re-use pump station and related improvements (the “*Project*”) and paying costs and expenses incident thereto.

The City intends to issue the Bonds in an amount not to exceed \$684,000.

The City will not pledge any taxes of the City for the payment of the Bonds. Instead, the City will pledge, pursuant to that certain Master Resolution Providing for the Issuance of Water Revenue Bonds of the City (the “*Master Resolution*”) and a Supplemental Resolution authorizing the issuance and sale of the Bonds (the “*Supplemental Resolution*”) the revenues attributable to the City’s water system, for the payment of the Bonds.

The Council will hold a public hearing at 6:30 p.m. on January 6, 2011. The public hearing will be held at the regular meeting place of the Council, located at 83 West Main Street, Hyrum, Utah. All members of the public are invited to attend and participate in the public hearing. Prior to the public hearing, written comments may be submitted to the City, to the attention of the City Recorder, at 83 West Main Street, Hyrum, Utah 84319.

DATED this 2nd day of December, 2010.

HYRUM CITY, UTAH

By _____
City Recorder

(b) In satisfaction of the conditions of the Notice of Authorization and Conditions, dated August 26, 2010, of the State of Utah, Department of Natural Resources, Board of Water Resources, the City Recorder shall cause the Request for Public Comment, in substantially the form set forth in *Annex C*, to be provided to all water users of the City.

Section 6. Reimbursement Intent. In satisfaction of certain requirements under the Internal Revenue Code of 1986, the City reasonably expects to reimburse the Expenditures with proceeds of the Bonds to be issued in the maximum principal amount of not more than \$684,000.

Section 7. Effective Date. Immediately after its adoption, this Resolution shall be recorded in a book kept for that purpose and shall be in full force and effect immediately upon its adoption.

ADOPTED AND APPROVED BY THE CITY COUNCIL on December 2, 2010.

HYRUM CITY, UTAH

Mayor

[SEAL]

ATTEST:

City Recorder

ANNEX A

[MASTER RESOLUTION]

ANNEX B

[SUPPLEMENTAL RESOLUTION]

ANNEX C

REQUEST FOR PUBLIC COMMENT

February 18, 2003

Dear Water User:

Hyrum City has applied to the State of Utah, Department of Natural Resources, Board of Water Resources (the “*Board*”) for financial assistance to be used in construction of a water re-use pump station and related facilities (the “*Project*”). Security for the loan would be provided through the sale of a non-voted water revenue bond to be sold. The bonds will be issued in an amount not to exceed \$684,000, which amount will be repaid to the Board over a period of not more than 11 years at an interest rate of 3.4% per annum. Payments shall be made from the net revenues of the water system. The repayment schedule for the bonds will be approximately as follows:

DATE DUE/PAID (JANUARY 1)	PRINCIPAL	INTEREST	PAYMENT
2012	\$	\$	\$
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
TOTAL	\$	\$	\$

[Water system rates and impact fees are not expected to increase as a result of the Project (but may be increased from time to time in the future, as determined by the City Council).]

It is the policy of the Board to provide a period for public comment prior to the purchase of any non-voted revenue bonds. In this regard, the Board wishes to solicit the comments of the water users (either favorable or negative). Interested individuals are encouraged to respond in writing before December 17, 2010. All written comments received prior to that date will be reviewed by the Board prior to the final decision on whether to proceed with the bond purchase. Comments should be addressed to:

Hyrum City
83 West Main
Hyrum, Utah 84139

Thank you for your consideration in this matter.

Sincerely,

HYRUM CITY, UTAH

By _____
City Recorder