

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of Sections 11-14-21 and 11-27-4, Utah Code Annotated 1953, as amended, that on June 11, 2015, the District Board of Kane County Water Conservancy District, Kane County, Utah (the "Board"), adopted a resolution (the "Resolution") in which it authorized and approved the issuance of its Parity Water Revenue Refunding Bonds, Series 2015 in an aggregate principal amount of not to exceed Ten Million Hundred Thousand (\$10,000,000) Dollars (the "Refunding Bonds"), the bonds to bear interest at a rate or rates not to exceed 4.50% per annum, to mature in not more than thirty-three (33) years from their date or dates and to be sold at a discount from par, expressed as a percentage of principal amount, not to exceed two (2.0%) per cent.

Pursuant to the Resolution, the Refunding Bonds are to be issued for the purpose of redeeming the now outstanding Parity Water Revenue Bond, Series 2004 in the original principal amount of \$2,167,000 payable to the US Department of Agriculture, Rural Utilities Service; its Parity Water Revenue Bond, Series 2005 in the original principal amount of \$2,500,000 payable to the US Department of Agriculture, Rural Utilities Service; its Parity Water Revenue Bond, Series 2006 in the original principal amount of \$347,000 payable to the US Department of Agriculture, Rural Utilities Service; its Parity Water Revenue Bond, Series 2006A in the original principal amount of \$2,660,000 payable to the US Department of Agriculture, Rural Utilities Service; its Parity Water Revenue Bond, Series 2007 in the original principal amount of \$548,000 payable to the US Department of Agriculture, Rural Utilities Service; its Parity Water Revenue Bond, Series 2007 in the original principal amount of \$452,000 payable to the US Department of Agriculture, Rural Utilities Service; its Parity Water Revenue Bond, Series 2012 in the original principal amount of \$880,000 payable to the Utah Drinking Water Board; and its Utah School and Institutional Trust Lands Administration Contract in the original principal amount of \$325,000 (the ARefunded Bonds@) pursuant to call for redemption in order to benefit the District and the inhabitants within the District by restructuring the principal maturities of the outstanding water system bond debt and by reducing the interest thereon and thereby increasing the amounts available for capital outlays of the District after meeting debt service requirements and thereby achieving a savings.

OUTSTANDING BONDS SECURED BY THE SAME REVENUE

The Issuer currently has outstanding bonds secured by the pledge of culinary water system revenues, namely: Water Revenue Bond, Series 2000 issued 8/29/2000 in the original principal amount of \$273,000 payable to the Utah Drinking Water Board; its Parity Water Revenue Bond, Series 2002 issued 2/5/2002 in the original principal amount of \$750,000 payable to the Utah Drinking Water Board; its Parity Water Revenue Bond, Series 2004 issued 6/14/2004 in the original principal amount of \$2,167,000 payable to the United States of America; its Parity Water Revenue Bond, Series 2005A issued 7/18/2006 in the original principal amount of \$2,500,000 payable to the United States of America; its Water Revenue Bond, Series 2005B issued 7/18/2006 in the original principal amount of \$2,660,000 payable to the United States of America; its Parity Water Revenue Bond, Series 2006A issued 7/1/2006 in the original principal amount of \$3,990,000 payable to the Utah Drinking Water Board; its Parity Water Revenue Bond, Series 2006B issued 7/18/2006 in the original principal amount of

\$347,000 payable to the United States of America; its Parity Water Revenue Bond, Series 2007A issued 3/14/2007 in the original principal amount of \$548,000 payable to the United States of America; its Parity Water Revenue Bond, Series 2007B issued 10/1/2007 in the original principal amount of \$452,000 payable to the United States of America; its Parity Water Revenue Bond, Series 2009A issued 4/30/2009 in the original principal amount of \$1,025,000 payable to the Drinking Water Board; its Parity Water Revenue Bond, Series 2009B in the original principal amount of \$1,693,000 payable to the United States of America; its Parity Water Revenue Bond, Series 2010A issued 8/10/2010 in the original principal amount of \$455,507 payable to the Drinking Water Board; its Parity Water Revenue Bond, Series 2010B issued 8/10/2010 in the original principal amount of \$135,000 payable to the Drinking Water Board; its Parity Water Revenue Bond, Series 2010A issued 12/22/2010 in the original principal amount of \$2,800,000 payable to the Drinking Water Board; its Parity Water Revenue Bond, Series 2010B issued 12/22/2010 in the original principal amount of \$3,700,000 payable to the Board of Water Resources; and its Parity Water Revenue Bond, Series 2010C issued 5/18/2011 in the original principal amount of \$297,000 payable to the Board of Water Resources.

The estimated total cost to the Issuer for the proposed Refunding Bonds is \$8,855,000. The estimated cost of interest on the Refunding Bonds is \$5,588,000.

The Refunding Bonds are to be issued and sold by the Board pursuant to the Resolution. The Board is to adopt a final bond resolution in such form and with such changes thereto as the Board shall approve upon the adoption thereof, provided that the principal amount, interest rate or rates, maturity and discount will not exceed the respective maximums described above.

A copy of the Resolution is on file in the office of the Secretary of the District at 190 West Center Street, Suite 200, Kanab, Utah, where the Resolution may be examined during regular business hours of the Secretary from 8:00 A.M. to 5:00 P.M. The Resolution shall be so available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

NOTICEISFURTHERGIVEN that pursuant to law for a period of thirty (30) days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the above-described Resolution of the Board or the Refunding Bonds authorized thereby or any provisions made for the security and payment of the Refunding Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of the Resolution, the Refunding Bonds or the provisions for their security or payment for any cause.

DATED this 11th day of June, 2015.

/s/ Jennifer Stewart
Secretary
Kane County Water Conservancy District
Kane County, Utah