NOTICE AND AGENDA

Notice is hereby given that the Millville City Council will hold a City Council Meeting on Thursday, March 27, 2024, at the Millville City Office, 510 East 300 South in Millville, Utah, at 7:00 p.m.

1. Call to Order / Roll Call – Mayor Hair
2. Opening Remarks / Pledge of Allegiance – Councilmember Wilker
3. Approval of agenda
4. Approval of minutes of the City Council Meeting – March 14, 2024
5. Agenda Items:
    A. Public comment period (2 min/person)
    B. Consideration of resolutions authorizing sewer revenue bonds, series 2024A, in the aggregate maximum repayable principal amount not to exceed $5,011,000; to finance, in part, sewer system improvements, and related improvements; and related matters – Recorder Twedt
    C. Committee selection of two councilmembers for Boundary Line Adjustment discussions with Providence City – Mayor Hair
    D. Councilmember reports and other items for future agendas
6. Adjournment.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during public meetings should notify Corey Twedt at (435) 881-2669 at least three days prior to the meeting.

This agenda was posted on March 25, 2024, to the City posting locations, the City Website, and the Utah Public Meeting Notices Website.

Corey Twedt, Recorder

MILLVILLE CITY COUNCIL MEETING
City Hall – 510 East 300 South – Millville, Utah
March 14, 2024

PRESENT: David Hair, Daniel Grange, Clay Wilker, Pamela June, Ryan Zollinger, Jeremy Ward, Tara Hobbs, Chad Kendrick, Kara Everton, Corey Twedt, Sheriff Chad Jensen, Lieutenant Tim Ramirez, Ian McArthur, Spencer Hedelius, Travis Brunson, Lisa Brunson, Kelly Powell, Luke Crane

DRAFT

Call to Order/Roll Call
Mayor David Hair called the City Council Meeting to order for March 14, 2024, at 7:00 p.m. The roll call indicated Mayor David Hair and Councilmembers Pamela June, Jeremy Ward, Ryan Zollinger, Clay Wilker, and Daniel Grange were in attendance.

Opening remarks/Pledge of Allegiance
Councilmember June welcomed everyone to the Council Meeting and led all present in the pledge of allegiance. She then offered a word of prayer.

Approval of agenda
The agenda for the City Council Meeting of March 14, 2024, was reviewed.
Councilmember Ward motioned to approve the agenda for March 14, 2024.
Councilmember Grange seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (A copy of the agenda is included as Attachment "A".)

Approval of minutes of the previous meeting
The Council reviewed the minutes of the City Council Meeting from **February 8, 2024**.
Councilmember June moved to approve the minutes for February 8, 2024.
Councilmember Zollinger seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes.

Public comment period
Mayor Hair opened the floor for any public comments. No one signed up for the public comment portion of the meeting.

Request for a business license for Cinch I.T. of Logan
Luke Crane has submitted a request for a business license for Cinch I.T. of Logan at 185 North 430 East. Luke was not present at the meeting at this time. The Council reviewed the application.

Councilmember Zollinger moved to approve the business license for Cinch I.T. of Logan. Councilmember Grange seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (A copy of the license application is included with the minutes as Attachment "B".)

Request for a business license for Green Acre Lawn Care LLC

Spencer Hedelius has submitted a request for a business license for Green Acre Lawn Care LLC at 41 North 550 East. Spencer confirmed that he would not be parking a trailer or supplies at this address and that he would not be meeting with customers at the home.

Councilmember Ward moved to approve the business license for Green Acre Lawn Care LLC. Councilmember June seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (A copy of the license application is included with the minutes as Attachment "C".)

Request for a business license for werner1ton hotshot

John Werner has submitted a request for a business license for werner1ton hotshot at 85 South 100 West. John was not present at the meeting. Councilmember Zollinger said that he would like confirmation that no vehicles would be parked on the City right-of-way in association with this business. Recorder Twedt said that he would speak with John and could confirm parking arrangements.

Councilmember Grange moved to approve the business license for werner1ton hotshot pending staff approval on the parking concern. Councilmember Zollinger seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (A copy of the license application is included with the minutes as Attachment "D".)

Request for a business license for KIKI KAWA

Kara Everton has submitted a request for a business license for KIKI KAWA at 115 South Main Street. Kara explained that her license had been based in another city previously, but that they would like to move it to Millville.

Councilmember Zollinger moved to approve the business license for KIKI KAWA. Councilmember Ward seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (A copy of the license application is included with the minutes as Attachment "E".)

Request for a business license for I Know A Guy Handyman Service

Kelly Powell has submitted a request for a business license for I Know A Guy Handyman Service at 520 East 300 South. Kelly explained that he needed to change the name of the business and that it would now be K.A.P. Handyman Services. Kelly confirmed that he would not be parking his trailers or anything else in the City right-of-way.

DRAFT

Councilmember Zollinger moved to approve the business license for K.A.P. Handyman Service. Councilmember Ward seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (A copy of the license application is included with the minutes as Attachment "F".)

Request for a business license for South Valley Rentals

Ian McArthur has submitted a request for a business license for South Valley Rentals at 1765 West 1950 South, Suite 100. Ian said they want to do a rental company that targets homeowners.

Councilmember Wilker moved to approve the business license for South Valley Rentals. Councilmember Grange seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (A copy of the license application is included with the minutes as Attachment "G".)

Cache County Sheriff Report

Sheriff Chad Jensen and Lieutenant Tim Ramirez attended from the Cache County Sheriff's Department. Sheriff Jensen said that Millville is on the third year of the three-year contract for law enforcement, so we won't be discussing a new contract until next year. He said that they would like to do a similar scale-up contract for the next three years for the Millville City animal control contract with incremental increases each year. He said that the increase is needed to account for wage increases.

Sheriff Jensen reported that the new animal control facility is running well, and they have no current plans for the cities to need to cover any costs for that facility. Over the last ten months, they have taken in about 1,100 animals.

Lieutenant Ramirez then discussed a new county-wide law enforcement program that they are kicking off soon. It is called the Proactive Policing Unit. The goal of this unit will be to fix underlying problems and work on solutions rather than just reacting after a crime occurs. He said that the new division will be more data-driven.

The City Council and Mayor expressed gratitude for what the Sheriff's Department does for Millville City. Mayor Hair asked that a little more detail be added to the monthly reports so that it is clearer what is happening with law enforcement. Sheriff Jensen said that they could do that. (A copy of the Proactive Policing Unit Flyer is included with the minutes as Attachment "H".)

Consideration of an ordinance updating and reducing restrictions for political signs

Recorder Twedt reviewed with the Council the ordinance to update City Code as it relates to residents displaying political signs. As stated in the staff report, the code update would remove some of the restrictions on political signs on private property that have been in the code for years.

DRAFT

Councilmember Ward moved to approve Ordinance 2024-1. Councilmember Zollinger seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (The adopted ordinance is included with the minutes as Attachment "I".)

Consideration of a resolution approving the City Private Policy Statement

Recorder Twedt reviewed with the Council the resolution approving a new Private Policy Statement.

Councilmember Wilker motioned to approve the Millville City Privacy Policy Statement; Resolution 2024-5. Councilmember Grange seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes. (The adopted resolution is included with the minutes as Attachment "J".)

Report on P&Z Meetings held February 15, 2024, and March 7, 2024

Development Coordinator Everton reviewed with the Council the Planning Commission's draft minutes for the meetings held on February 15, 2024, and March 7, 2024.

Food Truck Fridays and City Celebration

Councilmember Ward said that he and Jill Gebert had met. Other residents are interested in helping with the City Celebration as well. Councilmember Ward said there is a desire to bring the community together. Mayor Hair said that a member of the Youth Council wanted to be involved and help as well.

They are currently looking at holding three events. One in each month: June, July, and August. Councilmember Ward said that for Mill Days, they are considering spreading it out over three days in June. He discussed possible activities that are under consideration including a kids olympics, a bonfire in the canyon, and a bike rodeo. They are also looking at doing a quilt show to go along with the car show.

In July, they are planning on holding a pickleball tournament with food trucks and a movie night. In August, they are considering a local magician. Mayor Hair suggested a talent night be considered as well.

Councilmember Ward said they are requesting a budget of $3,500 to carry out the different events in 2024. Recorder Twedt said that this would work within the current approved budget.

Development Coordinator Everton asked Councilmember Ward to get her dates for all events as soon as possible so that she could reserve them on the calendar.

DRAFT

Consideration for appointments to the Planning Commission
Councilmember June said that the 2.5-year terms are up for Planning and Zoning Commissioner Rachel Thompson and Alternate Commissioner Darcy Ripplinger. Councilmember June said that she had spoken to the commissioners and is planning on appointing Darcy to serve a term as a commissioner and move Rachel to serve as an alternate commissioner.

Mayor Hair pointed out that there should only be five voting members of the Planning Commission at a meeting as stated in the City Code.

Councilmember June motioned to appoint Darcy Ripplinger as a Planning Commissioner and Rachel Thompson as an alternate Planning Commissioner. Councilmember Zollinger seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes.

Recorder Twedt said that he would make arrangements with Development Coordinator Everton to attend a P&Z meeting and swear them in.

Miss Millville Pageant float
Public Works Director Chad Kendrick said that they have been storing the float for many years without any use. It is taking up a lot of useful space and is not in good condition. If we get to the point of wanting to use the float again, it will be a major rebuild and the current float may not be of any use. It might be better to work with Don's or some other local company in town to use their truck in the future if we ever have another Miss Millville. The consensus of the Council was that it didn't make sense to continue to store the beat-up float and that it could be scrapped.

City Reports
Director of Public Works Chad Kendrick said that with the sewer construction moving up 300 South, it may be an opportune time to consider piping and filling in the ditch in front of the splash pad. He said that the ditch continues to get wider and is getting close to reaching the sidewalk. There are some safety concerns with kids playing in and jumping the ditch so close to the road. With the sewer project, there will be extra dirt available to easily fill in and around a piped canal if we were to do this soon. He asked the Council to think about it.

Director Kendrick reported that the sewer construction is progressing fairly well. They are now 54% done with the installation of main lines in the City. A few sewer-related issues and clean-up concerns were then discussed.

Councilmember Reports and Items for Future Agendas
(A copy of the Councilmember Assignments List is included with the minutes as Attachment "K".)

DRAFT

Councilmember Wilker discussed the recent complaint submitted by the Brunsons regarding their neighbor's dog who frequently barks. Lisa and Travis Brunson were at the meeting to talk through their concerns. It was discussed that this dog was problematic last year as well. Last year, the City sent a notice of violation followed by citations concerning the barking and licensing of the dog. Eventually, things were taken care of and the issue got better for some time. Recorder Twedt suggested that the City send another notice of violation with a timeline for getting the dog under control and licensed for 2024. The Council agreed and Recorder Twedt said that he would send out a notice and then follow up with the Brunsons to see if it was getting better.

Councilmember Wilker also discussed another complaint that had been received about kids riding noisy offroad vehicles on the hillside near the LDS Stake Center. There had been a brief discussion with the Sheriff's Department before the meeting began. Lieutenant Ramirez said that he would reach out to the landowner about posting a no-trespassing sign which would allow for easier enforcement.

Councilmember Grange said that he had mixed feelings about the concern. He said that he understood the noise complaint from the neighbor, but that he is worried about taking away a place where kids like to play and that it is good to see them spending time outside instead of inside on their phones. Councilmember Grange said that he is not saying the City shouldn't do anything, he is just concerned with taking away outside activities.

Recorder Twedt asked if the Council wanted to continue to see all business license applications for approval at City Council meetings. He said that in other cities, this was a responsibility that is often carried out by staff, and it may not be necessary for the Council to review all of them. Recorder Twedt said that he worries about delaying business license approvals when applicants need to wait for a meeting that they are able to attend in the evening. The Council agreed it might be time for a change. Recorder Twedt proposed creating a process in which they would still be notified of a new business license with time to bring up questions before the license application is approved by staff. Recorder Twedt said that we could make sure that staff asks the pertinent questions relating to the effect the business might have on the neighbors and decide on whether attending a City Council meeting might be necessary.

Councilmember Wilker asked that criteria be written up for what would require City Council review so that it is clear for everyone and not determined on a case-by-case basis. Recorder Twedt said that he thought this was a great idea and that he would create a process with a criterion for the City Council to review.

Adjournment

Councilmember Zollinger motioned to adjourn the meeting. Councilmember Ward seconded. Councilmembers Ward, June, Grange, Wilker, and Zollinger voted yes.
The meeting adjourned at 8:33 p.m.

DRAFT

AGENDA REPORT: "ADDITIONAL" SEWER BONDING March 27, 2024

Background
On September 26, 2019, the City held a public hearing for sewer and water revenue bonds up to $15,000,000. This bonding was meant to cover the cost of the new well and the loan portion of the sewer project based on estimates at that time.

On March 10, 2022, the City held another public hearing for sewer and water revenue bonds up to $18,500,000 to account for the higher-than-expected sewer construction costs. The total needed loan amount for the sewer project came in at $16,181,000.

To get to that amount and keep the monthly sewer rates as low as possible, we did many different things with our funding packages through the Utah Division of Environmental Quality (DEQ) and the USDA Rural Development Agency (RDA). One unorthodox thing we did was to take a $5,011,000 loan from RDA with a 1.5% interest rate that is being refinanced with DEQ funding made up of a $1,261,000 loan with 0% interest rate and $3,750,000 in grant money. This is a good deal for the City.

Our plan was to close on this RDA loan and the DEQ refinance on the same day. Unfortunately, we have recently found out that we can't do this. As a result, we will have both loans open at the same time for about 12 days and need to approve a temporary higher bond amount. Because of the two public hearings held, we do not need to hold another public hearing, but we do need to have Council approval for the additional amount in an emergency meeting this week before closing on the RDA loan.

Note: This will not result in more money being loaned to the City or a higher monthly sewer rate. Nothing is changing in that regard from what has already been approved. This is essentially red tape that we need to work through to be able to process the refinance of the funding. Again, this is a good deal for the City.

Here is our current schedule for upcoming sewer bond-related events:

- 3/27/24 – City Council review and approval of bond amount increase
- 3/28/24 – Close on construction loan of $6,481,000 and RDA loan of $5,011,000
- 4/10/24 – Refinance RDA loan of $5,011,000 into DEQ funding: $1,261,000 loan and $3,750,000 grant

Included Documents

- Resolution 2024-6
- More detailed information - staff report from the March 10, 2022, bonding public hearing

MILLVILLE CITY, UTAH
SEWER REVENUE BONDS

AUTHORIZING RESOLUTION
MARCH 27, 2024

RESOLUTION 2024-6

A RESOLUTION AUTHORIZING THE $5,011,000 SEWER REVENUE BONDS, SERIES 2024A, PURSUANT TO A MASTER RESOLUTION TO BE APPROVED BY THE MAYOR AND CITY RECORDER AS THE PRICING COMMITTEE, FOR SEWER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS; AND RELATED MATTERS.

WHEREAS, the City Council (the "City Council") of Millville City, Cache County, Utah (the "Issuer") desires to finance, in part, (i) Sewer system improvements, and related improvements (the "Project"), and (ii) to pay the costs of issuing the bonds, pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Acts"); and

WHEREAS, on August 22, 2019, the Issuer adopted a parameters resolution setting forth the maximum aggregate principal amount, interest rate, maturity, and discount for bonds related to the Project; and

WHEREAS, in order to accomplish those purposes the Issuer desires to issue its Sewer Revenue Bonds, Series 2024A in the aggregate principal amount of $5,011,000 (the "Bonds") pursuant to this Resolution, and a Master Resolution(s) (the "Master Resolution") attached as Exhibit B; and

WHEREAS, the Acts provide that the Issuer may, by resolution, delegate to one or more officers of the Issuer the authority to: (i) in accordance with and within the parameters set forth in the August 22, 2019 parameters resolution, approve the final interest rate or rates, price, principal amount, maturity or maturities, redemption features, and other terms of the Bond(s); and (ii) approve and execute all documents relating to the issuance of the Bond(s).

WHEREAS, the Bonds shall be payable solely from the Net Revenues and other moneys pledged therefor in the Master Resolution, and shall not constitute or give rise to a general obligation or liability of the Issuer or constitute a charge against its general credit or taxing powers; and

WHEREAS, the Issuer desires to delegate to its Mayor and City Recorder (together, the "Pricing Committee"), in accordance with the August 22, 2019 parameters resolution and this Resolution, the authority to approve the final interest rate or rates, price, principal amount, maturity or maturities, redemption features, and other terms of

the Bonds; and (ii) approve and execute all documents relating to the issuance of the Bonds, all in one or more series, in accordance with the Master Resolution:

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Council of Millville City, Cache County, Utah, as follows:

Section 1. The terms defined or described in the recitals hereto shall have the same meanings when used in the body of this Resolution.

Section 2. All actions heretofore taken (not inconsistent with the provisions of this Resolution), by the Council and by the officers of the Issuer directed toward the issuance and sale of the Bonds, in one or more series, are hereby ratified, approved and confirmed.

Section 3. The Master Resolution attached hereto as Exhibit B is authorized and approved, with such changes thereto as shall be approved by the Pricing Committee, as authorized by Section 11-14-302 of the Act, provided that the principal amount, interest rate or rates, maturity and discount shall not exceed the maximums set forth in August 22, 2019 parameters resolution.

Section 4. The Mayor and City Recorder are hereby appointed to be the Pricing Committee with respect to the Bonds and are further authorized and directed, and the power is hereby delegated to them, to execute and deliver the Bonds and the Master Resolution and all documents relating to the issuance of the Bonds on behalf of the Issuer, with such additions, modifications, deletions and changes thereto as may be deemed necessary or appropriate and approved by the Mayor, whose execution thereof on behalf of the Issuer shall conclusively establish such necessity, appropriateness and approval with respect to all such additions, modifications, deletions and changes incorporated therein.

Section 5. For the purposes set forth in the Master Resolution the Issuer authorizes the issuance of the Bonds which shall be designated "Millville City, Cache County, Utah Sewer Revenue Bonds, Series 2024A", in the total aggregate principal amount of $5,011,000. The Bonds shall bear interest, shall be dated, shall be issued as fully registered Bonds, and shall mature as provided in the Master Resolution, as shall be approved by the Pricing Committee.

Section 6. The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Master Resolution, as shall be approved by the Pricing Committee. The Mayor and City Recorder are hereby authorized and directed to execute and seal the Bonds and to deliver the Bonds upon payment therefore. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 7. The Pricing Committee of the Issuer is authorized and directed to execute and deliver the written order of the Issuer for authentication and delivery of the Bonds in accordance with the provisions of the Master Resolution.

Section 8. The Bonds shall be sold to the Purchaser(s) on the terms to be agreed upon by the Pricing Committee, provided that the principal amount, interest rate or rates, maturity and discount shall not exceed the maximums set forth in August 22, 2024 parameters resolution.

Section 9. Upon their issuance, the Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Bonds and the Master Resolution. No provision of this Resolution, the Master Resolution, the Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 10. The Pricing Committee and other appropriate officials of the Issuer are authorized and directed to execute, seal and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to carry out the matters and documents authorized by this Resolution.

Section 11. After the Bonds are delivered to the Purchaser(s), and upon receipt of payment therefor, the Master Resolution, as shall be approved by the Pricing Committee, shall be and remain irrepealable until the principal of, premium, if any, and interest on the Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Master Resolution.

Section 12. In accordance with the provisions of the Act, the Issuer has designated the The Herald Journal as the official newspaper of the Issuer authorized to publish legal notices for the Issuer, and in accordance with the Act, the City Recorder has caused a "Notice of Public Hearing and Bonds to be Issued" to be (1) published once each week for two consecutive weeks in the The Herald Journal, with the first publication being not less than 14 days before the public hearing held on September 26, 2019, and (2) posted on the Utah Public Notice Website not less than 14 days before the public hearing, and (3) has caused a copy of a Parameters Resolution (with all exhibits attached) to be kept on file in the office of the City Recorder of the Issuer for public examination during regular business hours for at least thirty (30) days from and after the last publication thereof.

Section 13. All parts of this Resolution are severable, and if any section, clause or provision of this Resolution is, for any reason, held to be invalid or unenforceable, the invalidity or unenforceability of that section, clause or provision does not affect the remaining sections, clauses or provisions of this Resolution.

Section 14. All resolutions, orders and regulations or parts previously adopted or passed which are in conflict with this Resolution are, to the extent of such conflict, repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

Section 15. The City Recorder is directed to complete the attached Record of Proceedings.

Section 16. This Resolution shall take effect immediately upon its approval and adoption. This Resolution is deemed and shall constitute the legislative action of the City Council with respect to the approval of the Bonds, and no further legislative action is anticipated at this time. The approval and execution of the Master Resolution by the Pricing Committee, as authorized and delegated herein, is deemed and shall constitute an administrative action.

PASSED, APPROVED AND ADOPTED this March 27, 2024.

_____
Mayor

ATTEST:

_____
City Recorder

(S E A L)

RECORD OF PROCEEDINGS

The City Council (the "Council") of Millville City, Cache County, Utah (the "Issuer"), met in public session at the regular meeting place of the Council in Millville, Utah, on March 27, 2024, at the hour of 7:00 p.m., or as soon thereafter as feasible, with the following Councilmembers of the Council being present:

David Hair	Mayor
Clay Wilker	Councilmember
Pamela June	Councilmember
Daniel Grange	Councilmember

Also present:

Corey Twedt	City Recorder

Absent:

Jeremy Ward	Councilmember
Ryan Zollinger	Councilmember

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this March 27, 2024 meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in writing, was fully discussed, and pursuant to motion duly made by Councilmember _____ and seconded by Councilmember _____, adopted by the following vote:

YEA:

NAY:

ABSTAIN:

The resolution was then signed by the Mayor in open meeting and recorded by the City Recorder in the official records of Millville City, Cache County, Utah.

Other business not pertinent to the foregoing ordinance appears in the minutes of the Meeting. Upon the conclusion of all the business on the agenda and upon motion duly made and seconded, the Meeting was adjourned.

CERTIFICATE OF CITY RECORDER

I, Corey Twedt, the undersigned and duly qualified and acting City Recorder of the Issuer do hereby certify:

The attached Resolution is a true, accurate and complete copy thereof adopted by the City Council of the Issuer at a lawful public meeting duly held and conducted by the City Council in Millville, Utah, on March 27, 2024, commencing at the hour of 7:00 p.m., or as soon thereafter as feasible (the "Meeting"), as recorded in the regular official book of the proceedings of the Issuer kept in my office. The Meeting was called and noticed as required by law as is evidenced by the following Certificate of Compliance with Open Meeting Law. The persons present and the result of the vote taken at the Meeting are all as shown above. Attached hereto is an affidavit of publication of the foregoing ordinances or a summary thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer, this March 27, 2024.

_____
City Recorder

(S E A L)

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Corey Twedt, the undersigned City Recorder of the Issuer do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the March 27, 2024, public meeting held by the Issuer as follows:

(i) By causing a notice, in the form attached hereto (the "Meeting Notice"), to be posted at the Issuer's principal offices at least twenty-four (24) hours prior to the convening of the meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(ii) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least twenty-four (24) hours prior to the meeting.

(iii) By causing a copy of the Meeting Notice to be delivered to each member of the City Council of the Issuer at least twenty-four (24) hours prior to the convening of the Meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this March 27, 2024.

_____
City Recorder

(S E A L)

(Attach Meeting Notice, including proof of posting thereof on the Utah Public Notice Website)

EXHIBIT B

FORM OF MASTER RESOLUTION

(See Transcript Document No. __)

MILLVILLE CITY, UTAH
FINAL BOND RESOLUTION
OF THE PRICING COMMITTEE
SEWER REVENUE BONDS, SERIES 2024A
March 28, 2024

A RESOLUTION AUTHORIZING THE $5,011,000 SEWER REVENUE BONDS, SERIES 2024A FOR SEWER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS, AND TO REFUND AND RETIRE THE ISSUER'S SEWER REVENUE BOND ANTICIPATION NOTES, SERIES 2022B, AS EXTENDED; AND RELATED MATTERS.

WHEREAS, pursuant to an authorizing bond resolution of Millville City, Cache County, Utah (the "Issuer") dated March 27, 2024, the Issuer approved and authorized the issuance of certain Sewer Bond Anticipation Notes Series 2022A which were issued in the principal amount of $8,250,000 (the "2022A BANS") and certain Sewer Revenue Bond Anticipation Notes, Series 2022B which were issued in the principal amount of $6,481,000 (the "2022B BANS"), as well as certain sewer revenue bonds to retire the 2022B&B BANS and to pay part of the cost to finance, in part, the acquisition and construction of a sewer system and related improvements (the "Project"); and

WHEREAS, in 2022 the Issuer issued its certain Sewer Revenue Bonds, Series 2022; and

WHEREAS, the Issuer also obtained grants to help fund the Project; and

WHEREAS, in April 2023, the Issuer extended the Series 2022B Sewer Revenue Bond Anticipation Notes to mature by April 1, 2024, and to adjust the interest rate to market at that time; and

WHEREAS, on August 28, 2023, the Issuer issued its Sewer Revenue Bonds, Series 2023A in the original principal amount of $9,720,000 to retire and refund the Issuer's 2022A BANS in the amount of $8,250,000; and

WHEREAS, at this time the Issuer desires issue its $5,011,000 Sewer Revenue Bonds, Series 2024A (the "Series 2024A Bonds") and with the proceeds of the Series 2024A Bonds and the Series 2023A Bonds to refund and retire the Issuer's 2022B BANS that were issued in the principal amount of $6,481,000; and

WHEREAS, the Issuer does not have the funds on hand to pay the cost of financing the Project, and with the exception of the Issuer's Outstanding Bonds (as defined herein), the revenues to be derived by the Issuer from the operation of its System will not be pledged or hypothecated in any manner or for any purpose at the time of the issuance of the Series 2024A Bonds; and

WHEREAS, the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"), provides that the Issuer may issue nonvoted revenue bonds as long as revenues generated from the revenue producing facilities of the Issuer are sufficient to pay for operation and maintenance of said facilities and debt service on all Outstanding Bonds secured by the revenues of said facilities; and

WHEREAS, the Issuer has been advised that its System will generate sufficient revenues to pay for operation and maintenance of the System as well as debt service on all proposed and Outstanding Bonds secured by the revenues of the System, including the Series 2024A Bonds authorized herein; and

WHEREAS, the Issuer's Note and Bond Authorizing Resolution dated March 27, 2024, also authorized the issuance and sale of its Sewer Revenue Bonds, in one or more series (collectively, the "Bond Resolutions") to be approved by the Pricing Committee; and

WHEREAS, Rural Water Financing Agency ("Rural Water"), a Kentucky interlocal agency, purchased the Issuer's Series 2022B Notes in the total principal amount of $8,250,000 (the "2022B BANS"); and

WHEREAS, Rural Water also purchased the Issuer's Series 2022B Notes in the total principal amount of $6,481,000 for a combined purchase of $14,731,000 Sewer Revenue BANS, Series 2022B and 2022B; and

WHEREAS, the United States of America acting through its Department of Agriculture, Rural Utilities Service ("USDA") has offered to purchase the Issuer's Sewer Revenue Bonds in two series in the amounts of $9,720,000 and another series in the amount of $5,011,000 for a total of $14,731,000; and

WHEREAS, at this time the Issuer desires to issue its Series 2024A Bonds in the aggregate principal amount of $5,011,000 and to sell the Series 2024A Bonds to USDA, which will provide adequate funds with proceeds from the Series 2023A Bonds to retire and refund the 2022B BANS; and

WHEREAS, the Issuer desires to accept the offer of the USDA and to confirm the sale of the Series 2024A Bonds to the USDA in the principal amount of $5,011,000:

NOW, THEREFORE, Be It Resolved by the Pricing Committee of Millville City, Cache County, Utah, as follows:

ARTICLE I

DEFINITIONS

As used in this resolution, the following terms shall have the following meanings unless the context otherwise clearly indicates:

"Annual Debt Service" means the annual payment of principal, premium or penalty, if any, and interest to be paid by the Issuer during any Sinking Fund Year on the Series 2024A Bonds and all outstanding bonds or other forms of indebtedness issued on a parity with the Series 2024A Bonds and which are secured by the Net Revenues of the System.

"Bondholder" or "Registered Owner" means the registered holder of any Series 2024A Bonds, the issuance of which is authorized herein.

"Construction Fund" means the bank fund of the Issuer solely dedicated to receive payments of loan and grant funds from USDA for the construction of the Project, which funds shall not be intermingled with other funds and which bank fund shall not accrue interest.

"Depository Bank" means a "Qualified Depository" as defined in the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated, 1953, as amended, selected by the Issuer to receive deposits for the Sewer Revenue Fund as herein described, the deposits of which Bank shall be insured by the Federal Deposit Insurance Corporation.

"Fully Registered Bond" means any single Fully Registered Bond in the denomination(s) equal to the aggregate principal amount of the Series 2024A Bonds authorized herein.

"Issuer" means Millville City, Cache County, Utah or its successors.

"Net Revenues" means the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all expenses reasonably incurred in connection with the operation and maintenance of the System, including the cost of Sewer treatment, whether incurred by the Issuer or paid to any other municipality or company pursuant to contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System in efficient operating condition, the cost of audits hereinafter required, fees of the paying agents on the Bonds, payment of premiums for insurance on the System hereafter required and, generally, all expenses, exclusive of depreciation, which under generally accepted accounting practices are properly allocable to operation and maintenance of the System, but only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

"Outstanding Bonds" means the Issuer's (1) $5,200,000 Sewer Revenue Bonds, Series 2022 bearing no interest; (2) $9,720,000 Sewer Revenue Bonds, Series 2023A bearing interest at the rate of 1.75% per annum.

"Paying Agent" means the person or persons authorized by the Issuer to pay the principal of and interest on the Series 2024A Bonds on behalf of the Issuer. The initial paying agent for the Series 2024A Bonds is the City Recorder of the Issuer.

"Project" means the acquisition and construction of sewer system improvements, and related improvements to the Issuer's System, including all equipment and necessary appurtenances thereto.

"Registrar" means the person or persons authorized by the Issuer to maintain the registration books with respect to the Series 2024A Bonds on behalf of the Issuer. The initial Registrar for the Series 2024A Bonds is the City Recorder of the Issuer.

"Revenue Fund" means the fund into which the Issuer deposits the Revenues of the System, all as more fully described herein.

"Revenues" means all gross income and revenues of any kind, from any source whatsoever, derived from the operation of the System, including, without limitation, all fees, rates, connection charges, impact fees that are imposed with respect to the Project and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and Revenues. Balances held in the Revenue Fund on the last day of each Fiscal Year in excess of 10% of the amount of the Operation and Maintenance Expenses for that Fiscal Year, after payment of all Operation and Maintenance Expenses and all deposits requested by Section 3.4(a)-(b) of this Bond Resolution to that date have been made, shall be considered to be Revenues available for the next Fiscal Year.

"Serial Bonds" means the fully registered $1,000 denomination Sewer Revenue Bonds which may be issued in exchange for the Fully Registered Series 2024A Bonds.

"Series 2022 Bond or Bonds" means the Issuer's Sewer Revenue Bonds, Series 2022 issued in the principal amount of $5,200,000 bearing no interest and purchased by the Water Quality Board.

"Series 2023A Bond or Bonds" means the Issuer's Sewer Revenue Bonds, Series 2023A issued in the principal amount of $9,720,000 bearing interest at the rate of 1.75% per annum and purchased by USDA.

"Series 2024A Bond or Bonds" means the Issuer's Sewer Revenue Bonds, Series 2024A authorized herein in the principal amount of $5,011,000 bearing interest at the rate of 1.50% per annum to be purchased by the USDA.

"2022B BANS" means the Issuer's Sewer Revenue Bond Anticipation Notes, Series 2022B issued in the aggregate principal amount of $6,481,000 and sold to the Rural Water Financing Agency and issued in anticipation of the Series 2024A Bonds.

"Series 2022A BANS" means the Issuer's Sewer Revenue Bond Anticipation Notes, Series 2022A issued in the aggregate principal amount of $8,250,000 and sold to Rural Water Financing Agency.

"Sinking Fund Year" means the twelve-month period beginning on July 1 of the calendar year and ending on the next succeeding June 30; provided, however, that with respect to the Series 2024A Bonds the first Sinking Fund Year will begin on the delivery date of the Series 2024A Bonds and will end on the next succeeding June 30.

"System" means the whole and each and every part of the Issuer's sewerage of waste water collection and/or treatment system, including the Project to be acquired and constructed, in part, pursuant to this Bond Resolution, and all property, real, personal and mixed, of every nature now or hereafter owned by the Issuer and used or useful in the operation of said System, together with all improvements, extensions, enlargements, additions, and repairs thereto which may be made while any of the Bonds remain outstanding.

"Total Loan Commitment" means the total amount which USDA is obligated to lend to the Issuer on the terms hereinafter described provided that in no event shall such amount exceed $14,731,000.

"Total Principal Sum" means the amount of proceeds actually loaned and delivered by the USDA at any given time pursuant to Sections 2.3 and 2.4 hereof to the Issuer up to the maximum amount of $5,011,000 related to the Series 2024A Bonds, as recorded on the Certificate of Dates and Payment and Amount attached to the Series 2024A Bonds.

"USDA" means the United States of America and its agents, acting through the Department of Agriculture, Rural Utilities Service, sometimes also referred to as Rural Development.

ARTICLE II

ISSUANCE OF SERIES 2024A BONDS

Section 2.1. Principal Amount, Interest Rate, Designation, and Series. The Series 2024A Bonds are hereby authorized to be issued by the Issuer in the principal amount of $5,011,000 for the purpose of financing, in part, the costs of the Project, and to refund and retire the Issuer's Sewer Revenue Bond Anticipation Notes, Series 2022B, and for the purpose of paying costs of issuance of the Series 2024A Bonds.

The Series 2024A Bonds shall be dated as of the date of their delivery, shall be in the maximum aggregate principal amount of $5,011,000 and shall bear interest on the unpaid principal balance at the rate of interest of one and one-half percent (1.50%) per annum from the issue date until paid as established by the USDA in its letter committing to purchase the Series 2024A Bonds from the Issuer. Both principal and interest on the Series 2024A Bonds shall be payable in lawful money of the United States of America to the registered owner of the Series 2024A Bonds at the address of such owner shown on the registration books of the Issuer.

The Series 2024A Bonds is issued on parity with the Issuer's Outstanding Bonds, such that the Series 2024A Bonds and the Outstanding Bonds are all equally and ratably secured by an equal pledge of and first lien on the Net Revenues of the Issuer's System.

Section 2.2. Date and Maturities. The Series 2024A Bonds shall be dated as of their date of delivery and shall be paid as follows:

> Monthly principal and interest installments in an amount determined by the Issuer and USDA at the time of delivery of the Series 2024A Bonds to USDA sufficient to pay the principal amount of said Series 2024A Bonds with interest thereon over a period of not more than 40 years from the delivery date of the Series 2024A Bonds, which is estimated to be $13,931.00 per month. The payments for the last year outstanding may be adjusted to conform to the outstanding principal amount on the Series 2024A Bonds. The Series 2024A Bonds may not be issued on the 29th, 30th or 31st of any month.

Section 2.3. Advances of Proceeds. USDA does not do an advance of funds. USDA does a reimbursement of funds on a monthly basis into a Construction Fund. Upon receipt of evidence of deposit of each advance in the Construction Fund, the City Recorder, or Mayor of the Issuer shall give telephonic authorization followed by written confirmation to USDA to stamp or write the date and amount of such advance made by USDA in the appropriate place on the Certificate of Dates of Payment and Amount appearing on the Fully Registered Bond. Each advance made by USDA on the Fully Registered Bond shall constitute proceeds of the Fully Registered Bond and shall be deemed to constitute the full purchase price and Total Principal Sum of the Fully Registered Bond noted on the Certificate of Dates of Payment and Amount appearing on the Fully Registered Bond.

If less than $5,011,000 is advanced on the Series 2024A Bonds such that the Total Principal Sum is less than $5,011,000, the repayment period shall be shortened and the number of monthly principal and interest installments shall be reduced to correspond to the Total Principal Sum of the Series 2024A Bonds as evidenced on the Certificate of Dates of Payment and Amount on the Fully Registered Bond representing the Series 2024A Bonds. It is anticipated that USDA will deliver the entire $5,011,000 at closing and the funds will be deposited into the Construction Fund to retire the 2022B BANS.

Section 2.4. Optional Redemption and Redemption Prices. The Issuer hereby reserves the right, at its option, to prepay the principal amount outstanding, in whole or, in the manner hereinafter provided, in part, on any regularly scheduled installment payment date.

Prepayments shall be made on the date, at the place and in the manner provided herein for making regularly scheduled installment payments. No partial prepayment shall extend or postpone the due date of any subsequent monthly installment. All prepayments shall be applied to principal last falling due on the Series 2024A Bonds and shall be in the amount of principal being prepaid, together with accrued interest thereon to the date of prepayment, and shall be made without penalty or additional interest or charges.

Notice of any prepayment of principal on the Fully Registered Bonds, or of the call for redemption of any of the Serial Bonds, shall be given as provided in the Series 2024A Bond forms set forth in Exhibits "A" and "B" hereto. Interest on any Series 2024A Bond subject to prepayment or redemption shall cease to accrue as to the amount of principal being prepaid or redeemed after the date fixed for prepayment or redemption if notice has been properly given and funds (or securities in which such funds are invested) equal to the amount of prepayment or redemption price shall have been deposited at the place of payment at that time.

Except as otherwise provided herein, every payment on the Series 2024A Bonds shall be applied first to interest computed to the date of payment and then to principal.

Section 2.5. Execution and Delivery of Series 2024A Bonds. The Mayor is hereby authorized to execute by manual or facsimile signature the Series 2024A Bonds and the City Recorder to countersign by manual or facsimile signature the Series 2024A Bonds and to have imprinted, stamped, or otherwise placed on the Series 2024A Bonds the official seal of the Issuer. The City Recorder is hereby authorized to authenticate and deliver to USDA the Series 2024A Bonds upon payment to the Issuer of the bond proceeds or of the first incremental advance of the proceeds of the Series 2024A Bonds. The City Recorder, Mayor, or his/her designee, is further authorized and directed to certify to the monthly installment payments to be set forth in the Installment Payment Certificate on the Series 2024A Bonds.

The Series 2024A Bonds are issued under the provisions of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27. Utah Code Annotated 1953, as amended, and the Fully Registered Bond and each of any Serial Bonds issued as

hereinafter prescribed shall contain a recital that they are issued under the authority of said Act, and the recitals to such effect contained in the bond forms set forth in Exhibits "A" and "B" hereof are hereby approved. Such recitals shall conclusively impart full compliance with all of the provisions of the Bond Resolution and the Series 2024A Bonds shall be incontestable for any cause whatsoever after their delivery for value. The principal of and interest on the Series 2024A Bonds shall be payable only out of one hundred percent (100%) of the Net Revenues, and in no event shall said Series 2024A Bonds be deemed to constitute an indebtedness of the Issuer within the meaning of any State, constitutional or statutory limitation or a charge against the general credit or taxing power of the Issuer.

Section 2.6. Approval of Sale. The sale of the Series 2024A Bonds to USDA is hereby authorized and approved. USDA has requested, and the Issuer has agreed, that the obligation of the Issuer thereunder shall be represented in the form of a single, fully registered, negotiable revenue bond, without coupons, that the registered owner thereof shall have the right to convert the said Fully Registered Bond to Serial Bonds in registered form, at his own expense.

Section 2.7. Designation of Paying Agent and Registrar. The City Recorder in Millville, Utah is hereby designated as Paying Agent and Registrar for the Series 2024A Bonds.

Section 2.8. Exchange for Serial Bonds. The Serial Bonds which may be issued upon conversion of the Fully Registered Bond, as provided in **Error! Reference source not found.** hereof, shall mature annually on the anniversary of the date of the original Bond of each of the remaining years of the original term of the Series 2024A Bonds, shall be dated as of the date when the conversion is effected, and shall be in $1,000 denominations as will permit them to mature within the original term of the Fully Registered Bond in substantially the same amount(s) of principal and interest as are required to be paid annually on the Fully Registered Bonds as set forth in the Amortization Schedule referred to therein, during each of the remaining years of the original term of the Fully Registered Bond, except that one bond of the series may be in a different denomination if necessary, and additional denominations may be used if necessitated by the redemption provisions set forth in the Serial Bonds upon redemption thereof. The Serial Bonds shall be in substantially the form as set forth in Exhibit "B". The Series 2024A Bonds shall be deemed paid only upon the payment in full of the principal of and interest on said Series 2024A Bonds in accordance with the terms thereof. The setting aside money exclusively for the payment of the Series 2024A Bonds shall have no application with respect to the Series 2024A Bonds.

Section 2.9. No Defeasance of Series 2024A Bonds. The Series 2024A Bonds shall be deemed paid only upon the payment in full of the principal of and interest on said Series 2024A Bonds in accordance with the terms thereof. The setting aside money exclusively for the payment of the Series 2024A Bonds shall have no application with respect to the Series 2024A Bonds.

Section 2.10. Enforcement of Resolution With Respect to Series 2024A Bonds. So long as USDA is the registered owner of the Series 2024A Bonds, it may deal directly with the Issuer in the servicing and enforcement of said Series 2024A Bonds. So long as USDA is the Owner of any of the Series 2024A Bonds, the Issuer shall be subject to the separate Loan Resolution executed and entered into by it at closing of the issuance of the Series 2024A Bonds in accordance with the Loan Resolution. The provisions of the Loan Resolution and the provisions of this Bond Resolution are to be construed wherever possible so that they will not be in conflict. In the event such a construction is not possible, the provisions of the Loan Resolution shall prevail.

ARTICLE III

REGISTRATION, PAYMENT, AND FLOW OF FUNDS

Section 3.1. Execution of and Registration of Series 2024A Bonds; Persons Treated as Owners. The Series 2024A Bonds shall be signed by the Issuer and the Issuer shall cause books for the registration and for the transfer of the Series 2024A Bonds to be kept by the City Recorder who is hereby appointed the Registrar of the Issuer with respect to the Series 2024A Bonds. Any Series 2024A Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2024A Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Series 2024A Bond duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same maturity and series for a like aggregate principal amount as the Series 2024A Bond surrendered for transfer. Series 2024A Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2024A Bonds of the same series or other authorized denominations and the same maturity. The execution by the Issuer of any Series 2024A Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Series 2024A Bond. The Registrar shall not be required to transfer or exchange any exchange bond at any time following the mailing of notice calling such Series 2024A Bond for redemption.

Series 2024A Bonds surrendered for payment, redemption or exchange, shall be promptly canceled and destroyed by the Issuer.

The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2024A Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and for all other purposes whatsoever, and neither the Issuer, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of any Series 2024A Bond shall be made only to or upon order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2024A Bond to the extent of the sum or sums so paid.

The Issuer may require the payment by the Registered Owner requesting exchange or transfer of Series 2024A Bonds of any tax or other governmental charge and any service charge which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Series 2024A Bond shall be delivered.

Section 3.2. Deposit of Bond Proceeds. The proceeds from the sale of the Series 2024A Bonds shall be deposited upon delivery in the Construction Fund. All moneys deposited in the Construction Fund shall be used solely for the purpose of defraying all or a portion of the costs of the Project including the payment of costs of issuance of the Series 2024A Bonds and the retirement and payment of the 2022B BANS. Moneys deposited in the Construction Fund shall be used in the following order: Moneys contributed by the Issuer shall be used first, then the proceeds of the Series 2024A Bonds shall be used, and any grant moneys shall be used last. Any unexpended balance remaining in the Construction Fund after completion of the Project shall be transferred as soon as practicable (a) first to each party or entity, other than the Issuer, that contributed funds to the Construction Fund in the form of grant money, if any, in proportion to the amount of grant money originally deposited into the Construction Fund, (b) then to the entity or party, other than the Issuer, that contributed funds to the Construction Fund in the form of loan proceeds, if any, in proportion to the amount of loan proceeds originally deposited into the Construction Fund, and (b) lastly to the Issuer in an amount not to exceed the Issuer's original contribution to the Construction Fund if the Issuer contributed moneys to the Construction Fund. Any remaining balance shall be transferred to the "Sinking Fund" established hereunder, and shall be used only for the prepayment of the Series 2024A Bonds in inverse order of maturity. Following the repayment and/or transfer of unexpended funds from the Construction Fund to the Sinking Fund, the Construction Fund will be closed. The Mayor is hereby authorized to approve the disbursal of funds from the Construction Fund. Each authorization shall be signed by the Mayor and countersigned by the City Recorder. The Construction Fund shall not accrue interest.

Section 3.3. The Series 2024A Bonds Constitute Special Limited Obligations. Notwithstanding anything in this Bond Resolution elsewhere contained, the principal and interest, if any, on the Series 2024A Bonds shall be payable out of 100% of the Net Revenues, and in no event shall the Series 2024A Bonds be deemed or construed to be a general indebtedness of the Issuer or payable from any funds of the Issuer other than those derived from the operation of the System or from proceeds of the Series 2024A Bonds.

The Issuer may, in its sole discretion, but without obligation and subject to the Constitution, laws, and budgetary requirements of the State of Utah, make available properly budgeted and legally available funds to defray any insufficiency of Revenues to pay the Series 2024A Bonds; provided however, the Issuer has not covenanted and cannot covenant to make said funds available and has not pledged any of such funds for such purpose.

Section 3.4. Flow of Funds. From and after the earlier of the delivery date of the Series 2024A Bonds, and until all the Series 2024A Bonds have been fully paid, the Revenues shall be set aside into Millville City, Utah Sewer Revenue Fund referred to herein as "Revenue Fund", established hereunder. The Issuer will thereafter make monthly accounting allocations of the funds deposited in said Revenue Fund for the following purposes and in the following priority:

(a) From the amounts in the Revenue Fund there shall first be paid all Operation and Maintenance Expenses of the System. For this purpose the Issuer shall establish on its books an account known as the "Expense Account" to which shall be allocated monthly, on or before the fifth day of each month, such portion of the Revenue Fund as is estimated to be required for Operation and Maintenance Expenses of the System for the following month. There shall be allocated to the Expense Account from time to time during the month such additional amounts as may be required to make payments of Operation and Maintenance Expenses for which the amounts theretofore allocated to the Expense Account are insufficient. At the end of each Sinking Fund Year all amounts in the Expense Account in excess of that required to pay Operation and Maintenance Expenses then due shall be transferred to the Sinking Fund established as hereinafter provided.

(b) All amounts in the Revenue Fund not allocated to the Expense Account (the "Net Revenues") shall be allocated to the Sinking Fund hereby established:

(i) Of the amounts allocated to the Sinking Fund there shall be allocated the following amounts to a subaccount established on the books of the Issuer known as the "Bond Account" such amounts as will assure, to the extent of the availability of Net Revenues from the System, the prompt payment of the principal and interest, if any, on the Series 2024A Bonds as shall become due and all bonds or obligations issued in parity therewith, including the Outstanding Bonds. The amount to be so set aside with respect to the Series 2024A Bonds shall, as nearly as may be practicable, be set aside and allocated to the Bond Account monthly, on or before the fifth day of each month, beginning the month following the initial delivery of the Series 2024A Bonds and shall equal the monthly principal and/or interest installment determined under Section 2.2 hereof, to the end that there will be sufficient funds allocated to the Bond Account to pay the principal and/or interest on the Series 2024A Bonds as and when the same become due. Amounts allocated to the Bond Account shall be used solely for the purpose of paying principal and interest, if any, on the Series 2024A Bonds and shall not be reallocated, transferred or paid out for any other purpose. (In the event insufficient moneys are available to make prompt payment of the full principal and interest on the Series 2024A Bonds as shall become due and all bonds and obligations issued in parity therewith, including the Outstanding Bonds, such moneys shall be allocated pro rata based on the amount of principal coming due over the next 12 months for each such parity bond, if any.)

(ii) Of the amounts allocated to the Sinking Fund after there shall have been allocated the amounts required to be allocated under (i) above, there shall be allocated monthly to a subaccount established on the books of the Issuer known as the "Reserve Account - Series 2024A" such amounts as will assure to the extent of available Net Revenues from the

System, the full accumulation within the Reserve Account of amounts to be accumulated with respect to the Series 2024A Bonds. On or before the fifth day of each month, beginning the month following delivery of the Series 2024A Bonds to the Reserve Account - Series 2024A to be known as "Reserve Account - Series 2024A" established on the books of the Issuer the sum of $1,391, plus such additional amount as may be required to meet any monthly installment to the Reserve Account - Series 2024A not theretofore made in whole or in part, such allocation shall continue until there shall have been accumulated an amount equal to $167,172. Amounts allocated to the Reserve Account - Series 2024A shall be used to pay the principal and interest, if any, falling due on the Series 2024A Bonds at any time when there are not sufficient funds in the Bond Account to pay the same, but pending such use may be invested as hereafter provided. When the Reserve Account - Series 2024A has been accumulated as in this paragraph provided, no further allocations to the Reserve Account - Series 2024A need be made unless payments from the Reserve Account - Series 2024A have reduced the same below the amounts required by this paragraph, in which event allocations shall be resumed until such deficiency has been remedied (in the event insufficient moneys are available to make prompt payment into the Reserve Account - Series 2024A as shall become due and all reserve accounts, if any, with respect to all bonds and obligations issued on a parity with the Series 2024A Bonds, including the Outstanding Bonds, such moneys shall be allocated pro rata based on the amount of principal coming due over the next 12 months for each such parity bond); and

(iii) From the amounts on deposit in the Revenue Fund after the payment of the amounts required by subsections (i) through (ii) above and in accordance with its covenant to establish a Short Lived Asset Account (the "Short Lived Asset Account") as provided in Section 4.1(u) hereof, the Issuer will deposit monthly, on the 5th of each month beginning the month after deliver of the Series 2024A Bonds, into the Issuer's Short Lived Asset Account an amount equal to 1/12 (for the Issuer's fiscal year ending June 30, 2024, a fraction, the numerator of which is one and the denominator is the number of months remaining until June 30, 2024) of $2,920 monthly for the amount of $35,040 annually.

(iv) All remaining funds, if any, in the Sinking Fund after all of the payments required to be made into the Bond Account, Reserve Account - Series 2024A and Short Lived Asset Account have been made, may be used by the Issuer (a) to prepay or redeem the Series 2024A Bonds in whole or in part, (b) to make extensions, improvements, additions, repairs, and replacements to the System, or (c) to be applied to any other lawful purpose as determined by the Issuer.

(c) If at any time, the Net Revenues derived by the Issuer from the operation of the System shall be insufficient to make any payment to any of the

above funds or accounts on the date or dates specified, the Issuer shall make good the amount of such deficiency by making additional payments out of the first available Net Revenues thereafter derived by the Issuer from the operation of the System.

Section 3.5. Investment of Funds. Any funds allocated to the Bond Account, Reserve Account - Series 2024A and Shor Lived Asset Accounty may, at the discretion of the Issuer, be invested in accordance with the State Money Management Act. All income derived from the investment of the funds of the Bond Account and Short Lived Asset Accounty shall be maintained in said funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Reserve Account - Series 2024A shall at the end of each Sinking Fund Year be transferred by the Issuer to the Bond Account so long as the Reserve Account - Series 2024A, after said transfer, has funds equaling $167,172. Should said Reserve Account - Series 2024A have less than $167,172, then said income shall be maintained in said Reserve Account - Series 2024A until total deposits in said Reserve Account - Series 2024A equals $167,172. There shall not be required to be in the Bond Account and the Reserve Account - Series 2024A at any time more than the total amount required to pay the total principal outstanding of the Series 2024A Bonds. Whenever the money in the Bond Account and said Reserve Account - Series 2024A equals the total principal amount of the Series 2024A Bonds outstanding, the money in said Accounts shall be used to prepay all of the Series 2024A Bonds.

ARTICLE IV

COVENANTS

Section 4.1. Covenants of Issuer. The Issuer hereby covenants and agrees with each and every holder of the Series 2024A Bonds the following:

(a) The rates for all Sewer service supplied by the System to the Issuer and its inhabitants and to all customers within or without the boundaries of the Issuer shall be sufficient for the retirement and/or redemption of the Series 2024A Bonds, provided such rates must be reasonable rates for the type, kind, and character of the service rendered. There shall be no free service and there shall be charged against all users of the System, including the Issuer, such rates and amounts as shall be adequate to meet the debt service payments on the Series 2024A Bonds and any Parity Bonds (as defined in Section 4.2) when due. The rates charged for Sewer service provided by the System shall be sufficient to produce Net Revenues that are equal to 125% of Annual Debt Service. All Net Revenues, including those received from the Issuer, shall be subject to distribution for the payment of the Operation and Maintenance Expenses of the System and the payment of the Series 2024A Bonds and any Parity Bonds, as provided herein. Balances held in the Revenue Fund on the last day of each Fiscal Year in excess of 25% of the amount of the Operation and Maintenance Expenses for that Fiscal Year, after payment of all Operation and Maintenance Expenses and all deposits required by Section 3.4(a)-(b) of this Bond Resolution to that date have been made, shall be considered to be Revenues available for the next Fiscal Year.

(b) Each Bondholder shall have a right, in addition to all other rights afforded it by the laws of Utah, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge and collect reasonable rates for services supplied by the System sufficient to meet all requirements of this Bond Resolution.

(c) The Issuer will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost.

(d) So long as any Series 2024A Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System and all properties constituting the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Sinking Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the System, and that such audit will be available for

inspection by each Bondholder; provided, however, during such periods of time as the USDA is the Registered Owner of the Series 2024A Bonds, each such audit will be supplied to the USDA, as soon as completed without prior request therefor by the USDA. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

(i) A statement in detail of the income and expenditures of the System for such Sinking Fund Year;

(ii) A balance sheet as of the end of such Sinking Fund Year;

(iii) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Bond Resolution, and the accountant's recommendations for any change or improvement in the operation of the System;

(iv) A list of the insurance policies in force at the end of the Sinking Fund Year, setting out as to each policy, the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy;

(v) The number of parcels of property connected to the System at the end of the Sinking Fund Year;

(vi) An analysis of all funds and accounts created in this Bond Resolution, setting out all deposits and disbursements made during the Sinking Fund Year and the amount in each fund or account at the end of the Sinking Fund Year;

(vii) The number of Sewer connections within the boundaries of the Issuer, and applications for Sewer service on hand at the end of the Sinking Fund Year;

(viii) The total billings for such Sinking Fund Year;

(ix) All schedules of rates and charges imposed for Sewer service during the Sinking Fund Year.

(e) The Bondholders (USDA) may, upon written request from the Issuer setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular Sinking Fund Year set forth in this Section 4.1(d), provided, however, that such waiver shall not apply to the reporting requirements of the Issuer set forth in Section 4.1(e) herein.

All expenses incurred in compiling the information required by this section shall be regarded and paid as an Operation and Maintenance Expense. If a Bondholder is other than the USDA, the Issuer agrees to furnish a copy of such information to such Bondholder at its request after the close of each Sinking Fund

Year. Any Bondholder shall have the right to discuss with the accountant compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

(f) Each Bondholder shall have the right at all reasonable times to inspect the System, and all records, accounts and data of the Issuer relating thereto, and upon request, the Issuer will furnish to it financial statements and other information relating to the Issuer and the System as it may from time to time reasonably require.

(g) The Issuer, in its operation of the System, will carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Sinking Fund.

(h) The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all Bonds have been paid in full, except that the Issuer may sell any portion of said property which shall have been replaced by other property of at least equal value, or which shall cease to be necessary for the efficient operation of the System, provided, however, that in the event of any sale as aforesaid, the proceeds of such sale shall be paid into the Sinking Fund.

(i) The Issuer may consolidate the bills submitted for Sewer service with those submitted for Sewer service, if applicable, for those persons who are liable for the payment of charges for such services and require that each such consolidated bill be paid in full as a unit, and refuse to permit payment of one portion without payment of the remainder. Any bill not paid within thirty (30) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer hereby agrees that if any Sewer bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all Sewer service to the Sewer user concerned to be cut off immediately.

(j) Every officer, agent or employee of the Issuer having custody or control of any of the Revenues or of the proceeds of the Series 2024A Bonds shall be bonded by a responsible corporate surety in an amount not less than the annual debt service of the Series 2024A Bonds. The premiums on such surety bonds shall not be an Operation and Maintenance Expense of the System.

(k) The Issuer shall commence and complete the Project with all practical dispatch and will cause all acquisition to be effected in a sound and economical manner.

(l) The Issuer will from time to time duly pay and discharge or cause to be paid all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the System or the Revenues or any part thereof or which might impair the security of the Bonds, except when the Issuer in good faith contests its liability to pay the same.

(m)The Issuer will not grant a franchise for the operation of any competing sewer system within the Issuer's limits, as long as any Series 2024A Bonds authorized herein remain outstanding.

(n) The Issuer, in order to assure the efficient management and operation of the System and to assure the Bondholders from time to time that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character, and will use its best efforts to see that Operation and Maintenance Expenses are at no time in excess of the Revenues reasonably available for the payment thereof.

(o) All payments falling due on the Series 2024A Bonds shall be made to the Bondholder thereof at par and all charges made by the Depository Bank for its services shall be paid by the Issuer.

(p) The Issuer will maintain its identity, will make no attempt to cause its existence to be abolished and will resist all attempts by municipalities and other entities to annex all or any part of the territory now or hereafter in the Issuer or served by the System.

(q) The Issuer will service any applicant within the service area of the System who desires Sewer service from the System who can be feasibly and legally served, and will obtain the concurrence of USDA prior to refusing service to such applicant.

(r) The Issuer will file or cause to be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2024A Bonds are issued, a Form 8038-G, Information Return for Tax-Exempt Governmental Bond Issues, with respect to the Series 2024A Bonds.

(s) The Mayor and City Recorder of the Issuer are hereby authorized and directed to execute such certificates as shall be necessary to establish that the Series 2024A Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations promulgated or proposed in relation thereto. The Issuer covenants and certifies to and for the benefit of the Registered Owners of

the Series 2024A Bonds that no use will be made of the proceeds from the issue and sale of the Series 2024A Bonds, or any funds or accounts of the Issuer which may be deemed to be gross proceeds of the Series 2024A Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of the Series 2024A Bonds, would have caused the Series 2024A Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of the Series 2024A Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated with respect thereto.

(t) The Issuer further covenants and agrees to and for the benefit of the Registered Owners of the Series 2024A Bonds that the Issuer (i) will not take any action that would cause interest on the Series 2024A Bonds to become includible in gross income for purposes of federal income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the Series 2024A Bonds to become includible in gross income for purposes of federal income taxation and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Series 2024A Bonds in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on such Series 2024A Bonds.

(u) The Issuer shall establish a Short Lived Asset Account (the "Short Lived Asset Account") to be held by the Issuer and shall deposit therein an amounts set forth in Section 3.4(b)(iii). The Short Lived Asset Account shall never serve as security for nor a source of the payment of principal of or interest on the Series 2024A Bonds. The Issuer shall limit the use of moneys on deposit in the Short Lived Asset Account to the acquisition and construction of (a) replacements of obsolete System equipment or facilities, (b) extensions or additions to the Issuer's System, and (c) other capital improvements necessary to keep the System in good working condition.

Section 4.2. Additional Indebtedness. No additional indebtedness, bonds or notes of the Issuer payable on a priority superior to the Series 2024A Bonds out of the Net Revenues from the System shall be created or incurred by the Issuer without the prior written consent of all holders of the Series 2024A Bonds. Furthermore, the Series 2024A Bonds shall not be entitled to any priority one over the other in application of the Net Revenues of the System, regardless of the time or times of their issuance, it being the intention of the Issuer that there shall be no priority among the Series 2024A Bonds authorized to be issued pursuant to this Bond Resolution regardless of the fact that they may be actually issued and delivered at different times. It is expressly agreed and covenanted that the Issuer will not hereafter issue any bonds or obligations payable from the Net Revenues of the System, or any part thereof, or which constitutes a lien on such Net Revenues or on the System until all Series 2024A Bonds have been paid in full unless such additional bonds are issued in such manner that they are in all respects subordinate to the Series 2024A Bonds.

The provisions of the foregoing paragraph are subject to the following two exceptions:

(1) The Series 2024A Bonds or any part thereof may be refunded. The refunding bonds so issued shall enjoy a lien on the Net Revenues on a parity with the Series 2024A Bonds except that if fewer than all of the Series 2024A Bonds outstanding at the time are so refunded, no refunding bonds shall bear interest at a rate higher or mature at a date earlier than the corresponding Bond refunded thereby without the consent of the owners and holders of all of the corresponding unrefunded Series 2024A Bonds. In all other respects, refunding bonds may be secured in such manner and may be payable from such sources and be subject to other terms and provisions that may be provided in the resolution authorizing their issuance. Refunding bonds may be exchanged with the consent of the Bondholder for not less than a like principal amount of the Series 2024A Bonds authorized to be refunded, may be sold or may be exchanged in part or sold in part. If sold, the proceeds of the sale not required for the payment of expenses shall be used to refund that portion of the Series 2024A Bonds refunded. The Series 2024A Bonds shall be deemed paid only upon the payment in full of the principal of and interest on said Series 2024A Bonds in accordance with the terms thereof. The setting aside money exclusively for the payment of the Series 2024A Bonds shall have no application with respect to the Series 2024A Bonds.

(2) Additional bonds may be issued on a parity with the Series 2024A Bonds herein authorized if all of the following conditions are met at the time of the issuance of such additional bonds (herein referred to as "Parity Bonds"):

(i) The Net Revenues of the System in the Sinking Fund Year preceding the year in which the Parity Bonds are to be issued were 125% of the average Annual Debt Service on all of the Bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued with an allowance for earnings arising from any increase in Sewer rates which has become effective prior to the incurring of the additional indebtedness in an amount equal to 95% of the amount by which the billings to customers for such Sinking Fund Year would have been increased if such increase in rates had been in effect during the Sinking Fund Year; provided, this limitation may be waived or modified by the written consent of the registered owners and holders of 75% of the principal amount of the Bonds and Parity Bonds then outstanding.

(ii) All payments required by this Bond Resolution to be made into the Sinking Fund must have been made in full and there must be in each reserve fund the full amount required by this Bond Resolution to be accumulated therein.

(iii) The proceedings authorizing such Parity Bonds must raise the amount to which the reserve funds shall be accumulated to an amount no less than the highest future Annual Debt Service of all Bonds and

Parity Bonds then outstanding and the Parity Bonds so proposed to be issued and must require the accumulation of such amount in the Reserve Account to be accomplished within six (6) years after delivery of such Parity Bonds.

(iv) The proceeds of the Parity Bonds must be used for the making of improvements, extensions, renewals, replacements or repairs to the System.

ARTICLE V

MISCELLANEOUS

Section 5.1. Default and Remedies. Failure of the Issuer to perform any covenant or requirement of the Issuer under this Bond Resolution within thirty (30) days after having been notified in writing by a Bondholder of such failure, shall constitute an event of default hereunder and shall allow each Bondholder to take the following enforcement remedies. The Bondholder may appoint a trustee bank to act as a receiver of the Revenues of the System for purposes of applying said Revenues toward the Revenue allocations required in Section 3.4 herein and in general, protecting and enforcing each Bondholder's rights thereto, in which case, all administrative costs of the trustee bank in performing said function shall be paid by the Issuer.

No remedy conferred herein is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to each Bondholder hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon a default shall impair any such right, power or remedy or shall be construed to be a waiver of any default or acquiescence therein; and every such right, power or remedy may be exercised from time to time as may be deemed expedient.

Section 5.2. Amendments to Bond Resolution. Provisions of this Bond Resolution shall constitute a contract between the Issuer and the Bondholder; and after the issuance of the Series 2024A Bonds, no change, variation or alteration of any kind in the provisions of this Bond Resolution shall be made in any manner until such time as all of the Series 2024A Bonds have been paid in full except as hereinafter provided.

The Bondholders shall have the right from time to time to consent to and approve the adoption by the Issuer of resolutions modifying or amending any of the terms or provisions contained in this Bond Resolution in the manner and to the extent set out below.

Whenever the Issuer shall propose to amend or modify this Bond Resolution under the provisions of this section, it shall cause notice of the proposed amendment to be sent to all Bondholders of all Series 2024A Bonds then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the City Recorder for public inspection. Should a Bondholder consent to the proposed amendment to this Bond Resolution, it shall submit to the Issuer a written instrument which shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof. Upon receipt of Bondholder consents representing at least 75% of the principal of Series 2024A Bonds outstanding, the governing body of the Issuer may adopt said amendatory resolution, and it shall become effective, provided, however, that nothing in this Section 5.2 shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on delinquent payments, without

the consent of the Bondholder of such Series 2024A Bonds, or (b) a reduction in the amount or extension of the time of any payment required by any Fund or account established hereunder without the consent of the Bondholders of all the Series 2024A Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Series 2024A Bonds, the Bondholders of which are required to consent to any such waiver or a mandatory resolution, or (d) affect the rights of the Bondholders of less than all Series 2024A Bonds then outstanding, without the consent of the Bondholders of all the Series 2024A Bonds at the time outstanding which would be affected by the action to be taken.

If a Bondholder at the time of the adoption of such amendatory resolution shall have consented to and approved the adoption thereof as herein provided, said Bondholder shall not have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provision therein contained or to the operation thereof or to enjoin or restrain the Issuer from taking any action pursuant to the provisions thereof. Any consent given by a Bondholder pursuant to the provisions of this section shall be conclusive and binding upon all successive Bondholders.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 5.3. USDA Forms. The Mayor and City Recorder are hereby authorized and directed to execute for and on behalf of the Issuer Form RD 400-1, "Equal Opportunity Agreement", to which is attached and made a part thereof an "Equal Opportunity Clause", and also to execute for and on behalf of the Issuer Form RD 400-4, "Assurance Agreement".

Section 5.4. Certification with Respect to Series 2024A Bonds. The Issuer hereby finds, determines and certifies with respect to the Series 2024A Bonds that it is unable to obtain sufficient credit, except from USDA, at reasonable rates and terms, taking into consideration prevailing and private cooperative rates and terms in or near it for similar purposes and periods of time. The Issuer hereby covenants and agrees with USDA that if at any time while the Series 2024A Bonds are held by USDA, it shall appear to USDA that the Issuer may be able to obtain credit from other sources at reasonable rates and terms for loans of similar purposes and periods of time, the Issuer, within the limitation of its then existing legal powers, and at USDA's request, will make an effort in good faith to pay in full all principal and accrued interest remaining on the Series 2024A Bonds then held by USDA by issuing refunding bonds or otherwise.

Section 5.5. Maintenance of Proceedings. A certified copy of this Bond Resolution and every amendatory or supplemental ordinance or resolution shall be kept on file in the office of the City Recorder where it shall be made available for inspection by any Bondholder or his agent. Upon payment of the reasonable cost of preparing the same, a certified copy of this Bond Resolution, any amendatory or supplemental

ordinance or resolution will be furnished to any Bondholder. The Bondholders may, by suit, action, mandamus, injunction or other proceedings, either at law or in equity, enforce or compel performance of all duties and obligations required by this Bond Resolution to be done or performed by the Issuer. Nothing contained herein, however, shall be construed as imposing on the Issuer any duty or obligation to levy any tax either to pay the principal of or interest, if any, on the Series 2024A Bonds authorized herein or to meet any obligation contained herein concerning the Series 2024A Bonds.

Section 5.6. Sale of Series 2024A Bonds Approved. The sale of the Series 2024A Bonds to the USDA, at par, is hereby ratified, confirmed and approved.

Section 5.7. Bondholders not Responsible. The Bondholders shall not be responsible for any liabilities incurred by the Issuer in the acquisition or construction of the Project or for the failure of the System to function successfully after completion of the Project.

Section 5.8. Refunding of the 2022B BANS. The Issuer hereby authorizes the refunding and retirement of the 2022B BANS with the proceeds of the Series 2024A Bonds at such time as the Issuer is prepared to seek reimbursement for all construction expenses paid for with the Series 2022 Notes.

Section 5.9. No Defeasance of Series 2024A Bonds. Pursuant to Sections 2.8, 2.9 and 4.2(1), respectively, of this Final Bond Resolution the Series 2024A Bonds may not be defeased.

Section 5.10. Additional Certificates, Documents, and Other Papers. The appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents, and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Bond Resolution and the documents authorized and approved herein.

Section 5.11. Severability. If any section, paragraph, clause or provision of this Bond Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Resolution.

Section 5.12. Statutory Authority for the Series 2024A Bonds. The Series 2024A Bonds are issued under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, and each Series 2024A Bond certificate shall so recite. By the adoption of this Bond Resolution, it is the intention of the Issuer to comply in all respects with the applicable provisions of the Act and the Series 2024A Bonds issued hereby shall be incontestable for any reason whatsoever after their delivery for value.

Section 5.13. Resolutions in Conflict. All resolutions or parts thereof in conflict with the provisions of this Bond Resolution are, to the extent of such conflict, hereby

repealed. This Bond Resolution is approved in substantially final form subject to the monthly payment amount being identified by USDA which will result in the annual payment and reserve amount to be accumulated and subject to comment by the office of general counsel for USDA.

APPROVED AND ADOPTED BY THE PRICING COMMITTEE OF MILLVILLE CITY, CACHE COUNTY, UTAH THIS March 28, 2024.

_____
Mayor

_____
City Recorder

(S E A L)

EXHIBIT "A"

FORM OF SERIES 2024A BOND

REGISTERED REGISTERED

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF CACHE
MILLVILLE CITY
SEWER REVENUE REFUNDING BOND, SERIES 2024A

Millville City, Cache County, Utah (the "Issuer"), for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the United States of America Acting through the Department of Agriculture, Rural Utilities Service or the registered owner hereof or registered assigns, the Total Principal Sum set forth at the end of this Bond in the "Certificate of Dates of Payment and Amounts," but in no event more than the maximum principal amount of $5,011,000, together with interest from the date of delivery at the rate of one and one-half percent (1.50%) per annum. Payments of principal and interest shall be made by the Issuer as follows:

Thirty days following the date of delivery of this Bond to the purchaser thereof, and on the same day of each month thereafter, until the Total Principal Sum with interest thereon as aforesaid has been fully paid, the Issuer shall pay consecutive monthly Installments in the amount or amounts entered in the "Installment Payment Certificate" at the end of this Bond, which amount or amounts shall be sufficient to fully pay the principal amount and interest thereon within forty (40) years from the date of this Bond. At such time, the purchaser hereof shall deliver to the Issuer a schedule showing the amounts of the monthly Installment payments and the portions thereof allocable to principal and interest each month during the term of this Bond (hereinafter referred to as the "Amortization Schedule"). If any monthly Installment is not paid when due, then, in addition to Installments thereafter becoming due, the Issuer shall pay interest on the unpaid balance of the Total Principal Sum from the due date of the delinquent Installment until paid in full.

Except as otherwise provided herein, every payment on this Bond shall be applied first to interest computed to the date of payment and then to principal.

Both principal and interest on this Bond shall be payable in lawful money of the United States of America, to the registered owner hereof at the address of such owner shown on the registration books of the Issuer. Any holder of this Bond subsequent to its original holder is hereby placed on notice of all payments of both principal and interest made on this Bond prior to its transfer to him and all subsequent holders hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this Bond

as of the date of transfer to them and hereby release the Issuer from all obligation as to all principal and interest paid by the Issuer prior to such date.

The Issuer hereby reserves the right, at its option, to prepay the principal amount outstanding, in whole or, in the manner hereinafter provided, in part, on any regularly scheduled installment payment date while this Bond is held by USDA (as defined in the Bond Resolution referenced below).

Prepayments shall be made on the date, at the place and in the manner provided herein for making regularly scheduled Installment payments. No partial prepayment shall extend or postpone the due date of any subsequent monthly Installment. All prepayments shall be applied to principal last falling due on the Bonds and shall be in the amount of principal being prepaid, together with accrued interest thereon to the date of prepayment, and shall be made without penalty or additional interest or charges.

Notice of any prepayment will be given not less than thirty (30) days prior to the prepayment date by mailing a copy thereof by registered or certified mail at least thirty (30) days prior to the prepayment date to the registered holder of this Bond at his address shown on the registered books.

This Bond is issued for the purpose to finance, in part, (i) the cost of acquisition and construction of sewer system improvements, and related improvements (the "Project"), (ii) paying the costs of issuing the Series 2022B Bonds, and (iii) to refund and retire the Issuer's Sewer Revenue Bond Anticipation Notes, Series 2022B under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, and under and by virtue of and in full conformity with the Constitution and laws of the State of Utah and Resolutions duly adopted by the Issuer on February 10, 2022, March 27, 2024, which authorized and approved a Pricing Committee to adopt a resolution, which was approved and dated March 28, 2024 (collectively, the "Bond Resolutions"); and paying the costs of issuing the Bonds.

This Bond is issued on parity with the Issuer's Outstanding Bonds (as defined in the Bond Resolution), such that this Bond and the Outstanding Bonds are equally and ratably secured by a pledge of and first lien on the Net Revenues of the Issuer's System.

This Bond shall be registered as to principal and interest in the name of the initial purchaser and any subsequent purchasers in an appropriate book in the office of the City Recorder of the Issuer, who shall be the Registrar, each registration to be noted hereon by said Registrar. This Bond is transferable only by appropriate notation upon said book by the Registrar at the request of the registered owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Issuer, duly executed by the registered owner or his attorney duly authorized in writing; thereupon, a new bond in the same form as this Bond shall be issued to and registered in the name of the transferee.

This Bond, upon the surrender thereof at the office of the City Recorder, with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, may, at the option of the registered owner, and at his expense, be exchanged for Serial Bonds in fully registered from, in the aggregate principal amount then remaining unpaid, bearing the same interest rate, maturing annually on the anniversary of the date of this Bond of each of the remaining years of the original term of this Bond and dated as of the year during which the surrender and exchange is effected. Interest on the Serial Bonds shall be payable on the anniversary of the date of this Bond of each year thereafter to the date of maturity of the principal amount of the applicable Serial Bond. Serial Bonds so issued shall be redeemable according to the provisions of the aforementioned Bond Resolution of the Issuer pursuant to which this Bond is issued.

This Bond is a limited obligation of the Issuer and is payable solely from a special fund designated the "Millville City, Utah Sewer Revenue Bonds Sinking Fund", into which special fund shall be deposited one hundred percent (100%) of the Net Revenues (as defined in the Bond Resolution) to be derived from the Issuer's sewer system (the "System"), including any future improvements, additions and extensions thereto. For a more particular description of said Fund, the Net Revenues to be deposited therein and the nature and extent of the security afforded thereby, reference is made to the provisions of the aforementioned Bond Resolution pursuant to which this Bond is issued and such Fund has been established and will be maintained. This Bond shall constitute a lien upon all moneys which from time to time are in the Sinking Fund herein pledged. This Bond does not now and shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provisions or statutory limitation nor a charge against the general credit or taxing powers of the Issuer.

The Issuer hereby covenants with the registered owner of this Bond to keep and perform all covenants and agreements contained in the Bond Resolution of the Issuer authorizing the issuance of this Bond, and the Issuer will fix, establish, maintain and collect rates, fees or charges for service furnished by or through the System, including all extensions and improvements thereto hereafter constructed or acquired by the Issuer, sufficient to pay the principal and interest on this Bond and the principal and interest on all bonds and notes issued on a priority to or parity with this Bond, if any, as they fall due, provided said rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the Revenues to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues (as defined in the Bond Resolution) to be derived from the System to pay the principal of and interest on this Bond according to the payment terms hereinabove set forth.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond do exist, have happened and have been done and that every requirement of law affecting the issue hereof has been duly complied with; that this Bond does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that one hundred percent (100%) of the Net Revenues (as defined in the Bond Resolution) to be derived from the operation of the System, including any future improvements, additions and extensions thereto, have been and are hereby pledged and will be set aside into said Sinking Fund by the Issuer to be used for the payment of the

principal of and interest on this Bond, and that said Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than the payment of this Bond and bonds issued on a parity herewith, if any.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its City Recorder with the seal of said Issuer affixed, all as of this _____, 20__.

MILLVILLE CITY, CACHE COUNTY, UTAH

By_____(Do Not Sign)_____
Mayor

COUNTERSIGNED:

_____(Do Not Sign)_____
City Recorder

(S E A L)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by the Bond Registrar)

This Bond shall be payable only to the order of the registered owner or his legal representative.

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

INSTALLMENT PAYMENT CERTIFICATE

The undersigned, Acting City Recorder of the Issuer and duly authorized representative of the holder of this Bond, hereby certify that the amount(s) shown below are the monthly installment payments or principal and interest to be made on this Bond by the Issuer and that the Issuer will fully pay the Total Principal Sum and interest thereon within forty (40) years from the date of this Bond. The Amount of Monthly Installment for 40 years is: $13,931.00, provided the payments for the last year outstanding may be adjusted to conform to the outstanding principal amount on the Series 2024A Bonds. The Series 2024A Bonds may not be issued on the 29th, 30th or 31st of any month.

_____
City Recorder of Issuer

_____
Authorized Representative
of Holder

CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

The undersigned authorized representative of the United States Department of Agriculture, Rural Utilities Service (the "USDA"), hereby certifies that USDA has received written authorization from the Mayor or City Recorder of the Issuer to stamp or write the amount or amounts indicated below on the date or dates set forth opposite such amount(s); that the amount last inserted under the column "Total Principal Sum" is the total amount received by the Issuer for the issuance of this Bond, and that the undersigned has placed his/her signature in the space provided opposite such amount(s) to evidence the same.

Amount of Payment	Date of Payment	Total Principal Sum	USDA Representative Signature
$5,011,000	March 28, 2024	$5,011,000	_____
$_____	_____	$_____	_____
$_____	_____	$_____	_____
$_____	_____	$_____	_____
$_____	_____	$_____	_____
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$_____	_____	$_____	_____

EXHIBIT "B"

FORM OF SERIES 2024A SERIAL BOND

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF CACHE
MILLVILLE CITY
SEWER REVENUE BONDS, SERIES 2024A

.

No._____ $_____

Millville City, Cache County, Utah (the "Issuer") for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, but not otherwise, to the Registered Owner hereof, the principal sum of _____ Dollars ($_____), on the first day of _____, 20__, unless this Bond is redeemed prior thereto as hereinafter provided, together with interest thereon from the date of this Bond until paid at the rate of one and one-half percent (1.50%) per annum, said interest payable on _____, 20__, and on the first day of _____ of each year thereafter. Principal on this Bond shall be paid upon presentation of this Bond to the City Recorder of the Issuer for payment at maturity. Interest on this Bond shall be payable by check or draft in lawful money of the United States of America mailed to the address of the Registered Owner shown on the registration books of the Issuer.

This Bond is one of an authorized issue of Serial Bonds of like date, term, interest rate and effect except as to maturity, in the aggregate principal amount of _____ Dollars ($_____), issued in exchange for the conversion of the Issuer's Sewer Revenue Bond, Series 2024A dated March 28, 2024, in the total principal sum of $5,011,000, authorized by Resolutions of the Issuer duly adopted on February 10, 2022, March 27, 2024 and a Bond Resolution of the Pricing Committee dated as of March 28, 2024 (collectively, the "Bond Resolutions"). This Bond and the issue of Serial Bonds of which it is a part is issued for the purpose to finance, in part, (i) the cost of acquisition and construction of sewer system improvements, and related improvements (the "Project"), (ii) paying costs of issuing the Series 2024A Bonds, and (iii) to refund and retire the Issuer's $Sewer Revenue Bond Anticipation Notes, Series 2022B, including such legal, engineering and fiscal agent expenses reasonably incurred, under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, and under and by virtue of and in full conformity with the Constitution and laws of the State of Utah.

The Issuer reserves the right, at its option, to redeem any of the outstanding Bonds of this series held by the United States of America, Department of Agriculture, Rural Utilities Service ("USDA") prior to maturity at any time in inverse order of maturity and by lot within a maturity. The Issuer further reserves the right, at its option, to redeem in inverse order of maturity and by lot within a maturity any or all of the Bonds. Any redemptions of any of the Bonds of this series shall be at a price equal to the principal amount of each Bond so redeemed and accrued interest thereon to the date fixed for redemption and shall be made without penalty or additional interest or charges. Notice of the exercise of the right of the Issuer to redeem any Bond is to be given not less than thirty (30) days prior to the redemption date by mailing a copy of the redemption notice at least thirty (30) days prior to the date fixed for redemption to the registered holders of the Bonds to be redeemed. Interest on any Bond subject to redemption shall cease to accrue after the date fixed for redemption of said Bond if notice has been properly given and funds (or securities in which such funds are invested) equal to the redemption price have been deposited at the place of payment at that time.

If this Bond is redeemable, as above stated, less than the entire principal amount of this Bond may be so redeemed, and in such case, upon the surrender of the Bond, there shall be issued to the owner thereof, without charge therefor, for the unredeemed balance of the principal amount of the Bond, a bond of like maturity and interest rate.

Any redemption of any of the said Bonds shall be without penalty or additional interest or charges.

This Bond shall be registered as to principal and interest in the name of the initial purchaser and any subsequent purchasers in an appropriate book in the office of the City Recorder of the Issuer, who shall be the Bond Registrar. This Bond is transferable only upon said book, by notation thereon by the Registrar at the request of the registered owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Issuer, duly executed by the registered owner or his attorney duly authorized in writing; thereupon a new bond in the same form as this Bond shall be issued to and registered in the name of the transferee.

This Bond and the issue of Bonds of which it forms a part are limited obligations of the Issuer and are payable solely from a special fund designated the "Millville City, Utah Sewer Revenue Bonds Sinking Fund", into which special fund shall be deposited one hundred percent (100%) of the Net Revenues (as defined in the Bond Resolution) to be derived from the Issuer's sewer system (the "System"), including any future improvements, additions and extensions thereto. For a more particular description of said Fund, the Net Revenues to be deposited therein and the nature and extent of the security afforded thereby, reference is made to the provisions of the aforementioned Bond Resolution adopted by the Issuer pursuant to which this Bond is issued and such Fund has been established and will be maintained. This Bond, and the issue of which it forms a part, shall constitute a lien upon all moneys which from time to time are in the Sinking Fund herein pledged. This Bond, and the issue of which it forms a part, does not now and shall never constitute an indebtedness of the Issuer within the meaning of any State

constitutional provisions or statutory limitation or a charge against the general credit or taxing powers of the Issuer.

The Issuer hereby covenants with the Bondholder to keep and perform all covenants and agreements contained in the Bond Resolution of the Issuer authorizing the issuance of this Bond and the issue of which it forms a part, and the Issuer will fix, establish, maintain and collect rates, fees or charges for service furnished by or through the System, including all extensions and improvements thereto hereafter constructed or acquired by the Issuer, sufficient to pay the principal and interest on this Bond and the issue of which it forms a part, as they fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the Net Revenues to be received for such service, and will set aside one hundred percent (100%) of the said Net Revenues (as defined in the Bond Resolution), said Net Revenues to pay the principal and interest on this Bond and the issue of which it forms a part as each becomes due.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond and the issue of which it forms a part do exist, have happened and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that this Bond and the issue of which it forms a part does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that one hundred percent (100%) of the Net Revenues to be derived from the operation of the System, including any future improvements, have been pledged and will be set aside into said Sinking Fund by the Issuer to be used for the payment of the principal of and interest on this Bond and the issue of which it forms a part, as well as the principal on the Bond authorized and issued pursuant to the aforementioned Bond Resolution, and that said Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than the payment of this Bond and bonds issued on a parity herewith, if any.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its City Recorder with the seal of said Issuer affixed, all as of _____, 20__.

By /s/ (Do Not Sign)
Mayor

COUNTERSIGNED:

/s/ (Do Not Sign)
City Recorder

(S E A L)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by the Bond Registrar)

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

AGENDA REPORT: SEWER BONDING & RATE STRUCTURE March 10, 2022

Background

Under pressure from the Division of Water Quality, the Bear River Health Department placed a moratorium on issuing new septic permits in Millville City in March of 2019. This meant that development was required to completely stop in Millville. No new homes or subdivisions were allowed until the City had a sewer system. As a result of this, the City immediately began working on the planning, design and construction of a City-wide sewer system. Following subsequent meetings with the Health Department – and with progress that had since been made on the sewer system – the City was permitted to allow home development to continue for developments of three or less homes as long as certain requirements had been met.

In 2019, the City Council held a public hearing and approved a bond with a not to exceed value of $15,000,000 to cover the loan costs of both the new well and the sewer system. The City has recently closed on the well portion of that bond in the expected amount of $1,286,000.
With the significant increases in material and construction costs, the remaining amount from the approved bonds will not cover the now elevated costs for the sewer project (more on this below). When the original bonding took place in 2019, the City was confident they would be able to get approximately 25% of the cost of the sewer project paid for with grant money with the other 75% of the project requiring loans. At that time, the expected sewer bill based on engineering cost estimates was $78 per month.

Original Sewer Bids from 2020 and What's Happened Since Then

After completing the engineering design work, the City put the project out and received bids in March of 2020. This was not a great time for this type of project. Material and labor costs increased dramatically due to several factors by the end of 2019. There were three construction companies that bid on the project and the bids came in at $25,931,777, $31,766,971 and $33,992,484 with Whittaker Construction having the low bid. The City did not have enough funding to cover the bids that were received and not create a huge monthly sewer bill for Millville residents. The sewer rate with the funding available at that time would have been $127.42 per month.

The City went back to work to find additional funding. The City has worked extremely hard with the funding agencies and the legislature and pushed for ways to make the project feasible. The last funding package received came from the Utah Division of Water Quality on January 26, 2022. As a result, we have a very complex set of funding packages that cover the project with **58% grant and 42% loan** (see below for details).

Unfortunately, construction costs have continued to increase dramatically since the bids were received in early 2020. Costs have gone up between 20% - 30% during that time. The City

engineers have been working with Whittaker Construction to find ways to reduce the cost and potentially the scope of the project. Nothing has been off the table during these review meetings. The City has looked again to see if there would be cost savings in changing the treatment of the sewage from Hyrum to Logan. We have looked at not adding sewer to certain parts of the City. We have looked at different ways to deal with areas within the City that are expensive due to excessive depths. We have looked at different materials and different sewer technology options.

The City engineers have come up several cost-saving measures. We will list the four most significant cost reductions here. These rough cost-reduction estimates are based on the original bid and are now 20% - 30% lower than what the real cost savings are today:

- Reducing the proposed annexation area on the south side of the City will not require as much sewer capacity and will result in a downsized pump and removal of a 2nd pressure main from the project; savings of $1.1 million
- Change of material in canal crossings; savings of $400,000
- Reduce the number of very deep sewer lines, particularly in areas with unstable soils. This will require some homes to have a small sewer pump as is done in many other cities; savings of $1.2 million
- No change for homes that qualified for the low-income lateral connection grant, but all other lateral connections from homes to main lines removed from bid. Non-low-income qualified homeowners will be responsible for having their lateral connections installed. These homeowners were going to pay for their lateral connections either way, but the City will no longer be in the middle to finance the connections up front; savings of $2.7 million

Bond Amount

To continue with the project, the City needs to approve a new bond. What was adopted by the City Council at the last meeting was a parameter resolution that would set a new upper limit for the sewer bond of $18.5 million. We are running quick on this project and there are required legal deadlines that we must meet along the way. We had to come up with an upper limit for the bond before we had updated cost estimates from the construction company. The final "actual" loan amount with the current funding with the worst-case scenario would be just under $14 million.

Expected Monthly Sewer Rate

The bond amount is a daunting number. The goal of the City has always been to find ways to reduce the upcoming monthly sewer rate that the residents will have to pay. **With all the funding we currently have in place and the updated construction costs from Whittaker, the expected monthly sewer rate is about $89.00.** We are planning on at least a 2.25% growth rate and implementing a sewer impact fee to assist in paying off the loans.

Why should Millville even install sewer?

If Millville does not continue and complete the sewer project, a moratorium will be placed on all development within the City. That means ALL new development will cease. Additional action by the State would also likely occur where Millville would begin to lose funding. Not having sewer would mean that the City could not prevent all of the open land around Millville to be moved into other cities and Millville would have no ability to control density or the impact

those developments would have on our City. We have gotten a taste of this with Providence development to the east. Not completing the sewer project would be bad for Millville City.

Why not wait until construction calms down and costs reduce? Why do the project now?
We don't know when or if development costs will decrease. All analyst estimates think that it won't happen soon, but we don't know. Here are the things we do know. If we were to go back out to bid for this project, we have some insight into which companies would or would not bid on the project (again) and we are very confident prices would increase very dramatically. As of May of 2022, the new "Made in the USA" federal mandate goes into place for any project using federal funding. Millville City is receiving a lot of federal funding for the sewer project. This mandate will potentially be very good in the future, but it will be very problematic for a project of this size initially. New certification documentation requirements will be needed and there are several components that are currently not available from US manufacturers. Production and supply chain is just not in place yet for this type of change and if Millville is required to do the sewer project under the updated regulations, costs will go up dramatically. Another factor for Millville moving forward on the sewer project quickly is that a large portion of our grant funding expires if the construction contract is not awarded by May 14, 2022. The funding agencies have approved unprecedented funding packages for the Millville Sewer Project that they have never done in the past. If this project does not go forward now, we are confident we would never see grant funding at this level again.

Why didn't Millville City put in sewer twenty years ago when Nibley put in their system?
This is a valid argument and there are different ways you can look at this. Construction costs were cheaper back then. Sewer rates are lower for Nibley than they will initially be for Millville. We obviously can't go back and change history. A majority of Millville residents voted to not put in sewer in the year 2000. Here are a couple of reasons why it might not have been such a bad move retrospectively to have not sewered Millville until now. If Millville had put in sewer in 2000, we would be tied to Logan City as Nibley is. Both Nibley and Providence have approached Millville about trying to find a way to join our project to move their sewer treatment from Logan to Hyrum. Last year, Logan decided to pull out of the long-term agreement with the rest of the County for ambulance and EMS services. This resulted in every other City scrambling to find another way to provide this service. Logan recently announced that by the end of next year, they will no longer provide garbage service to the other cities in the County. Again, the County and cities are scrambling to figure out a replacement. We think it will be much better in the long-term for Millville to reduce as many contract services with Logan as we can. The agreement we have in place with Hyrum makes Millville part owners of the sewer treatment facility. Millville will have a say in what happens there. If other cities want to have sewage treated at that facility, they will need to buy in with both Hyrum and Millville. Millville residents will always pay the same amount as Hyrum residents for the treatment portion of their sewer bills. Yes, if the sewer project continues, Millville will have a higher initial monthly sewer rate than Nibley residents, but Nibley residents have been paying for sewer each month for twenty years more than Millville residents. Also, Nibley's sewer lines are now twenty years old and will require maintenance and replacement much sooner than the new infrastructure Millville will be installing. The Nibley sewer rate has increased $1 per year for at least the past five years and will likely continue to increase. The current Nibley monthly sewer rate is $55 per month. Not counting any interest or inflation, Nibley residents have paid between $11,000 - $12,000 more more than Millville residents since the year 2000. And this includes regular septic system

maintenance in Millville during that time. One more note as it relates to the Nibley sewer system. Millville currently contracts for Nibley for the sewer that services Ridgeline High School. Because of an old agreement, Millville pays a significant amount on repairs to the Nibley sewer pump station and some of the sewer lines. These costs will only increase over time with the aging infrastructure. When Millville has its own sewer system in place, we will end the contract with Nibley City.

Summary of Current Funding

Here is a list showing the different funding packages. USDA Funding Package #1 will now be paid off with a "refinance" from a DEQ funding package (shown in grey).

MILLVILLE SEWER PROJECT FUNDING			
~~USDA Package #1~~	~~Loan - 1.5% (40 yr)~~	~~$5,011,000~~	~~Construction~~
DEQ Refinance of USDA	Loan - 0% (30 yr)	$1,261,000	Construction
DEQ Refinance of USDA	Grant	$3,750,000	Construction
USDA Package #1	Grant	$2,949,000	Construction
USDA Package #2	Loan - 1.75% (40 yr)	$9,720,000	Construction
USDA Package #2	Grant	$6,400,000	Construction
DEQ Principal Forgiveness	Grant	$4,500,000	Engineering Design and Construction
DEQ Hardship Grant	Grant	$1,000,000	Low-Income Laterals
DEQ Loan	Loan - 0% (30 yr)	$500,000	
Millville Contribution	NA	$220,000	We will use ARPA money for this
Additional Loan Package?	Assuming 1.75% all loan	$2,495,900	
	TOTAL	**$32,795,900**	
Other Funding Received to Clear Remaining Original Sewer Debt			
DEQ Hardship Grant	Grant (previously loan)	$553,600	Changed from Loan to Grant
DEQ Hardship Grant	Grant (previously loan)	$151,768	Changed from Loan to Grant
Funded Percentages	**Percent Grant**	**58.28%**	
	Percent Loan	**41.72%**	

AGENDA REPORT: Committee for BLA Discussion **March 27, 2024**

Background

At the Millville City Council meeting held February 8, 2024, the Millville Council discussed a possible boundary line adjustment (BLA) with Providence City that would result in a swap of parcels between the two cities to allow for more affordable and improved services for the land in question.

Following that meeting, Millville staff drafted a letter that was sent to Providence City requesting the establishment of a committee with representatives from both cities to talk through the proposed BLA to later come back to their councils with recommendations.

At the Providence City Council meeting held on March 20, 2024, the Providence City Council accepted the proposal from Millville City and appointed Providence committee members. Now, the Millville City Council and Mayor should appoint committee members from Millville.

It is recommended that the City Council appoint two councilmembers to be on this committee along with Recorder Twedt and Development Coordinator Everton.

Included Documents

- Letter sent to Providence requesting committee for BLA discussions

ESTABLISHED 1860
MILLVILLE
Post Office Box 308
Millville, Utah 84326

March 11, 2024

RE: Parcel Exchange between Providence City and Millville City

To: Providence City Council

I am writing to inform you of a proposed parcel exchange between Millville City and Providence City. There are three parcels within Millville City and three parcels within Providence City that we believe can be better serviced by the other city.

Millville City has received a Boundary Line Adjustment request to move three parcels owned by the Alder Family from Millville into Providence to be part of a large development planned south of 1700 South and southwest of the existing Providence City boundary. Splitting up this development between two cities does not seem optimal and the proposed development has housing density requests that are currently not permitted by Millville City Code.

There are three undeveloped parcels in Providence on the border of Millville City that we believe can be better serviced in Millville City. These parcels are owned by the Spendlove Family. Future development on these parcels could feed directly into the Millville City sewer whereas a lift station would be needed for sewer on the Providence system. These parcels have direct connections to Millville roads and the only convenient outlet from this area would be through Millville City.

Along with this parcel exchange discussion, both cities should discuss the LDS Stake Center, which is currently split between the two cities. There is also one existing home in the proximity. The Stake Center and home are currently using septic tanks and we should come up with a plan to transition to sewer to continue to improve the quality of the surrounding groundwater.

Proposed Parcel Exchange:

<u>From Millville City to Providence City (see included map A):</u>

- Parcel 03-002-0001 (20.39 acres)
- Parcel 03-002-0002 (10 acres)
- Parcel 03-002-0009 (20 acres)

<u>From Providence City to Millville City (see included map B):</u>

- Parcel 02-115-0038 (9.52 acres)
- Parcel 02-115-0054 (5 acres)
- Parcel 02-115-0020 (12.81 acres)

Additional parcels that should be discussed (see included map B):

- Parcel 02-129-0029 (2.95 acres); currently in Millville; contains part of LDS Stake Center property
- Parcel 02-115-0029 (3.76 acres); currently in Providence; contains the rest of the LDS Stake Center property
- Parcel 02-115-0012 (0.62 acres); currently in Providence; contains Cornwell residence at 365 E. 350 N.

Proposed Next Steps:

1. Providence high-level discussion at a City Council meeting to establish a committee for additional discussions. The recommendation is to appoint two council members, the City Manager and Community Development Director.
2. Providence and Millville representatives meet to talk through details and then come back to the City Councils with a proposal.

I believe that this parcel exchange will be mutually beneficial for both Millville City and Providence City, allowing us to better serve our communities and improve overall service delivery. Your support and collaboration in this matter are greatly appreciated.

Please feel free to contact me if you have any questions or require further clarification regarding this proposal.

Thank you for your attention to this matter.

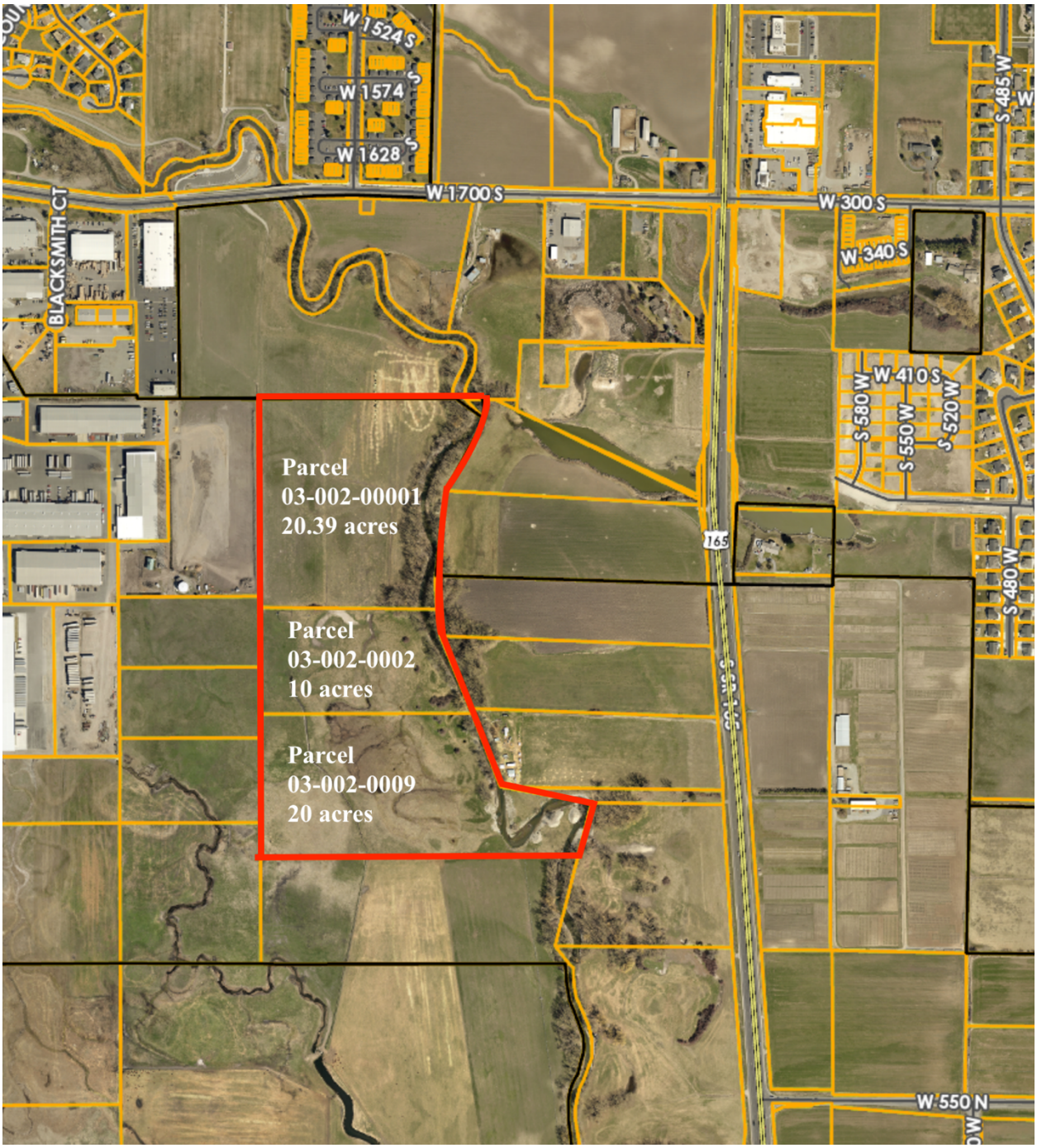
Sincerely,

MILLVILLE CITY COUNCIL

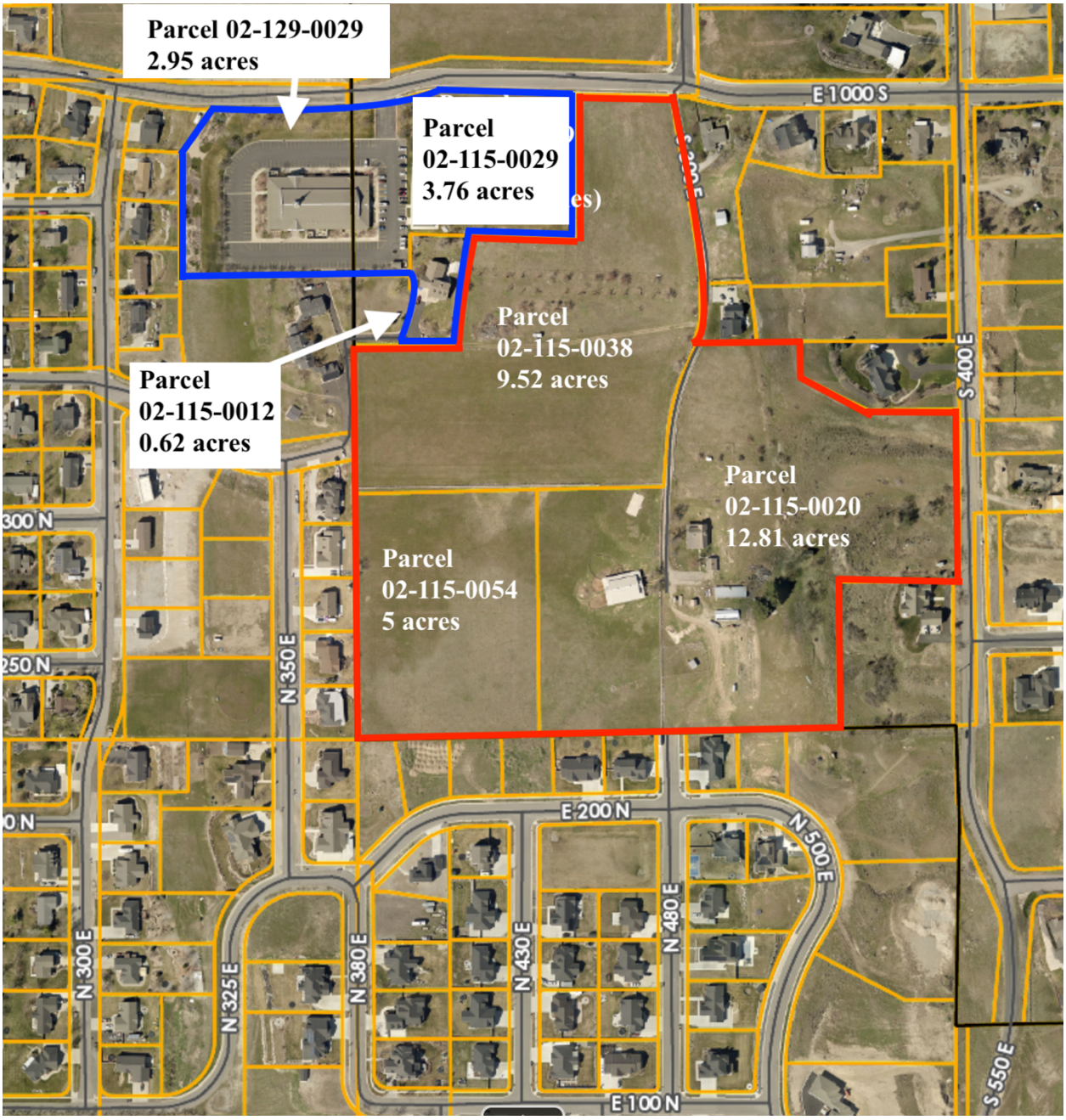
David Hair

David Hair, Mayor

Map A: 3 Parcels in Millville – Proposed move to Providence (red)



Map B: 3 Parcels in Providence – Proposed move to Millville (Red)
Other stray parcels that should be discussed (Blue)



Councilmember Assignments 2024

Councilmember Daniel Grange

- Car Show for City Celebration
- Parks

Councilmember Ryan Zollinger

- Sewer
- School District

Councilmember Clay Wilker

- Ordinance Enforcement
- Fire/EMS/Emergency Preparedness
- Law Enforcement/Animal Control

Councilmember Pamela June

- P&Z
- Youth Council
- Wildfire

Councilmember Jeremy Ward

- City Celebration/Parade
- Trails