

NOTICE AND AGENDA

Notice is hereby given that the Millville City Council will hold their regularly scheduled Council Meeting on Thursday, October 10, 2019, at the Millville City Office, 510 East 300 South in Millville, Utah, which meeting shall begin promptly at 6:30 p.m. (Please note that all times listed are approximate.)

1. Call to Order / Roll Call – Mayor David Hair.
2. Opening Remarks / Pledge of Allegiance – Councilmember Daniel Grange.
3. Approval of agenda and time allocation.
4. Approval of minutes of the City Council Meeting – September 26, 2019.
5. Agenda Items—
 - A. Public Comment Period (2 min/person; sign-up sheet available at door prior to meeting).
 - B. Domestic Violence Awareness Month – CAPSA Representative.
 - C. Discussion on Habitat for Humanity Home at 262 N. 300 E. – Dev. Coordinator Meadows.
 - D. Stellar Auto Complaint and Parking in City Right-of-Way – Councilmember Wilker.
 - E. Update from Bear River Health Department Meeting – Mayor Hair.
 - F. Consideration for adopting a resolution authorizing the maximum amount of \$15,000,000 water and sewer revenue bonds, in one or more series, pursuant to a master resolution to be approved by the Mayor, City Recorder and Councilmember Grange as the Pricing Committee, for water and sewer system improvements, and related improvements; and related matters – Mayor Hair.
 - G. Commercial Zoning Distinctions – Dev. Coordinator Meadows.
 - H. Utility Bill Adjustments for FY20 Q1 – Treasurer Hobbs.
 - I. Budget Review – FY20 Q1 – Recorder Twedt.
 - J. Cache Summit – Dev. Coordinator Meadows.
 - K. City Reports: Roads, Parks, Water – Public Works Director Kendrick.
 - L. Winter Social Discussion – Mayor Hair.
 - M. Councilmember Reports and Other Items for Future Agendas.
6. Adjournment.

In compliance with the American 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 October 7, 2019 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
September 26, 2019

PRESENT: David Hair, Daniel Grange, Michael Callahan, Cindy Cummings, Mark Williams, Clay Wilker, Harry Meadows, Chad Kendrick, Corey Twedt, Roberta Black, Robyn Jenson, Ronald Jenson, Gary Gettman, Suzanne Gettman, Arlan Hovey, Lane Hovey, Steve Hovey, Ray Jorgensen, Irene Jorgensen, Tony Smith, Amanda Smith, Cole Smith, Chase Smith, Ryan Zollinger, Kurt Chaffin, Rob Taylor, Christin Taylor, Jesse Elsmore, Derek Meyer, Rose Munyan, Owen Jensen, Daleen Torbenson, Brent Torbenson, Eric Frandsen, Brian Harding, Monte Clark, Rose Mary Jones, Bart Esplin, Michael Jeppson, Terrel Huppi, Lance Houser, Chad Brown, Tyler Withers, Cameron Workman, Sonja Patterson, Robert Greg Patterson, Gary Larsen, Veloy Hansen, Heinz Mathys, Bonnie Farmer, Holly Jaacks, Richard Zollinger, Rose Gittins, Greg Gittins, Michael Cornia, Beverly Kreipl, Mike Bodily, Connie Bodily, Sandra Eames, Richard Worley, Shane Jackson, Mary Jo Davis, Sheryl Hair, Darcy Ripplinger, Brian Jensen, Marjorie Davis, Delfino Torres, Enedelia Torres, Mark Brunson, Doyle Zollinger, Wendy Wilker, Lynn Nish, Denese Nish, Jeff Sheen, Jason Norris, Robert Carpenter, Kathleen Cornia, Linda Webster, Joan Findlay, Frank Smith, Jerry Bellon, Adria Davis, Joel Duffin, Julianne Duffin, Julie Clark, Dale Willden, Sherry Willden, Gene Eggleston, Matthew Anderson, Jen Whelan, Scott Seely, Paul Goff, Guy Curtis, Michelle Bair, Pam June, Diane Vorel, Teresa Kendrick, Heidi Checketts, Mike Wilson, Carly Hess, Randy Oldham, Susan Oldham, Carly Nisbet, Brooklyn Monson, Presley Shewell, Annika Johnson, Jonah Bates, Kendal Shewell, Adelynn Bair, Addy Hess, Allie Williams, Aly Kendrick, Alyssa Anderson, Ashley Woffinden, Bradley Monson, Danee Whelen, Dillan Walton, Dylan Twedt, Elizabeth McConkie, Evelyn Casperson, Hadley Sheen, James Thatcher, Jaycie Williams, Katie Williams, Michael Duffin, Ryan Nisbet, Sadie Low, Samantha Gebert, Stephen Thatcher, Stockton Nielsen, Summer Nielsen, Sydnee Walton, Sydnie Barfuss, Thea Allard, Trey Hustad, Jonathan Christiansen, Ben Checketts.

Call to Order/Roll Call

Mayor David Hair called the City Council Meeting to order for September 26, 2019 at 6:30 p.m. The roll call indicated Mayor Hair and Councilmembers Cindy Cummings, Michael Callahan, Mark Williams, Clay Wilker and Daniel Grange were in attendance. Also, Recorder Corey Twedt was present with Treasurer Tara Hobbs excused.

Opening Remarks/Pledge of Allegiance

Councilmember Wilker welcomed everyone to the Council Meeting and led all present in the pledge of allegiance.

Approval of agenda and time allocations

The agenda for the City Council Meeting of September 26, 2019 was reviewed.

Councilmember William moved to approve the agenda for September 26, 2019.

Councilmember Wilker seconded. Councilmembers Callahan, Cummings, Grange, Wilker and Williams 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 for August 22, 2019.

Councilmember Grange moved to approve the minutes for August 22, 2019.

Councilmember Callahan seconded. Councilmembers Callahan, Cummings, Grange, Wilker and Williams voted yes.

Request for a Business License for Bowls and Stuff at 225 N. 350 E.

R. Greg Patterson has submitted a request for a business license for Bowls and Stuff. He was not present during this portion of the meeting. **Councilmember Williams moved to approve the business license for Bowls and Stuff.** Councilmember Callahan seconded. Councilmembers Callahan, Cummings, Grange, Wilker and Williams voted yes. (A copy of the license application is included with the minutes as Attachment "B".)

Report on P & Z Meetings held September 5, 2019 and September 19, 2019

Development Coordinator Harry Meadows reviewed with the Council the Planning Commission's draft minutes for the meetings held in September. Councilmember Callahan asked if the City was going to be able to speak at the Bear River Health Department meeting in October. Recorder Twedt confirmed that the City was on the agenda for that meeting. (Copies of the draft minutes are included as Attachments "C" and "D".)

Millville City Youth Council Introduction and Welcome

Councilmember Cummings welcomed the Youth Council to the meeting and asked them to go to the front of the auditorium. She then turned the time over to Youth Council Mayor Carlee Nizbit. Carlee introduced the other members of the Youth Council leadership: Recorder - Mikele Norris (not present), Treasurer - Brooklyn Monson, Councilmembers - Presley Shewell, Annika Johnson, Jonah Bates, Elizabeth Nichols (not present) and Kendal Shewell.

Millville City Youth Council Swearing in

Recorder Twedt then swore in the following members of the Millville City Youth Council who were present at the meeting: Carly Nisbet, Brooklyn Monson, Presley Shewell, Annika Johnson, Jonah Bates, Kendal Shewell, Adelynn Bair, Addy Hess, Allie Williams, Aly Kendrick, Alyssa Anderson, Ashley Woffinden, Bradley Monson, Danee Whelen, Dillan Walton, Dylan Twedt, Elizabeth McConkie, Evelyn Casperson, Hadley Sheen, James Thatcher, Jaycie Williams, Katie Williams, Michael Duffin, Ryan Nisbet, Sadie Low, Samantha Gebert, Stephen Thatcher, Stockton Nielsen, Summer Nielsen, Sydnee Walton, Sydnie Barfuss, Thea Allard, Trey Hustad, Jonathan Christiansen and Ben Checketts. (The complete MCYC 2019-2020 List is included as Attachment “E”.)

Mayor Hair thanked the Youth Council for attending and commented that Millville has the best Youth Council due to the amazing leaders and all that they do.

Consideration of a Resolution Cancelling the Millville City 2019 General Election

Mayor Hair explained that in June, during the election candidacy filing period, five residents filed for candidacy for the three open City Councilmember positions for the 2019 municipal election. Lance Zollinger and Mark Bodily have since withdrawn from the election leaving Pamela June, Ryan Zollinger and Michael Callahan who will fill the three open Councilmember positions.

Councilmember Cummings moved to adopt Resolution 2019-18 to Cancel the Millville City 2019 General Election. Councilmember Grange seconded.

Councilmembers Callahan, Cummings, Grange, Wilker and Williams voted yes. (The approved resolution is included with the minutes as Attachment “F”).

Consideration of an Ordinance Modifying Millville City Code Regarding Commercial Zoning

Development Coordinator Harry Meadows explained the background and need for the code change. He said that the Zollinger Commercial Complex is a good example. This area is zoned Commercial Manufacturing, but contains different businesses that really fit each of the three commercial zone types (manufacturing, retail, services). The Planning Commission has determined that it doesn’t make sense to try and rezone each little area, but instead to create a single Commercial General Zone where any of the three types of commercial businesses can be located. Then there would be specific requirements for the type of commercial business within that zone.

Councilmember Wilker said that he was concerned with the proposed language for Section 17.12.050 where it says, *“The CG (commercial general) district is intended to provide various commercial uses deemed appropriate to the area in which it is located.”* He asked who would make the determination of what was “deemed appropriate” as it could be interpreted in many different ways. Development Coordinator Meadows said that this would be determined by the Planning Commission when new requests are made. Councilmember Wilker said that he was concerned with leaving this up for question where

the results might differ depending on who was serving on the Commission at the time of the request and treatment may be different from request to request. Councilmember Cummings said that she agreed with Councilmember Wilker and would prefer if it was spelled out and made a little clearer.

Councilmember Wilker motioned to send this ordinance back to P&Z with the request for them to identify general requirements for each of the three types of Commercial Zones (Service, Manufacturing and Retail) to create a clear guideline for businesses that want to come into the Commercial General Zone. Councilmember Grange seconded. Councilmembers Callahan, Cummings, Grange, Wilker and Williams voted yes.

Consideration of a Resolution Updating Sign Requirements and Restrictions

It was determined to wait on approval of an update to the sign resolution until the Commercial General Zone is finalized. Councilmember Wilker asked for clarification on why the Agricultural and Residential Zones were listed on the sign requirements matrix that was being reviewed here for the Commercial Zone update. Coordinator Meadows explained that the Agricultural and Residential Zones sign requirements were spelled out in the actual City Code and summarized in the matrix so that all requirements were listed in a single location. He said that he would review the matrix to confirm that the Residential and Agricultural requirements from the matrix matched what was in the City Code.

Councilmember Cummings motioned to move to Item “I” on the agenda as there was still time before the Public Hearing would begin. Councilmember Williams seconded. Councilmembers Callahan, Cummings, Grange, Wilker and Williams voted yes.

Councilmember Reports and Items for Future Agendas

(A copy of the Councilmember Assignments List is included with the minutes as Attachment “G”.)

Councilmember Callahan said that he had received feedback from several people that live near Ridgeline High School concerning how long and loud the Homecoming Dance was. He said that these concerns should be raised with the school if they want to do an outside dance again. Several other councilmembers indicated that they had heard similar concerns. Mayor Hair said that the Council had requested the dance be held on the north side of the school, but that it was held on the south instead which was closer to more homes. Councilmember Wilker said that when the request was made by the school to hold the dance outside, the Council asked the students to contact the homeowners that live near the school. Councilmember Cummings said that the final motion that had been approved requested that the students attempt to contact the neighbors and nobody was sure if this had happened.

Recorder Twedt said that he attended the Providence City Council Meeting on Tuesday night where Utopia Fiber did a presentation on adding fiber internet infrastructure to Providence City. Several cities in Cache Valley are currently considering fiber internet. The way Utopia works is they install the infrastructure and as long as the subscription base within a City hits a certain level, the City does not need to pay any of the costs. The construction costs in these other cities is quite high since they need to dig up roads and yards to make connections to each home. That cost would be very minimal if Millville were to do it during the sewer system construction. Recorder Twedt said that he has reached out to Utopia Fiber to begin getting more information that will be presented to the City Council in the future.

PUBLIC HEARING

Mayor Hair introduced the background of why the City is doing what they are doing regarding the sewer and water projects. Because of the rising nitrate levels in the Glenridge Well, a moratorium has been placed on new building until a sewer system is installed in Millville City. Regarding water, for some time the City has been looking at options for what to do if and when we can no longer use the Glenridge Well as a culinary water source. There are expensive options to make that well last a little longer, but long term, the City will need another source to provide enough water during the summer months and to allow for any growth in the City. The City is now looking at a location for a new well near the upper water storage tank. It would be on property already owned by the City with easy access to the reservoir and at a high enough location to limit pumping. From the studies that have been done, it appears that there is water at that location.

Mayor Hair explained that the City has hired two different engineering firms for the two different projects. The selection process for the engineers included two Councilmembers, two Planning Commissioners, two City residents, the Mayor, Public Works Director and Recorder. CRS Engineering was hired for the water project and Franson Engineering for the sewer project. Both sets of engineers and the City have been working very hard on both the water and sewer projects.

Mayor Hair explained that he has met with Logan City regarding a potential agreement for them to take the Millville sewage. He was told at that meeting, that there would be a \$2,500/home fee if Millville goes to Logan. This would add approximately \$1.6 Million to the cost of the project. The City has also been looking at the possibility of creating a southern sewer district with other cities on the south end of the valley that would go to Hyrum.

Mayor Hair also said that the City will be trying get enough money for the project to pay for the individual home sewer hookups and not put that cost on the residents

All options are being considered and we will continue to keep you updated from month to month in the newsletter and on the City website of what is being done and where we are going. He also invited the residents to reach out and come to the City with questions or concerns and that he would be willing to listen to anything they have to say.

Councilmember Williams moved to go into the public hearing. Councilmember Cummings seconded. Councilmembers Callahan, Cummings, Grange, Wilker and Williams voted yes.

PUBLIC HEARING: 7:00 p.m.

Commenced at 7:00 p.m.

PRESENT: David Hair, Daniel Grange, Michael Callahan, Cindy Cummings, Mark Williams, Clay Wilker, Harry Meadows, Chad Kendrick, Corey Twedt, Roberta Black, Robyn Jenson, Ronald Jenson, Gary Gettman, Suzanne Gettman, Arlan Hovey, Lane Hovey, Steve Hovey, Ray Jorgensen, Irene Jorgensen, Tony Smith, Amanda Smith, Cole Smith, Chase Smith, Ryan Zollinger, Kurt Chaffin, Rob Taylor, Christin Taylor, Jesse Elsmore, Derek Meyer, Rose Munyan, Owen Jensen, Daleen Torbenson, Brent Torbenson, Eric Frandsen, Brian Harding, Monte Clark, Rose Mary Jones, Bart Esplin, Michael Jeppson, Terrel Huppi, Lance Houser, Chad Brown, Tyler Withers, Cameron Workman, Sonja Patterson, Robert Greg Patterson, Gary Larsen, Veloy Hansen, Heinz Mathys, Bonnie Farmer, Holly Jaacks, Richard Zollinger, Rose Gittins, Greg Gittins, Michael Cornia, Beverly Kreipl, Mike Bodily, Connie Bodily, Sandra Eames, Richard Worley, Shane Jackson, Mary Jo Davis, Sheryl Hair, Darcy Ripplinger, Brian Jensen, Marjorie Davis, Delfino Torres, Enedelia Torres, Mark Brunson, Doyle Zollinger, Wendy Wilker, Lynn Nish, Denese Nish, Jeff Sheen, Jason Norris, Robert Carpenter, Kathleen Cornia, Linda Webster, Joan Findlay, Frank Smith, Jerry Bellon, Adria Davis, Joel Duffin, Julianne Duffin, Julie Clark, Dale Willden, Sherry Willden, Gene Eggleston, Matthew Anderson, Jen Whelan, Scott Seely, Paul Goff, Guy Curtis, Michelle Bair, Pam June, Diane Vorel, Teresa Kendrick, Mike Wilson, Randy Oldham, Susan Oldham, Adelynn Bair

The purpose of the public hearing is to receive input on the following:

- First draft of proposed sewer pipe design and City layout.
- Issuance of Millville City water and sewer revenue bonds, in one or more series, in the aggregate principal amount not to exceed \$15,000,000 for water and sewer system improvements and related improvements.

Mayor Hair explained that tonight the engineers would show the main sewer lines and how they would connect things. They do not currently have numbers for monthly costs. He said that the engineers would stay after the meeting and answer individual questions regarding how homes would connect to the main lines.

Chad Brown, the Project Manager from Franson Engineering on the sewer project, explained that they have large posters on both sides of the room where the residents could

come up and look at how it would affect them specifically. With the maps being shown on the projector he talked through the plan for the main sewer lines throughout the City. He explained that the desire was to make the entire system gravity fed and avoid pumping if at all possible. He explained that there was a natural ridge or high point throughout the City to basically split it in half to create a north and south collection system.

Councilmember Callahan asked if there would be any in-town pump stations under the current design. Lance Houser, the project engineer from Franson, said that there were no current plans for pump stations. The design was done for everything to be gravity fed. There would be some required pumping if land to the north gets developed, but this would not be part of the current sewer project and would be handled by the developers.

Bob Carpenter said that he understood that the main system was not designed to have lift stations, but what about the individual homes. Chad Brown said that they are trying to gravity flow every connection. There are a couple culs-de-sac that go to the west downhill (away from the main lines) that are questionable. If we are able to get easements, then these will be gravity fed as well.

Doyle Zollinger asked if sewer would go into the entire town. Chad Brown said that yes, every home would be connected, but clarified that sewer lines would not be installed in the undeveloped areas. The developers would be required to install sewer in those areas and connect to the rest of the City when development occurs.

Jim Blotter asked about the money that has been coming from the residents for the past several years with every utility check. Mayor Hair explained that the \$2 per month that each home has been paying has been going to the debt incurred by the City when they paid into upsizing the Nibley sewer lines to be able to fit the Millville sewage. The City is still paying down this debt and the upsized lines will now be used when the City installs the sewer system.

Mayor Hair said that at the original Bear River Health Department meeting, the decision to impose a moratorium caught the City completely by surprise. They allowed Mayor Hair to speak briefly where he explained the hardship this moratorium would put on several people that had purchased a lot and couldn't build on it. As a result, the Bear River Health Department has allowed a limited number of septic permits to be issued while the City works on the process of installing a sewer system. Mayor Hair also explained that the City was working hard to get grant money to pay for as much as possible of these projects. From one of the funding sources, 25% to 45% of the project could be paid for with grants.

Joan Findlay asked about the time frame for when people will be able to begin building again in Millville. Mayor Hair explained that there were still lots of unknowns. Much of this will depend on the decision made at the Bear River Health Department meeting in October. Mayor Hair also said that the sewer timeline is unknown at this point since there are questions as to where the sewage will go. A study was started several years ago to look at the feasibility of going to Hyrum with some other neighboring cities. That study wasn't completed at that time. Within the last couple of weeks, Millville has held a meeting with

the other cities on the south side of the Cache Valley to discuss a study to be done quickly to look at this again.

Doyle Zollinger said that years ago, when sewer came up to be voted on, it was voted down. He was in favor of the sewer back then. Septic tanks are problematic and he has had several issues with his over the years. He said that the City needed to finally accept it and install the sewer system and get it over with.

Bob Carpenter asked if the City was considering the additional cost that they might incur by going to Logan with the overages in their sewer system that is under construction and as they work to reduce nitrates and contaminants in the Logan water. Mayor Hair said that this is part of the consideration and that the Logan sewer system improvements that are currently underway are now more than \$50 Million over the original budget. This is why the City needs to take the time to look at all options and make the right decision for the City.

Ryan Zollinger asked about the cost estimates. Recorder Twedt explained that the current high-end estimate for the sewer is \$12.27 Million. Included in this amount is connections to each of the homes and \$1.6 Million for the impact fees that Logan wants (if Millville were to go towards Logan). Lance Houser said that this amount also included the abandonment of the septic tanks. It was later discussed that \$3 Million of the \$12.27 Million was the amount estimated for connecting each of the homes to the main sewer lines.

Mayor Hair explained that if they were to go to Hyrum, they could either do an interlocal agreement or create a sewer district. We would prefer create a district so that we continue to have a say in decisions that are made in the future.

Scott Seally asked about the option of doing a pressurized irrigation system. Mayor Hair said that the City was looking into this, but that the costs were not looking like they make sense. Pressurized irrigation would not be able to go into the same holes being dug for the sewer and would require meters at every connection making the costs very high. Recorder Twedt said that CRS Engineering is in the middle of doing an updated water master plan where they are considering the pros and cons of installing pressurized irrigation. The Council will review the feasibility once that study is complete.

Connie Bodily asked if there were other fees for the homeowners for the initial connections. Chad Brown said that the City is trying to include the home connection costs with the overall funding that would connect each home to the main sewer lines near the streets. They had hoped that as much of this cost as possible would be covered with grant money.

Holly Jaacks asked about how the septic tanks would be abandoned. Lance Houser said that there are four options for dealing with the septic tanks. After cleaning out each of the septic tanks you can break them down and backfill them, remove the tanks completely, fill them with sand or empty the tanks and leave them as they are.

Diane Vorel said that she lived in Arizona where the sewer was handled by a private company. If people didn't pay their bills, there were valves where the company would shut it down, backing up the sewer into the homes. Chad Brown said that there were no valves like this in the Millville design and that it would be a public utility and not run by a separate private company.

Richard Zollinger asked why you would want to destroy the septic tanks. He said that he would prefer empty the tanks and leave them there. Chad Brown said that this would be the most cost effective. As long as they were structurally sound, they would try to leave them alone.

Richard Zollinger also asked if the engineers were looking at the possibility of Millville doing their own treatment plant. Chad explained that they were focused on the plan for the sewer lines. The City is looking at all options for how to treat the sewage. Mayor Hair explained that there is a big benefit in combining with other cities to share and offset the liability if there are issues. Richard said that he believes the reason that Logan is \$50 Million over budget is because of the swampy location in which they are trying to build the sewer system. He said that he feels Millville would be better off not going to Logan City.

Julianne Duffin expressed her support in taking the time to find the best option for Millville. Not just for 5 years down the road, but 20 years. She said that she would hope that the City wouldn't rush into a decision that would have long-term negative consequences.

Frank Smith said that he lives near the current sewer lines that were installed for the school. He asked if he could connect sooner to the existing sewer lines. Recorder Twedt said that this wasn't out of the question, but that the sewage from the school and seminary currently go through Nibley and to Logan. To send additional residential sewage, they would need an agreement with Logan and need to figure out the \$2,500 impact fee.

Frank Smith also asked about the estimated costs of the sewer lines getting to Hyrum. Mayor Hair said that we don't have those numbers yet and would need information back from the study before they could provide any information.

Julianne Duffin asked if they were to go to Hyrum if they would need to build a new plant or use the existing Hyrum treatment plant. Mayor Hair explained that the facilities and system would need to be upgraded and additions would have to be made, but Hyrum has space that this could potentially be done at the same location as their current treatment plant.

Julie Clark asked for an estimate of how long it would take to do the study to look at creating a district and going towards Hyrum. Mayor Hair said that the initial meeting with the other cities had just happened and some of the others had agreed to participate in the study. The scope of work for the study is being created now. Recorder Twedt said that they were pushing to get this done quickly and it should be completed within the next six

months. Mayor Hair said that an estimate would be 4-5 years to get everything done and have sewer up and going if the City goes the route of creating a sewer district with some of the other cities.

Gary Gettman asked if the City was rolling over and playing dead with the Bear River Health Department. Isn't there something that can be done about the moratorium? Mayor Hair said that one thing that needs to be considered is the tax base. The home and property values in Millville are going down because of the moratorium and this should be factored into the property taxes. Gary said that the landowners were blindsided and that this really was unfair. He said that he was considering going in to challenge the property tax rates. Mayor Hair said that he hoped that the Health Department would allow building to continue after their review at the next meeting. Gary Gettman said that they needed to be open to allowing building after considering all of the progress that had taken place since the March meeting.

The starting date was again discussed. The question is where the sewage will go. Chad Brown said that construction could begin next summer if we knew right now where it was going to go. Gary Gettman asked about how long it would take to do the construction after it begins. Chad said that he estimated it would take about 2 to 3 years of construction as they move east from the existing sewer lines near the school. This would be done in phases.

Julie Clark asked if the engineers knew the cost inflation for sewer system construction materials. Lance Houser said that in the past, the inflationary cost has been approximately 3% per year.

Councilmember Callahan left the meeting at this time due to medical reasons.

Connie Bodily said that her top concern was the quality of the water. She said that she did not want a delay in the sewer system installation to impact the water quality. Mayor Hair said that he agreed and that maintaining high quality water was a top priority. This is why the City is working on a new water source by planning to drill a new well. They will continue to monitor nitrate levels at the Glenridge Well to ensure that only safe water is being distributed to the City. He also noted that the nitrate levels have decreased this year from what they were last year.

Julianne Duffin asked if they could briefly discuss the water project.

Mike Wilson from CRS Engineering said that they have been looking at the proposed well location. The well would be near the current City reservoir and would be designed to pump directly into the water tank. They are currently anticipating that the well would be approximately 400 feet deep with a capacity of several hundred gallons per minute.

Gary Gettman asked if the City would need additional water rights. Mike Wilson said that they were working within the existing water rights that the City has.

Ryan Zollinger asked about the estimated cost of the well. Mayor Hair said that the current estimate on the high side is between \$1.7 - \$2 Million.

Joan Findlay said that back on the sewer, would the lines be deep enough for basements so that they would not need to pump. Chad Brown said that the lines would be designed to be deep enough to avoid having to pump. Gary Gettman confirmed that with a home that fronts a street with the main line and a septic tank in the backyard, that they would still have the needed depth. The engineers confirmed that this was the plan.

Gary Gettman asked about the Bear River Health Department report indicating that Millville nitrates were affecting wells in Providence. Recorder Twedt said that there was no evidence to support this link and that the State Geologist had even said that he thought it was unlikely. Gary pointed out that the nitrates could absolutely be coming from the cattle in the area. Recorder Twedt said that this was a possibility and likely a factor. Humans are also a likely factor as trace amounts of antibiotics and caffeine have been detected in the high-nitrate Millville water.

Wendy Wilker, who works for River Heights City, said that River Heights has had major issues in dealing with Logan City on their utilities. Former Mayor Brackner has a book that he put together of the issues that they have had with Logan. Millville should try and look at this and make sure and consider the issues that River Heights has faced. She said that River Heights had tried to go a different route in the past, but didn't have time and had to sign a new agreement with Logan. Wendy also said that her father was serving in Providence when they connected to sewer in the 1970s. When this happened, her dad made a book, that is in the Providence City archives, about the sewer considerations that they were involved in. This book may also be a useful resource. It was put together by Glade Davis and the Town Council at that time. She cautioned the Millville City Council to be very careful in getting involved with Logan City. Mayor Hair pointed out that Lance Houser used to work for Logan City in their waste department and has been an asset for the sewer project with his wealth of knowledge on sewer systems.

There were no additional comments from the public.

Councilmember Williams moved to close the public hearing. Councilmember Wilker seconded. Councilmembers Cummings, Grange, Wilker and Williams voted yes with Councilmember Callahan excused. (A copy of the public information packet for the hearing is included with the minutes as Attachment "H".)

Adjournment

Councilmember Cummings moved to adjourn the meeting. Councilmember Williams seconded. Councilmembers Cummings, Grange, Wilker and Williams voted yes with Councilmember Callahan excused. The meeting adjourned at 7:59 p.m.

Construction Water

Public Works Director Chad Kendrick explained that in the past the City has provided a grace period before beginning to charge for water usage on new building lots. He suggested that this wasn't necessary and that the City should begin charging for water usage that is being used sooner. Treasurer Hobbs suggested that they begin charging within a month of the installation of the meter. Recorder Twedt said he didn't like the idea of there being more overhead and a timeframe in which Treasurer Hobbs would have to track when she should begin sending bills. He suggested that as soon as the water meter is connected and the builder is using water, they should be billed just like all of the other water users in the City. Councilmember Cummings agreed that they should pay the flat rate and for usage when the meter is installed. Councilmember Grange said that he expected there wasn't a lot of usage during construction for most users and agreed that they could be charged upon initial connection of the meter. Councilmember Callahan said that he thought charging right away made sense and that he expected the builders to be more careful in not wasting water if they knew that they were paying for it.

Councilmember Wilker arrived at this time.

Stellar Auto Complaint

Councilmember Cummings suggested that this concern be moved to the next meeting when the Nielsons could attend. Mayor Hair said that moving it was fine, but that his recommendation anyway was to monitor the business as well as other parts of the City for a little while to see what the impact is and if there are similar concerns in other areas. Councilmember Cummings agreed that this made sense. Councilmember Wilker said that he went up to check it out as well as reviewing the complaint and he was okay with the suggestion of monitoring the issue for a while.

Councilmember Cummings said that this had been discussed as an issue throughout the City and not only in a certain location. There are several people parking campers and trailers in the right-of-way and there is even a toilet on her street that has been there for some time. She suggested reminding people to make sure they are aware of the ordinance. Recorder Twedt said that a reminder had been in the July newsletter and would be in the August newsletter as well.

Councilmember Callahan said he liked the idea of starting to monitor the situation now and not putting it off until the next meeting. He suggested that staff and all Councilmembers spend time driving around and looking at this issue as well as other areas.

Councilmember Callahan motioned to monitor the situation for 60 days and then revisit the situation at the City Council Meeting following that time period.

Councilmember Wilker seconded. There was some additional discussion about looking at the entire City and not just this street. Mayor Hair said that after 60 days, the Council could meet and discuss the magnitude of the problem and next steps. Councilmember Callahan said that at that time they could decide how to enforce the City Code or potentially make

changes to the code if needed. Councilmembers Callahan, Cummings, Grange and Wilker voted yes with Councilmember Williams excused.

Consideration to Appoint Lynette Dickey for another term as Planning Commissioner

Councilmember Grange said that he had spoken with Commissioner Dickey and she is interested in serving another term. **Councilmember Grange motioned to appoint Lynette Dickey for another term as Planning Commissioner.** Councilmember Callahan seconded. Councilmembers Callahan, Cummings, Grange and Wilker voted yes with Councilmember Williams excused. Recorder Twedt said that he would attend a future P&Z Meeting to swear her in.

Consideration of a Resolution updating the Subdivision Final Plat Recording Fee

Recorder Twedt explained that final plats are delivered to the County and they send the City a bill for the filing fee. The County fee has recently increased and this resolution is intended to increase the fee that Millville collects to help cover the costs for new subdivisions.

Councilmember Cummings moved to adopt Resolution 2019-14. Councilmember Grange seconded. Councilmembers Callahan, Cummings, Grange and Wilker voted yes with Councilmember Williams excused. (The approved resolution is included with the minutes as Attachment “D”).

Jessop Abandoned Home

Development Coordinator Meadows explained that he had sent a letter to Colleen Jessop with requirements for the abandoned home on Main Street. She lives in Paradise. Harry has not heard anything back or seen any action on the home. Coordinator Meadows has received a bid from ARS for \$4,750 to do the work he has requested which the City would have to pay. He has also spoken with the County Treasurer who said that to do a tax lien, the letter would need to be hand-delivered to the home owner. Harry plans to hand deliver the letter with a Deputy from the Sheriff’s Department. Because of the timing, the tax lien could not happen this year. Treasurer Hobbs said that Colleen also owes approximately \$1,000 in water fees.

Mayor asked for a second bid for the work that is being requested. Recorder Twedt suggested that the inside of the home did not need to be cleaned up and that the home just needed to be boarded up. The Council agreed that the nothing needed to be done on the inside of the home.

Councilmember Wilker asked why this was being brought up as an issue. Coordinator Meadows said that he thinks it is an issue because he saw movement inside and that after review with the Sheriff’s Department it is clear that people have been inside very recently. Councilmember Wilker said that he wonders about the liability we are getting into by

**MILLVILLE CITY, UTAH
WATER AND SEWER REVENUE BONDS
AUTHORIZING RESOLUTION
OCTOBER 10, 2019**

RESOLUTION 2019-19

A RESOLUTION AUTHORIZING THE MAXIMUM AMOUNT OF \$15,000,000 WATER AND SEWER REVENUE BONDS, IN ONE OR MORE SERIES, PURSUANT TO A MASTER RESOLUTION TO BE APPROVED BY THE MAYOR, CITY RECORDER AND COUNCILMEMBER GRANGE AS THE PRICING COMMITTEE, FOR WATER AND 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) water and 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 (the “Act”); 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 Water and Sewer Revenue Bonds, in one or more series, in the aggregate principal amount of not to exceed \$15,000,000 (the “Bonds”) pursuant to this Resolution, and a Master Resolution(s) (the “Master Resolution”) attached as Exhibit B; and

WHEREAS, the Act provides 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, City Recorder and Councilmember Grange (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 of \$15,000,000 aggregate principal amount of its Bonds, in one or more series, to bear interest at the rate or rates of not to exceed five and one half percent (5.50%) per annum, to mature in not more than forty (40) years from their date or dates, and to be sold at a price not less than ninety-nine percent (99%) of the total principal amount thereof.

Section 4. The Mayor, City Recorder and Councilmember Grange are hereby appointed to be the Pricing Committee with respect to the Bonds, in one or more series, 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, in one or more series, which shall be designated "Millville City, Cache County, Utah Water and Sewer Revenue Bonds", in the total aggregate principal amount of not to exceed \$15,000,000. 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, 2019 parameters resolution of \$15,000,000 aggregate principal amount of its Bonds, in one or more series, to bear interest at the rate or rates of not to exceed five and one half percent (5.50%) per annum, to mature in not more than forty (40) years from their date or dates, and to be sold at a price not less than ninety-nine percent (99%) of the total principal amount thereof.

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 irrevocable 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, 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 October 10, 2019.

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 October 10, 2019, at the hour of 6:30 p.m., or as soon thereafter as feasible, with the following Councilmembers of the Council being present:

David Hair	Mayor
Michael Callahan	Councilmember
Clay Wilker	Councilmember
Cindy Cummings	Councilmember
Mark Williams	Councilmember
Daniel Grange	Councilmember

Also present:

Corey Twedt	City Recorder
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Absent:

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 October 10, 2019 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 October 10, 2019, commencing at the hour of 6:30 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 October 10, 2019.

(S E A L)

City Recorder

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 September 26, 2019, 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 delivered to a newspaper of general circulation in the Issuer at least twenty-four (24) hours prior to the convening of the meeting.

(iii) 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.

(iv) 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 September 26, 2019.

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
MASTER RESOLUTION
_____, 20__

A MASTER RESOLUTION APPROVED BY THE PRICING COMMITTEE AS CREATED AND AUTHORIZED BY THE OCTOBER 10, 2019 RESOLUTION OF THE CITY COUNCIL OF THE CITY, WHICH HEREBY AUTHORIZES THE CITY'S (1) \$_____ WATER & SEWER REVENUE BONDS, SERIES 2019A FOR WATER AND SEWER SYSTEM IMPROVEMENTS; AND RELATED MATTERS; AND (2) \$_____ WATER & SEWER REVENUE BONDS, SERIES 2019B FOR WATER AND SEWER SYSTEM IMPROVEMENTS; AND RELATED MATTERS.

WHEREAS, Millville City, Utah (the "Issuer"), desires to finance, in part, water and sewer system improvements, and related improvements, and related facilities (the "Project"), including all equipment and necessary appurtenances thereof, and desires to finance said project, in part, by issuing its Water & Sewer Revenue Bonds, Series 2019A in the total principal amount of \$_____ bearing interest at the rate of _____ percent (___%) per annum (the "Series 2019A Bonds"), to be purchased by the _____, and its Water & Sewer Revenue Bonds, Series 2019B in the total principal amount of \$_____ bearing interest at the rate of _____ percent (___%) per annum (the "Series 2019B Bonds" and collectively with the Series 2019A Bonds, the "Series 2019 Bonds") to be purchased by the _____; and

WHEREAS, the Issuer has previously issued its Outstanding Obligations (as defined herein) for improvements to the Issuer's water and sewer system; and

WHEREAS, the Series 2019 Bonds shall be issued on a parity with the Outstanding Obligations such that the Series 2019 Bonds and Outstanding Obligations shall be equally secured by a first lien pledge on the Net Revenues of the Issuer's System (as said terms are defined herein); and

WHEREAS, the Issuer does not have on hand money to pay the cost thereof, but with the exception of the Issuer's Outstanding Obligations, 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 2019 Bonds; and

WHEREAS, the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended (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 obligations secured by the revenues of said facilities; and

WHEREAS, the Issuer has been advised that its System will generate sufficient revenues to pay for the operation and maintenance of the System as well as debt service on all proposed and outstanding obligations secured by the revenues of the System, including the Series 2019 Bonds authorized herein; and

WHEREAS, the _____ (the “_____”) has offered to finance, in part, the Project in the total principal amount of \$_____, with a loan in the principal amount of \$_____ on the Series 2019A Bonds, bearing interest at a rate of _____ percent (___%) per annum; and

WHEREAS, the Mayor, City Recorder, and Councilmember Grange as the Pricing Committee authorized by a resolution of the City Council (the “Council”) of the Issuer adopted on October 10, 2019, has determined that it is in the best interest of the Issuer to finance a portion of the costs of the Project by accepting the financing from the _____ in the total principal amount of \$_____, and a loan in the maximum principal amount of \$_____ bearing interest at a rate of _____ percent (___%) per annum, as evidenced by the Issuer’s Water & Sewer Revenue Bonds, Series 2019A as authorized by the Bonding Act; and

WHEREAS, the Issuer desires to accept the offer of the _____ and to confirm the financing of the Series 2019A Bonds in the total principal amount of \$_____ bearing interest at a rate of _____ percent (___%) per annum (the Series 2019A Bonds);

WHEREAS, the _____ (the “_____”) has offered to finance the Project, in part, in the total principal amount of \$_____, bearing interest at the rate of _____ percent (___%) per annum (the Series 2019B Bonds); and

WHEREAS, the Mayor, City Recorder, and Councilmember Grange as the Pricing Committee authorized by a resolution of the City Council (the “Council”) of the Issuer adopted on October 10, 2019, has determined that it is in the best interests of the Issuer and its residents to finance a portion of the costs of the Project by accepting the grant and loan from the _____ a loan evidenced by the Series 2019B Bonds in the total principal amount of \$_____ bearing interest at the rate of _____ percent (___%) per annum, as authorized by the Bonding Act; and

WHEREAS, the Issuer desires to accept the offer of the _____ and to confirm the financing of \$_____ from the _____, bearing interest at the rate of _____ percent (___%) per annum (the Series 2019B Bonds) on the unpaid principal amount:

NOW, THEREFORE, the Pricing Committee of Millville City, Cache County, Utah approves this Master Resolution, 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, to be paid by the Issuer during any Sinking Fund Year on the Series 2019 Bonds, or other forms of indebtedness issued on a parity with the Series 2019 Bonds and which are secured by the Net Revenues of the System.

“Bondholder” or “Registered Owner” means the registered holder of any Series 2019 Bond, the issuance of which is authorized herein.

“Bonds” means the Series 2019A Bonds, and the Series 2019B Bonds and the Outstanding Bonds and any bonds issued on a parity therewith.

“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 Account as herein described, the deposits of which Bank shall be insured by the Federal Deposit Insurance Corporation.

“Depreciation Reserve Fund” means a reserve fund set up by the Issuer to fully fund depreciation of Project facilities on an annual (fiscal year) basis as long as any of the Series 2019A Bonds are outstanding.

“Escrow Account” means an account to be held in escrow by the Escrow Agent pursuant to the Escrow Agreement, and to be used for the purpose of depositing and accounting for the proceeds of the sale of the Series 2019 Bonds pursuant to the terms of the Escrow Agreement.

“Escrow Agent” means the Utah State Treasurer, Salt Lake City, Utah, who shall so act pursuant to the terms of the Escrow Agreement.

“Escrow Agreement” means escrow account entered into among the Issuer, the _____ and the Escrow Agent, as entered into as of the delivery date of the Series 2019 Bonds.

“Exchange Bonds” means the fully registered Series 2019A Bonds issued in substantially the form set forth in Exhibit A-2, in exchange for the State Bonds representing the Series 2019A Bonds or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof; and the fully registered Series 2019B Bonds issued in substantially the form set forth in Exhibit B-2, in exchange for the State Bonds representing the Series 2019B Bonds or in exchange

for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof

“Fully Registered Bond” means any single Fully Registered Bond in the denomination(s) equal to the aggregate principal amount of the applicable Series 2019 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 or wastewater 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 Obligations” means the Issuer’s Water and Sewer Revenue bonds, Series 2001 in the original principal amount of \$391,000; and its Water Revenue Bonds, Series 2006 in the original principal amount of \$1,741,000.

“Paying Agent” means the person or persons authorized by the Issuer to pay the principal of and on the Series 2019 Bonds on behalf of the Issuer. The initial paying agent for the Series 2019 Bonds is the City Recorder of the Issuer.

“Project” means the water and sewer system improvements, and related improvements to the Issuer's System, including all equipment and necessary appurtenances thereof.

“Registrar” means the person or persons authorized by the Issuer to maintain the registration books with respect to the Series 2019 Bonds on behalf of the Issuer. The initial Registrar for the Series 2019 Bonds is the City Recorder of the Issuer.

“Reserve Fund Installment” means \$_____ per month on the Series 2019A Bonds, and means \$_____ per month on the Series 2019B Bonds.

“Reserve Fund Requirements” means \$_____ on the Series 2019A Bonds, and \$_____ on the Series 2019B Bonds, which amounts shall be accumulated in

accordance with the terms of this Master Resolution over a period not to exceed six years.

“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 imposed to finance the Project, if any, to the extent such impact fees are pledged and available for payment of the Series 2019 Bonds, 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.

“Serial Bonds” means the fully registered Water & Sewer Revenue Bonds, Series 2019A, and/or the Water & Sewer Revenue Bonds, Series 2019B in the denomination of \$1,000 or any integral multiple thereof, which may be issued in exchange for the Fully Registered Water & Sewer Revenue Bonds, Series 2019A and/or the fully registered Water & Sewer Revenue Bonds, Series 2019B in the denomination of \$1,000 or any integral multiple thereof, which may be issued in exchange for the Fully Registered Series 2019B Bonds, as is appropriate.

“Series 2019 Bond or Bonds” means collectively, the Series 2019A Water & Sewer Revenue Bonds and the Series 2019B Water & Sewer Revenue Bonds.

“Series 2019A Bonds” means the Issuer’s Water & Sewer Revenue Bonds, Series 2019A in the total principal amount of \$_____ bearing interest at the rate of _____ percent (___%) per annum purchased by the _____.

“Series 2019B Bonds” means the Issuer’s Water & Sewer Revenue Bonds, Series 2019B in the total principal amount of \$_____ bearing interest at the rate of _____ percent (___%) per annum purchased by the _____.

“Sinking Fund Year” means the twelve-month period beginning on July 1 of each year and ending on the next succeeding June 30; provided, however, that the first Sinking Fund Year will begin on the delivery date of the Series 2019 Bond and will end on the next succeeding June 30.

“State Bonds” means the fully registered Series 2019A Bonds, issued in substantially the form set forth in Exhibit A-1 in the denominations equal to the aggregate principal amount of the Series 2019A Bonds; and the fully registered Series 2019B Bonds, issued in substantially the form set forth in Exhibit B-1 in the denominations equal to the aggregate principal amount of the Series 2019B Bonds.

“System” means the whole and each and every part of the Issuer’s water and sewer collection and/or treatment system, including the Project to be acquired and constructed pursuant to this Master 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.

“_____” means the _____, or any successor agency.

“_____” means the _____, or any successor agency.

ARTICLE II

ISSUANCE OF SERIES 2019A BONDS

Section 2.1. Principal Amount, Designation and Series 2019A Bonds The Series 2019A Bonds shall be issued pursuant to the Bonding Act and are hereby authorized for issuance for the purpose of financing, in part, the (a) Water and Sewer system improvements, and related improvements, and (b) paying the costs of issuing the Bonds. The Series 2019A Bonds are hereby authorized to be issued by the Issuer in the total principal amount of \$_____, and shall be issued (i) if issued as a State Bond(s), in the form set forth in Exhibit A-1, and (ii) if issued as Exchange Bonds, in the form set forth in Exhibit A-2, in fully registered form, and shall bear interest at the rate of _____ percent (___%) per annum and shall be payable as specified herein. If issued as Exchange Bonds, the Series 2019A Bonds shall be in the denomination of \$1,000 or any integral multiple thereof, except that one may be issued in an odd denomination. The Series 2019A Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2019A Bonds shall be designated as, and shall be distinguished from the bonds of the Issuer of all other series by the title, "Water & Sewer Revenue Bonds, Series 2019A."

The Series 2019A Bonds shall be dated as of the date of their delivery, shall be in the total principal amount of \$_____ and shall bear interest at the rate of _____ percent (___%) per annum on the unpaid principal. Both principal and interest on the Series 2019A Bonds shall be payable in lawful money of the United States of America to the registered owner of the Series 2019A Bonds at the address of such owner shown on the registration books of the Issuer.

The Series 2019A Bonds are issued on parity with the Issuer's Outstanding Obligations and the Series 2019B Bonds, such that the Series 2019A Bonds are secured by a pledge of the Net Revenues of the Issuer's System, which pledge is on parity with and equal to the pledge on the Outstanding Obligations and the Series 2019B Bonds.

Section 2.2. Advances of Proceeds. On or before fifteen (15) days prior to the first day of each calendar quarter, beginning prior to the payment by the Issuer of costs of construction of the Project, or at such other time as shall be specified by the _____, the Issuer shall provide to the _____ a certificate setting forth a schedule of the costs of the Project which the Issuer estimates will become due and payable by the Issuer prior to the next succeeding calendar quarter and are properly payable with the proceeds of the Series 2019A Bonds. Advances made by the _____ on the basis of such certificates shall be deposited in the Escrow Fund. All such advances shall be in the minimum amount of \$1,000 or any integral multiple thereof. Upon receipt of evidence of deposit of each advance in the Escrow Fund, the Mayor or City Recorder of the Issuer shall give telephonic authorization followed by written confirmation to the _____ to stamp or write the date and amount of such advance made by the _____ and the corresponding "Total Principal Amount" in the appropriate places on the Certificate of Dates of Payment and Amount appearing on the State Bonds. The amount of each advance made by the _____ on the State Bonds shall

constitute proceeds of the State Bonds and collectively shall be deemed to constitute the full purchase price of the Series 2019A Bonds and the total amount of the funding advanced by the _____ shall constitute the Total Principal Amount of the loan as noted on the Certificate of Dates of Payment and Amount appearing on the State Bonds. As advances are made by the _____, the Total Principal Amount shall constitute the total principal amount of the Series 2019A Bonds in the order of maturity of the Series 2019A Bonds.

Section 2.3. Purchase Price. The _____ has committed to purchase the Series 2019A Bonds for a purchase price in the total principal amount of \$_____.

Section 2.4. Date and Maturities. The Series 2019A Bonds shall be dated as of their date of delivery, shall be in the amount of \$1,000 or any multiple thereof, and shall be paid as provided in this Section 2.4. The Series 2019A Bonds shall be initially issued as one Fully Registered State Bond.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the applicable Bond at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent. Payment shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America.

So long as the _____ is the Registered Owner of the State Bond, payments of principal shall be made by check or draft and mailed to the _____ as the Registered Owner at the address shown on the registration books maintained by the City Recorder. So long as the _____ is the Registered Owner of the State Bond, in lieu of presentation or the surrender of the State Bond to the Paying Agent for notations by the Paying Agent of such payments, the _____, by its Chair or his designee, shall endorse such payments upon the State Bond.

The Issuer shall make the principal payments, along with accrued but unpaid interest, if any, stated for each year, until the Total Principal amount shall be paid in full, payable on each February 1 beginning February 1, 20__, as follows:

<u>February 1</u>	<u>Principal Maturing</u>
20__	\$_____
20__	
20__	
20__	
20__	
20__	
20__	
20__	

February 1

Principal Maturing

20__

20__

20__

\$_____

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In the event the Series 2019 Bonds are not issued during the calendar year 2019, then the series of bonds shall be denominated to show the year in which the Bonds are issued.

In the event the bid from the lowest responsible bidder on the Project shows that the costs of the Project will exceed the amount of loan commitments the Issuer has already obtained, then, as authorized in Section 11-14-302 of the Act, the Issuer hereby authorizes the Mayor, City Recorder and Councilmember Grange, as a pricing committee, to approve a final principal amount and repayment schedule for the Series 2019 Bonds within the parameters set forth in the Notice of Public Hearing and Bonds to Be Issued published once each week for two consecutive weeks with the first publication being at least 14 days before this resolution and also posted on the Utah Public Notice Website at least 14 days before this resolution, which parameters are in the aggregate principal amount of not to exceed \$_____, to bear interest at a rate or rates not to exceed _____ percent (___%) per annum, to mature in not more than _____ (___) years from their date or dates, and to be sold at a price not less than 99% of the total principal amount thereof and all other terms of the Series 2019 Bonds, and to approve and execute all documents related to the issuance of the Series 2019 Bonds. The City Recorder is authorized to attest such signatures and apply the City seal as appropriate.

Section 2.5. Redemption and Redemption Prices.

Optional Redemption. Each principal payment of the Series 2019A Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer, in inverse order of the due dates thereof, and by lot selected by the Issuer if less than all of the State Bonds of a particular due date are to be redeemed, upon notice as provided in Section 2.6 hereof with respect to Exchange Bonds, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the _____ with respect to the State Bonds, and at a redemption price equal to 100% of the principal amount to be prepaid or redeemed, to the date of redemption.

Section 2.6. Notice of Redemption for Exchange Bonds.

(a) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.6. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Exchange Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Exchange Bonds, including series, to be redeemed, the identification numbers of the Exchange Bonds being redeemed;

(ii) any other descriptive information needed to identify accurately the Exchange Bonds being redeemed, including, but not limited to, the original issue date of such Exchange Bonds;

(iii) in the case of partial redemption of any Exchange Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and

(vii) the place where such Exchange Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) Upon the payment of the redemption price of Exchange Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify

the Exchange Bonds being redeemed with the proceeds of such check or other transfer.

(c) The Registrar shall not give notice of such a redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

Notice of redemption shall be given, not more than forty-five (45) days nor less than thirty (30) days prior to the redemption date, to Registered Owners of the Exchange Bonds, or portions thereof, to be redeemed. A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Exchange Bonds or portions thereof redeemed but who failed to deliver Series 2019A Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Registered Owner of such Series 2019A Bonds receives the notice. Receipt of such notice, shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Series 2019A Bonds.

In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Series 2019A Bond, a new Series 2019A Bond in principal amount equal to the unredeemed portion of such Series 2019A Bond will be issued.

Section 2.7. Execution and Delivery of the Series 2019A Bonds. The Mayor is hereby authorized to execute by manual or facsimile signature the Series 2019A Bonds and the City Recorder to countersign by manual or facsimile signature the Series 2019A Bonds and to have imprinted or otherwise placed on the Series 2019A Bonds the official seal of the Issuer. The City Recorder is hereby authorized to deliver to the _____ the Series 2019A Bonds upon payment to the Issuer of the proceeds thereof.

Section 2.8. Delinquent Payment. Payments on the Series 2019A Bonds which are delinquent from the due date thereof shall draw interest at the rate of eighteen percent (18%) per annum on the delinquent payment from said due date until paid in full.

Section 2.9. Exchange of State Bonds. As long as the _____ is the sole Registered Owner of the Series 2019A Bonds, the Series 2019A Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit A-1. It is recognized that the _____ may sell or otherwise transfer the Series 2019A Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the _____ determines to sell or otherwise transfer all or a portion of the Series 2019A Bonds pursuant to the State Financing Consolidation Act, or otherwise, the State Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with

the provisions of this Section 2.9 and Section 4.1 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 4.1 hereof. Any Series 2019A Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the _____ pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit A-2, and shall be executed pursuant to authorization contained in Section 2.7 hereof. Each principal payment on the State Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the State Bonds for Exchange Bonds, provided that the _____ shall pay or cause to be paid all costs and other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

ARTICLE III

ISSUANCE OF SERIES 2019B BONDS

Section 3.1. Principal Amount, Designation and Series 2019B Bonds The Series 2019B Bonds shall be issued pursuant to the Bonding Act and are hereby authorized for issuance for the purpose of financing, in part, the (a) Water and Sewer system improvements, and related improvements, and (b) paying the costs of issuing the Bonds. The Series 2019B Bonds are hereby authorized to be issued by the Issuer in the total principal amount of \$_____, and shall be issued (i) if issued as a State Bond(s), in the form set forth in Exhibit B-1, and (ii) if issued as Exchange Bonds, in the form set forth in Exhibit B-2, in fully registered form, and shall bear interest at the rate of ____ percent (___%) per annum and shall be payable as specified herein. If issued as Exchange Bonds, the Series 2019B Bonds shall be in the denomination of \$1,000 or any integral multiple thereof, except that one may be issued in an odd denomination. The Series 2019B Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2019B Bonds shall be designated as, and shall be distinguished from the bonds of the Issuer of all other series by the title, "Water & Sewer Revenue Bonds, Series 2019B."

The Series 2019B Bonds shall be dated as of the date of their delivery, shall be in the total principal amount of \$_____ and shall bear interest at the rate of ____ percent (___%) per annum on the unpaid principal. Both principal and interest on the Series 2019B Bonds shall be payable in lawful money of the United States of America to the registered owner of the Series 2019B Bonds at the address of such owner shown on the registration books of the Issuer.

The Series 2019B Bonds are issued on parity with the Issuer's Outstanding Obligations and the Series 2019A Bonds, such that the Series 2019B Bonds are secured by a pledge of the Net Revenues of the Issuer's System, which pledge is on parity with and equal to the pledge on the Outstanding Obligations and the Series 2019A Bonds.

Section 3.2. Advances of Proceeds. On or before fifteen (15) days prior to the first day of each calendar quarter, beginning prior to the payment by the Issuer of costs of construction of the Project, or at such other time as shall be specified by the _____, the Issuer shall provide to the _____ a certificate setting forth a schedule of the costs of the Project which the Issuer estimates will become due and payable by the Issuer prior to the next succeeding calendar quarter and are properly payable with the proceeds of the Series 2019B Bonds. Advances made by the _____ on the basis of such certificates shall be deposited in the Escrow Fund. All such advances shall be in the minimum amount of \$1,000 or any integral multiple thereof. Upon receipt of evidence of deposit of each advance in the Escrow Fund, the Mayor or City Recorder of the Issuer shall give telephonic authorization followed by written confirmation to the _____ to stamp or write the date and amount of such advance made by the _____ and the corresponding "Total Principal Amount" in the appropriate places on the Certificate of Dates of Payment and Amount appearing on the State Bonds. The amount of each advance made by the _____ on the State Bonds shall constitute proceeds of the State Bonds and collectively shall be deemed to constitute the full

purchase price of the Series 2019B Bonds and the total amount of the funding advanced by the _____ shall constitute the Total Principal Amount of the loan as noted on the Certificate of Dates of Payment and Amount appearing on the State Bonds. As advances are made by the _____, the Total Principal Amount shall constitute the total principal amount of the Series 2019B Bonds in the order of maturity of the Series 2019B Bonds.

Section 3.3. Purchase Price. The _____ has committed to purchase the Series 2019B Bonds for a purchase price in the total principal amount of \$_____.

Section 3.4. Date and Maturities. The Series 2019B Bonds shall be dated as of their date of delivery, shall be in the amount of \$1,000 or any multiple thereof, and shall be paid as provided in this Section 3.4. The Series 2019B Bonds shall be initially issued as one Fully Registered State Bond.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the applicable Bond at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent. Payment shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America.

So long as the _____ is the Registered Owner of the State Bond, payments of principal shall be made by check or draft and mailed to the _____ as the Registered Owner at the address shown on the registration books maintained by the City Recorder. So long as the _____ is the Registered Owner of the State Bond, in lieu of presentation or the surrender of the State Bond to the Paying Agent for notations by the Paying Agent of such payments, the _____, by its Chair or his designee, shall endorse such payments upon the State Bond.

The Issuer shall make the principal payments, along with accrued but unpaid interest, if any, stated for each year, until the Total Principal amount shall be paid in full, payable on each February 1 beginning February 1, 20__, as follows:

<u>February 1</u>	<u>Principal Maturing</u>
20__	\$_____
20__	
20__	
20__	
20__	
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February 1

Principal Maturing

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In the event the Series 2019 Bonds are not issued during the calendar year 2019, then the series of bonds shall be denominated to show the year in which the Bonds are issued.

In the event the bid from the lowest responsible bidder on the Project shows that the costs of the Project will exceed the amount of loan commitments the Issuer has already obtained, then, as authorized in Section 11-14-302 of the Act, the Issuer hereby authorizes the Mayor, City Recorder and Councilmember Grange, as a pricing committee, to approve a final principal amount and repayment schedule for the Series 2019 Bonds within the parameters set forth in the Notice of Public Hearing and Bonds to Be Issued published once each week for two consecutive weeks with the first publication being at least 14 days before this resolution and also posted on the Utah Public Notice Website at least 14 days before this resolution, which parameters are in the aggregate principal amount of not to exceed \$_____, to bear interest at a rate or rates not to exceed _____ percent (___%) per annum, to mature in not more than _____ (___) years from their date or dates, and to be sold at a price not less than 99% of the total principal amount thereof and all other terms of the Series 2019 Bonds, and to approve and execute all documents related to the issuance of the Series 2019 Bonds. The City Recorder is authorized to attest such signatures and apply the City seal as appropriate.

Section 3.5. Redemption and Redemption Prices.

Optional Redemption. Each principal payment of the Series 2019B Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer, in inverse order of the due dates thereof, and by lot selected by the Issuer if less than all of the State Bonds of a particular due date are to be redeemed, upon notice as provided in Section 3.6 hereof with respect to Exchange Bonds, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the _____ with respect to the State Bonds, and at a redemption price equal to 100% of the principal amount to be prepaid or redeemed, to the date of redemption.

Section 3.6. Notice of Redemption for Exchange Bonds.

(a) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 3.6. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Exchange Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption. Such notice shall state the following information:

- (i) the complete official name of the Exchange Bonds, including series, to be redeemed, the identification numbers of the Exchange Bonds being redeemed;
- (ii) any other descriptive information needed to identify accurately the Exchange Bonds being redeemed, including, but not limited to, the original issue date of such Exchange Bonds;
- (iii) in the case of partial redemption of any Exchange Bonds, the respective principal amounts thereof to be redeemed;
- (iv) the date of mailing of redemption notices and the redemption date;
- (v) the redemption price;
- (vi) that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and
- (vii) the place where such Exchange Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) Upon the payment of the redemption price of Exchange Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify

the Exchange Bonds being redeemed with the proceeds of such check or other transfer.

(c) The Registrar shall not give notice of such a redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

Notice of redemption shall be given, not more than forty-five (45) days nor less than thirty (30) days prior to the redemption date, to Registered Owners of the Exchange Bonds, or portions thereof, to be redeemed. A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Exchange Bonds or portions thereof redeemed but who failed to deliver Series 2019B Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Registered Owner of such Series 2019B Bonds receives the notice. Receipt of such notice, shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Series 2019B Bonds.

In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Series 2019B Bond, a new Series 2019B Bond in principal amount equal to the unredeemed portion of such Series 2019B Bond will be issued.

Section 3.7. Execution and Delivery of the Series 2019B Bonds. The Mayor is hereby authorized to execute by manual or facsimile signature the Series 2019B Bonds and the City Recorder to countersign by manual or facsimile signature the Series 2019B Bonds and to have imprinted or otherwise placed on the Series 2019B Bonds the official seal of the Issuer. The City Recorder is hereby authorized to deliver to the _____ the Series 2019B Bonds upon payment to the Issuer of the proceeds thereof.

Section 3.8. Delinquent Payment. Payments on the Series 2019B Bonds which are delinquent from the due date thereof shall draw interest at the rate of eighteen percent (18%) per annum on the delinquent payment from said due date until paid in full.

Section 3.9. Exchange of State Bonds. As long as the _____ is the sole Registered Owner of the Series 2019B Bonds, the Series 2019B Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit B-1. It is recognized that the _____ may sell or otherwise transfer the Series 2019B Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the _____ determines to sell or otherwise transfer all or a portion of the Series 2019B Bonds pursuant to the State Financing Consolidation Act, or otherwise, the State Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this

Section 3.9 and Section 4.1 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 4.1 hereof. Any Series 2019B Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the _____ pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit B-2, and shall be executed pursuant to authorization contained in Section 3.7 hereof. Each principal payment on the State Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the State Bonds for Exchange Bonds, provided that the _____ shall pay or cause to be paid all costs and other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

ARTICLE IV

REGISTRATION, PAYMENT, AND FLOW OF FUNDS

Section 4.1 Execution of and Registration of Series 2019 Bonds; Persons Treated as Owners. The Series 2019 Bonds shall be signed by the Issuer and the Issuer shall cause books for the registration and for the transfer of the Series 2019 Bonds to be kept by the City Recorder who is hereby appointed the Registrar of the Issuer with respect to the Series 2019 Bonds. Any Series 2019 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 2019 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 2019 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 2019 Bond surrendered for transfer. Series 2019 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2019 Bonds of the same series or other authorized denominations and the same maturity. The execution by the Issuer of any Series 2019 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 2019 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 2019 Bond for redemption.

Series 2019 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 2019 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 2019 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 2019 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 2019 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 2019 Bond shall be delivered.

Section 4.2 Deposit of Bond Proceeds. The proceeds from the sale of the Series 2019A Bonds and the 2019B Bonds shall be deposited upon delivery in the Escrow Account and shall be disbursed pursuant to the provisions of the Escrow Agreement. All monies deposited in the Escrow Account 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 2019A Bonds and the Series 2019B Bonds. Any unexpended loan funds from the Series 2019A Bonds and the Series 2019B Bonds remaining in the Escrow Account after completion of the Project shall be paid immediately into the “Millville City Water & Sewer Revenue Bond Sinking Fund”, hereinafter referred to herein as the “Sinking Fund” previously established and reaffirmed hereunder, and shall be used only for the prepayment of the Issuer’s Series 2019 Bonds. Principal last to become due shall be prepaid first, and in the event less than all of the principal amount of the Bonds maturing on the last due date are to be redeemed, the Issuer shall by lot select those Bonds to be prepaid. Proceeds on deposit in the Escrow Account, may at the discretion of the Issuer, be invested by the Escrow Agent as provided in the Escrow Agreement. Following the transfer of unexpended funds from the Escrow Account to the Sinking Fund, the Escrow Account will be closed.

Section 4.3 The Series 2019 Bonds Constitute Special Limited Obligations. Notwithstanding anything in this Master Resolution elsewhere contained, the principal and interest, if any, on the Series 2019 Bonds shall be payable out of 100% of the Net Revenues which are hereby pledged for repayment of the Series 2019 Bonds, and in no event shall the Series 2019 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.

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 2019 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 4.4 Flow of Funds. From and after the earlier of the delivery date of the Series 2019 Bonds, and until all the Series 2019 Bonds have been fully paid, the Revenues shall be set aside into the Millville City Water and Sewer Revenue Fund referred to herein as “Revenue Fund”, established previously and reaffirmed hereunder, to be held by the Depository Bank. The Issuer will thereafter make 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 tenth day of each month, such portion of the Revenue Account 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 as hereinafter provided.

(b) All amounts in the Revenue Fund not allocated to the Expense Account (the “Net Revenues”) shall be allocated next to the Sinking Fund as follows:

(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 2019 Bonds as shall become due and all bonds or obligations issued in parity therewith, including the Outstanding Obligations. (A) The amount to be set aside monthly on or before the tenth day of each month with respect to the Outstanding Obligations is set forth in the documents authorizing those obligations. (B) The amount to be so set aside with respect to the Series 2019 Bonds shall, as nearly as may be practicable, be set aside and allocated to the Bond Account monthly, on or before the tenth day of each month, beginning February 10, 20__, and shall equal $\frac{1}{12}$ of the amount of the principal and interest, if any, on the payment next due on the Series 2019 Bonds (in the event of the first year the amount shall equal the fraction the numerator of which is one and the denominator of which is the number of whole months from the date of delivery until the first principal payment date), to the end that there will be sufficient funds allocated to the Bond Account to pay the principal and interest, if any, on the Series 2019 Bonds as and when the same become due. (In the event insufficient moneys are available to make prompt payment of the full principal and interest, if any, on the Series 2019 Bonds as shall become due and all Outstanding Obligations, such moneys shall be allocated pro rata based on the amount of principal next coming due on each Bond.) Amounts allocated to the Bond Account shall be used solely for the purpose of paying principal and interest, if any, on the Outstanding Obligations and Series 2019 Bonds and shall not be reallocated, transferred or paid out for any other purpose; and

(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 on a parity basis (1) those amounts, if any, as shall be required for the Outstanding Obligations to be deposited in a reserve account; and (2) on or before the tenth day of each month, beginning February 10, 20__ to the “Reserve Accounts – Series 2019 Bonds” established on the books of the Issuer the Reserve Fund Installments for the Series 2019 Bonds, respectively, plus such additional amount as may be required to meet any monthly installment to the Reserve Accounts – Series 2019 Bonds not theretofore made in whole or in part, such allocation shall

continue until there shall have been accumulated an amount equal to the Reserve Fund Requirement with respect to each of the Series 2019 Bonds. (In the event insufficient moneys are available to make full allocation to each reserve account, such moneys shall be allocated pro rata to the monthly allocation requirement of each such reserve fund.) Amounts allocated to the Reserve Accounts shall be used to pay the principal and interest, if any, falling due on the respective Outstanding Obligations and Series 2019 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 Accounts have been accumulated as in this paragraph provided, no further allocations to the Reserve Accounts need be made unless payments from the Reserve Account have reduced the same below the amounts required by this paragraph, in which event allocations shall be resumed until such deficiency has been remedied; and

(iii) Monthly on the tenth day of each month beginning February 10, 20__ for the life of the Series 2019 Bonds, the Issuer shall set aside the amount of \$__ to the "Emergency Repair and Replacement Account" established on the books of the Issuer until the Issuer accumulates an amount of \$_____. To the extent the amount in the said account shall be less than \$_____, the Issuer shall allocate monthly monies from the Sinking Fund until there shall have been accumulated in the Emergency Repair and Replacement Account an amount equal to \$_____. Funds on deposit in the Emergency Repair and Replacement Account shall be used solely for emergency repairs and replacements to the System as the need arises.

(iv) For the life of the Series 2019 Bonds, from Net Revenues which remain after the foregoing deposits and allocations have been made, the Issuer shall fully fund depreciation on the Project facilities by depositing annually, not later than 90 days after the close of the Issuer's fiscal year, into a separate "Depreciation Reserve Account" to be held by the Issuer an amount equal to the amount necessary to fully fund depreciation on the Project facilities for the fiscal year in which the annual deposits are being made. If, at the completion of any fiscal year, the Issuer determines that the Issuer is unable to fully fund depreciation on the Project facilities from available Net Revenues, the Issuer must, within 60 days, adjust monthly water and sewer fees charged for System services so that the total annual water and sewer fees charged for System services will equal not less than 1.4% of the Median Adjusted Gross Income ("MAGI") for residents of the Issuer, using the most recent information then available from the Utah State Tax Commission. The Depreciation Reserve Account is not intended to fund nor required to fund debt service payments on any of the Series 2019 Bonds, but is only to be used to fund water and sewer related expenses for the Issuer's System, as the need arises, including short lived capital assets.

(v) All remaining funds, if any, in the Sinking Fund after all of the payments required to be made into the Bond Account and Reserve Account and Emergency Repair and Replacement Account, and Depreciation Reserve Fund have been made, may be used by the Issuer (a) to prepay or redeem the Series 2019 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 4.5 Investment of Funds. Any funds allocated to the Bond Account, Emergency Repair and Replacement Account, the Reserve Account Series 2019, and the Depreciation Reserve Fund 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, Emergency Repair and Replacement Account, and Depreciation Reserve Fund shall be maintained in said fund and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Reserve Account Series 2019 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 2019 after said transfer have funds equaling the Reserve Fund Requirements. Should the Reserve Account Series 2019 have less than the Reserve Fund Requirements, then said income shall be maintained in the Reserve Account Series 2019, until total deposits equals the Reserve Fund Requirements. There shall not be required to be in the Bond Account and the Reserve Account Series 2019 at any time more than the total amount required to pay the total principal outstanding of the Series 2019 Bonds. Whenever the money in the Bond Account and the Reserve Account Series 2019 equals the total principal amount of the Series 2019 Bonds outstanding, the money in said Accounts shall be used to prepay all of such Bonds.

ARTICLE VI

COVENANTS

Section 6.1. Covenants of Issuer. The Issuer hereby covenants and agrees with each and every holder of the Series 2019 Bonds the following:

(a) The rates for all water and 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 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 Bonds, the Outstanding Obligations, and any Parity Bonds (as defined in 6.2) when due, and to make available for purposes having priority junior to the Sinking Fund in the application of the Net Revenues in each Sinking Fund Year, at least twenty-five percent (25%) of the Annual Debt Service for each such year. All Net Revenues, including those received from the Issuer, shall be subject to distribution for the payment of the cost of operating and maintaining the System, and the payment of the Bonds, as hereinabove provided. In addition to the foregoing, the Issuer covenants that as long as any of the Series 2019 Bonds are outstanding it will fully fund depreciation of the Project facilities by depositing funds annually (each fiscal year) into the "Depreciation Reserve Fund" or, if it is unable to fully maintain the "Depreciation Reserve Fund" it will annually adjust rates for sewer service up to the maximum affordable limit, which is not less than 1.4% of the MAGI for the Issuer, using the most recent information available from the Utah State Tax Commission, so that the rates for sewer service shall be the higher of at least 1.25 times the annual Net Revenues, or 1.4% of MAGI, whichever is greater.

(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 Master 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 2019 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 Bondholder; provided, however, during such periods of time as the _____ is the Registered Owner of the Series 2019A Bonds or the _____ is the Registered Owner of the Series 2019B Bonds, each such audit will be supplied to the _____ and/or _____, respectively, as soon as completed without prior request therefor by the _____ or _____. 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 Master 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) An analysis of all funds and accounts created in this Master 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;
- (vi) The number of sewer connections within the boundaries or service area of the Issuer, and applications for sewer service on hand at the end of the Sinking Fund Year;
- (vii) The total billings for such Sinking Fund Year;
- (viii) All schedules of rates and charges imposed for sewer service during the Sinking Fund Year.

The Bondholder 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 Subsection 5.1.(d), provided, however, that such waiver shall not apply to the reporting requirements of the Issuer set forth in Subsection 6.1.(e) herein.

(e) In addition to the reporting requirements set forth in Subsection 6.1.(d) above, the Issuer shall submit to the _____ within one hundred eighty (180) days following the close of each Sinking Fund Year, a summary report substantially in the form as provided by the _____ to the Issuer upon purchase of the Series 2019A Bonds.

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 _____ or _____, 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) A 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 other 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 water 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 water service to the sewer user concerned to be cut off immediately.

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

(k) 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.

(l) The Issuer will not grant a franchise for the operation of any competing water and sewer system within its corporate limits, as long as the Series 2019 Bonds authorized herein remain outstanding.

(m) 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.

(n) All payments falling due on the Series 2019 Bonds shall be made to the Bondholders thereof and all charges made by the Depository Bank for its services shall be paid by the Issuer.

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

(p) The Issuer agrees, in accepting the proceeds of the Series 2019 Bonds, to comply with all applicable state and federal regulations related to the Utah State Revolving Fund administered by the _____. These requirements include, but are not limited to Title VI of the Clean Water Act of 1987, The Single Audit Act of 1996, the Utah Wastewater Loan Program policies and guidelines, the Utah Local Government Bonding Act, the Utah Money Management Act, the Utah Procurement Code and the State of Utah Legal Compliance Audit Guide.

(q) Notwithstanding any other provision of law and in a manner consistent with other provisions of the Davis-Bacon Act, the Issuer agrees that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole, or in part, through the Federal Government pursuant to such Act shall be paid wages at rates not less than those prevailing on project of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of Title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

(r) Qualified Tax-Exempt Obligation Status. For purposes of and in accordance with Section 265(b)(3) of the Code, the Issuer hereby designates the Series 2019 Bonds to be “qualified tax-exempt obligations” and in support of such designation, the Mayor or an Authorized Officer of the Issuer shall provide an appropriate certificate of the Issuer as of the date of delivery and payment for the Series 2019B and 2013C Bonds.

(s) Exemption from Rebate for Small Issuer. In accordance with Section 148 (f)(4)(B) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2019 Bonds are not “private activity bonds” as defined in Section 141 of the Code; that ninety-five percent (95%) or more of the net proceeds of the Series 2019 Bonds are to be used for local governmental activities of the Issuer; and that the aggregate face amount of all tax-exempt obligations (other than “private activity bonds”) issued by the Issuer and all entities that issue obligations on behalf of the Issuer, derive their issuing authority from the Issuer or are subject to substantial control by the Issuer, during the calendar year 2019 will not exceed \$5,000,000. If for any reason the Issuer does not qualify for an exception to rebate under Section 148 (f) of the Code, the Issuer covenants that it will take all necessary steps to comply with the rebate requirements of the Code.

(t) Compliance with IRS Section 148. The Issuer covenants and agrees to and for the benefit of the Bondholders of the Series 2019 Bonds that no use will be made of any of the proceeds from the sale of the Series 2019 Bonds, or any funds or accounts of the Issuer which may be deemed to be proceeds of the Series 2019 Bonds pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, (the “Code”) and applicable regulations promulgated thereunder (the “Regulations”) which use, if it had been reasonably expected on the date of issuance of the Series 2019 Bonds, would have caused the Series 2019 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 2019 Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated there under. The Issuer further covenants and agrees to and for the benefit of the Registered Owners of the Series 2019 Bonds that the Issuer (i) will not take any action that would cause interest on the Series 2019 Bonds to become

includible in gross income for purposes of federal income taxation, (ii) will not omit to take any action, which omission would cause the interest on the Series 2019 Bonds to become includible in gross income for purposes of federal income taxation and (iii) will take all reasonable and lawful actions to comply with any other requirements of federal tax law applicable to the Series 2019 Bonds, including any new tax laws, in order to preserve the exclusion from gross income for purposes of federal income taxation of the interest on the Series 2019 Bonds.

(u) Filing IRS Form 8038-G. The Issuer will file or cause to be filed with the Internal Revenue Service Center, Ogden, UT 84201, on or before the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2019 Bonds are issued, a Form 8038-G, Information Return for Tax-Exempt Governmental Bond Issues, with respect to the Series 2019 Bonds, respectively.

Section 6.2. Additional Indebtedness. No additional indebtedness, bonds or notes of the Issuer payable on a priority superior to the Series 2019 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 2019 Bonds. Furthermore, the Series 2019 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 2019 Bonds authorized to be issued pursuant to this Master 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 2019 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 2019 Bonds.

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

(1) The Series 2019 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 2019 Bonds except that if fewer than all of the Series 2019 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 unrefunded Series 2019 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 2019 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 2019 Bonds refunded.

(2) Additional bonds may be issued on a parity with the Series 2019 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”):

(a) 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 have become effective prior to incurring 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.

(b) All payments required by this Master 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 Master Resolution to be accumulated therein.

(c) The Parity Bonds must be payable as to principal on February 1 of each year in which principal falls due.

(d) 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.

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

ARTICLE VII

MISCELLANEOUS

Section 7.1. Default and Remedies. Failure of the Issuer to perform any covenant or requirement of the Issuer under this Master 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:

(a) The Bondholder may require the Issuer to pay an interest penalty equal to eighteen percent (18%) per annum of the outstanding principal amount on the Series 2019 Bonds, said interest penalty to accrue from the date of the notice of the Bondholder to the Issuer referenced hereinabove until the default is cured by the Issuer. Said interest penalty shall be paid on each succeeding payment date until the default is cured by the Issuer.

(b) 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 4.4 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 7.2. Amendments to Master Resolution. Provisions of this Master Resolution shall constitute a contract between the Issuer and the Bondholder; and after the issuance of the Series 2019 Bonds, no change, variation or alteration of any kind in the provisions of this Master Resolution shall be made in any manner until such time as all of the Series 2019 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 Master Resolution in the manner and to the extent set out below.

Whenever the Issuer shall propose to amend or modify this Master Resolution under the provisions of this section, it shall cause notice of the proposed amendment to be sent to all Bondholders of all Series 2019 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 Master 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 2019 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 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, if any, without the consent of the Bondholder of all the Series 2019 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 2019 Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Series 2019 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 2019 Bonds then outstanding, without the consent of the Bondholders of all the Series 2019 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 7.3. Maintenance of Proceedings. A certified copy of this Master 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 Master 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 Master 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 2019 Bonds authorized herein or to meet any obligation contained herein concerning the Series 2019 Bonds.

Section 7.4. Defeasance of Series 2019A Bonds. If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to the Registered

Owner of the Series 2019A Bonds for the payments due or to become due thereon at the times and in the manner stipulated therein, then the first lien pledge of the Net Revenues under this Master Resolution and any and all estate, right, title and interest in and to any of the funds and accounts created hereunder (except moneys or securities held by a Depository Bank for the payment of the Series 2019A Bonds) shall be canceled and discharged.

Any Series 2019A Bond shall be deemed to be paid within the meaning of this section when payment of the Series 2019A Bonds (whether such due date be by reason of maturity or upon prepayment or redemption as provided herein) shall have been made in accordance with the terms thereof. At such time as the Series 2019A Bonds shall be deemed to be paid hereunder, they shall no longer be secured by or entitled to the benefits hereof (except with respect to the moneys and securities held by a Depository Bank for the payment of the Series 2019A Bonds).

Pursuant to Sections 3.9 and 4.9 of this Master Resolution the Series 2019 Bonds, respectively, may not be defeased.

Section 7.5. Sale of Series 2019A Bonds Approved. The sale of the Series 2019A Bonds to the _____ is hereby ratified, confirmed and approved.

Section 7.6. Sale of Series 2019B Bonds Approved. The sale of the Series 2019B Bonds to the _____ is hereby ratified, confirmed and approved.

Section 7.7. 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 7.8. Notice of Public Hearing and Bonds to be Issued. In accordance with the provisions of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, 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 Bonds to be Issued” to be (1) published once each week for two consecutive weeks in a newspaper of general circulation in the Issuer, and (2) posted on the Utah Public Notice Website at least 14 days before the public hearing held on September 26, 2019, 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 7.9. 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 Master Resolution and the documents authorized and approved herein.

Section 7.10. Severability. If any section, paragraph, clause or provision of this Master 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 Master Resolution.

It is hereby declared by the governing body of the Issuer that it is the intention of the Issuer by the adoption of this Master Resolution to comply in all respects with the provisions of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended and that the Series 2019 Bonds shall be incontestable after issuance.

Section 7.11. Resolutions in Conflict. All resolutions or parts thereof in conflict with the provisions of this Master Resolution are, to the extent of such conflict, hereby repealed.

ADOPTED BY THE PRICING COMMITTEE AND REPORTED TO THE
CITY COUNCIL THIS _____, 20__.

Mayor

ATTEST:

City Recorder

(S E A L)

EXHIBIT A-1

FORM OF STATE BONDS

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF CACHE
MILLVILLE CITY
WATER AND SEWER REVENUE BOND
SERIES 2019A

\$_____

THIS BOND HAS BEEN DESIGNATED BY THE ISSUER FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986 RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

Millville City, Cache County, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the _____ (the "_____") or registered assigns last noted in the Registration Certificate attached to the end of this Bond (the "Registered Owner"), the Total Principal Amount set forth in the "Certificate of Dates of Payment and Amount" attached hereto at the end of this Bond and more fully described below, but in no event more than \$_____ bearing interest at the rate of _____ percent (___%) per annum, payable on February 1 of each year, with payment of principal and interest, if any, beginning on February 1, 20__, in registered installments on February 1 of each of the years as set forth in the following Repayment Schedule:

<u>February 1</u>	<u>Principal Maturing</u>
20__	\$_____
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	

February 1

Principal Maturing

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

\$_____

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon surrender of this Bond at the offices of the Paying Agent, or of any successor Paying Agent. Payments shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar, or at such other address as is furnished to the Registrar in writing by such Registered Owner.

As long as the _____ is the registered holder of this Bond, installment payments of principal and interest, if any, shall be made by check or draft mailed to the _____ as the registered holder at the address shown on the registration books maintained by the Registrar.

If any installment payment of Bond principal is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest, if any, and then to principal.

This Bond is payable solely from a special fund designated "Millville City Water and Sewer Revenue Bond Sinking Fund," into which fund and into a reserve therefor, to the extent necessary to assure prompt payment of this Bond, shall be pledged 100% of the Net Revenues (as defined in the Master Resolution herein described) derived and to be derived from the operation of the Issuer's water and sewer system (the "System"), all as more fully described and provided in the Master Resolution adopted by the Pricing Committee of the

Issuer on _____, 20__ (the “Master Resolution”), which Pricing Committee and Master Resolution were authorized by the Authorizing Resolution adopted by the governing body of the Issuer on October 10, 2019 (the “Authorizing Resolution”).

This Bond is issued pursuant to (i) the Master Resolution and Authorizing Resolution, and (ii) the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended, for the purpose of financing, in part, the (i) water and sewer system improvements, and related improvements, and (ii) paying the costs of issuing the Bonds. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Master Resolution) of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues of the System. After issuance this Bond shall be incontestable.

The Series 2019A Bonds are issued on parity with the Issuer's Outstanding Obligations (as defined in the Master Resolution) and its Series 2019B Bonds, such that the Series 2019A Bonds are secured by a pledge of the Net Revenues of the Issuer's System, which pledge is on parity with and equal to the pledge of the Outstanding Obligations and the Series 2019B Bonds.

As provided in the Master Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Master Resolution, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Master Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Master Resolution.

The issuance of this Bond shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of the due date of the principal installments hereof and by lot selected by the Issuer if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

Notice of redemption shall be mailed by the Issuer, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the registered owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Master Resolution, the Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 and any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water and sewer service sufficient to pay when due this Bond, and the principal and interest on all bonds issued on a priority to or parity with this Bond, if any, as the same 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 Revenues (as defined in the Master Resolution) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Master Resolution) to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

This Bond shall be registered 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. This Bond is transferable only by notation upon said book by 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, this Bond shall be delivered to and registered in the name of the transferee.

It is hereby declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues (as defined in the Master Resolution) to be derived from the operation of the System have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of this Bond and all bonds issued on a parity with this Bond, if any, and that said Net Revenues are not pledged, hypothecated or anticipated in any way other than by the issue of this Bond and all bonds issued on a parity with this Bond, if any.

IN TESTIMONY WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its City Recorder under the corporate seal of said Issuer this _____, 20__.

/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)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CERTIFICATE OF DATES
OF PAYMENT AND AMOUNT

The undersigned authorized representative of the State of _____ (the “_____”) hereby certifies that the _____ has received written authorization from the Mayor or the 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 Amount” is the total amount received by the Issuer for the Project, and that the undersigned has placed his/her signature in the space provided opposite such amount(s) to evidence the same.

<u>Amount of Payment</u>	<u>Date of Payment</u>	<u>Total Principal Sum</u>	<u>Representative Signature</u>
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____

EXHIBIT A-2

FORM OF EXCHANGE BOND

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF CACHE
MILLVILLE CITY
WATER AND SEWER REVENUE BONDS, SERIES 2019A

INTEREST RATE

MATURITY DATE

ISSUE DATE

____%

February 1, 20__

Registered Owner: _____

Principal Amount: _____ Dollars

Millville City, Cache County, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender thereof, the Principal Amount identified above. Principal and redemption price of this Bond shall be payable upon presentation of this Bond to the City Recorder of the Issuer as Paying Agent, or its successor as such paying agent, for payment at maturity.

If this Bond is not paid when due and payable, the Issuer shall pay interest on the unpaid amount at the rate of eighteen percent (18%) per annum from the due date thereof until paid in full.

This Bond is one of an authorized issue of bonds of like date, term and effect except as to maturity, in the aggregate principal amount of _____ Dollars (\$_____), issued in exchange for the conversion of the Issuer's Water & Sewer Revenue Bond, Series 2019A dated _____, 20__, in the Total Principal Amount of \$_____, authorized by a Master Resolution of the Pricing Committee of the Issuer duly adopted on _____, 20__ (the "Master Resolution") as authorized by the Authorizing Resolution adopted by the governing body of the Issuer on October 10, 2019 (the "Authorizing Resolution"). This Bond and the issue of Bonds of which it is a part is

issued pursuant to (i) the Master Resolution and (ii) the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended, for the purpose of financing, in part, the (i) water and sewer system improvements, and related improvements. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Master Resolution) of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Revenues of the System.

The Series 2019A Bonds are issued on parity with the Issuer's Outstanding Obligations (as defined in the Master Resolution) and its Series 2019B Bonds, such that the Series 2019A Bonds are secured by a pledge of the Net Revenues of the Issuer's System, which pledge is on parity with and equal to the pledge of the Outstanding Obligations and Series 2019B Bonds.

As provided in the Master Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Master Resolution, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Master Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Master Resolution.

The issuance of this Bond shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

Optional Redemption. The Bonds are subject to redemption prior to maturity at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of maturity and by lot within each maturity if less than the full amount is redeemed, upon not less than thirty (30) days' nor more than forty-five (45) days' prior notice, at a redemption price equal to 100% of the principal amount of each Bond to be redeemed. Notice of redemption shall be mailed by the Issuer, postage prepaid, to the registered owners of said Bonds addressed to such owners at their address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Master Resolution, the Series 2019A Bonds (as defined in the Master Resolution) are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 or any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water and sewer service sufficient to pay this Bond when due and principal on all bonds issued on a priority to or parity with this Bond, if any, as the same 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 Revenues (as defined in the Master Resolution) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Master Resolution) to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The Registered Owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the City Recorder (the "Registrar") in Millville City, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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, additions and extensions thereto, have been pledged and will be set aside into said special fund by the Issuer to be used for the payment of this Bond and the issue of which it forms a part and all bonds issued on a parity with this Bond, if any, and that said Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than by the issue of Series 2019 Bonds of which this Bond is one and all bonds issued on a parity with this Bond, 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 the ____ day of _____, 20__.

By /s/ _____ (Do Not Sign)
Mayor

COUNTERSIGNED:

/s/ _____ (Do Not Sign)
City Recorder

(S E A L)

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto

_____ (Tax Identification or Social Security No. _____) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO SEC RULE 17Ad-15.

EXHIBIT B-1

FORM OF STATE BONDS

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF CACHE
MILLVILLE CITY
WATER AND SEWER REVENUE BOND
SERIES 2019B

THIS BOND HAS BEEN DESIGNATED BY THE ISSUER FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986 RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

\$_____

Millville City, Cache County, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the _____ (the "_____") or registered assigns last noted in the Registration Certificate attached to the end of this Bond (the "Registered Owner"), the Total Principal Amount set forth in the "Certificate of Dates of Payment and Amount" attached hereto at the end of this Bond and more fully described below, but in no event more than \$_____ bearing interest at the rate of _____ percent (___%) per annum, payable on February 1 of each year, with payment of principal and interest, if any, beginning on February 1, 20__, in registered installments on February 1 of each of the years as set forth in the following Repayment Schedule:

<u>February 1</u>	<u>Principal Maturing</u>
20__	\$_____
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	

February 1

Principal Maturing

20__

\$_____

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

20__

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon surrender of this Bond at the offices of the Paying Agent, or of any successor Paying Agent. Payments shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar, or at such other address as is furnished to the Registrar in writing by such Registered Owner.

As long as the _____ is the registered holder of this Bond, installment payments of principal and interest, if any, shall be made by check or draft mailed to the _____ as the registered holder at the address shown on the registration books maintained by the Registrar.

If any installment payment of Bond principal is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest, if any, and then to principal.

This Bond is payable solely from a special fund designated "Millville City Water and Sewer Revenue Bond Sinking Fund," into which fund and into a reserve therefor, to the extent necessary to assure prompt payment of this Bond, shall be pledged 100% of the Net Revenues (as defined in the Master Resolution herein described) derived and to be derived from the operation of the Issuer's water and sewer system (the "System"), all as more fully described and provided in the Master Resolution adopted by the Pricing Committee of the Issuer on _____, 20__ (the "Master Resolution"), which Pricing Committee and

Master Resolution were authorized by the Authorizing Resolution adopted by the governing body of the Issuer on October 10, 2019 (the “Authorizing Resolution”).

This Bond is issued pursuant to (i) the Master Resolution and Authorizing Resolution, and (ii) the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended, for the purpose of financing, in part, the (i) water and sewer system improvements, and related improvements, and (ii) paying the costs of issuing the Bonds. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Master Resolution) of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues of the System. After issuance this Bond shall be incontestable.

The Series 2019B Bonds are issued on parity with the Issuer's Outstanding Obligations (as defined in the Master Resolution) and its Series 2019A Bonds, such that the Series 2019B Bonds are secured by a pledge of the Net Revenues of the Issuer's System, which pledge is on parity with and equal to the pledge of the Outstanding Obligations and the Series 2019A Bonds.

As provided in the Master Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Master Resolution, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Master Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Master Resolution.

The issuance of this Bond shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of the due date of the principal installments hereof and by lot selected by the Issuer if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

Notice of redemption shall be mailed by the Issuer, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the registered owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Master Resolution, the Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 and any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water and sewer service sufficient to pay when due this Bond, and the principal and interest on all bonds issued on a priority to or parity with this Bond, if any, as the same 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 Revenues (as defined in the Master Resolution) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Master Resolution) to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

This Bond shall be registered 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. This Bond is transferable only by notation upon said book by 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, this Bond shall be delivered to and registered in the name of the transferee.

It is hereby declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues (as defined in the Master Resolution) to be derived from the operation of the System have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of this Bond and all bonds issued on a parity with this Bond, if any, and that said Net Revenues are not pledged, hypothecated or anticipated in any way other than by the issue of this Bond and all bonds issued on a parity with this Bond, if any.

IN TESTIMONY WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its City Recorder under the corporate seal of said Issuer this _____, 20__.

/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)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CERTIFICATE OF DATES
OF PAYMENT AND AMOUNT

The undersigned authorized representative of the State of _____ (the “_____”) hereby certifies that the _____ has received written authorization from the Mayor or the 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 Amount” is the total amount received by the Issuer for the Project, and that the undersigned has placed his/her signature in the space provided opposite such amount(s) to evidence the same.

<u>Amount of Payment</u>	<u>Date of Payment</u>	<u>Total Principal Sum</u>	<u>Representative Signature</u>
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____

EXHIBIT B-2

FORM OF EXCHANGE BOND

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF CACHE
MILLVILLE CITY
WATER AND SEWER REVENUE BONDS, SERIES 2019B

INTEREST RATE

MATURITY DATE

ISSUE DATE

____%

February 1, 20__

Registered Owner: _____

Principal Amount: _____ Dollars

Millville City, Cache County, Utah (the “Issuer”), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender thereof, the Principal Amount identified above. Principal and redemption price of this Bond shall be payable upon presentation of this Bond to the City Recorder of the Issuer as Paying Agent, or its successor as such paying agent, for payment at maturity.

If this Bond is not paid when due and payable, the Issuer shall pay interest on the unpaid amount at the rate of eighteen percent (18%) per annum from the due date thereof until paid in full.

This Bond is one of an authorized issue of bonds of like date, term and effect except as to maturity, in the aggregate principal amount of _____ Dollars (\$ _____), issued in exchange for the conversion of the Issuer's Water & Sewer Revenue Bond, Series 2019B dated _____, 20__, in the Total Principal Amount of \$ _____, authorized by a Master Resolution of the Pricing Committee of the Issuer duly adopted on _____, 20__ (the “Master Resolution”) as authorized by the Authorizing Resolution adopted by the governing body of the Issuer on October 10, 2019 (the “Authorizing Resolution”). This Bond and the issue of Bonds of which it is a part is issued pursuant to (i) the Master Resolution and (ii) the Utah Local Government Bonding

Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended, for the purpose of financing, in part, the (i) water and sewer system improvements, and related improvements, and (ii) paying the costs of issuing the Bonds. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Master Resolution) of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Revenues of the System.

The Series 2019B Bonds are issued on parity with the Issuer's Outstanding Obligations (as defined in the Master Resolution) and its Series 2019A Bonds, such that the Series 2019B Bonds are secured by a pledge of the Net Revenues of the Issuer's System, which pledge is on parity with and equal to the pledge of the Outstanding Obligations and Series 2019A Bonds.

As provided in the Master Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Master Resolution, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Master Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Master Resolution.

The issuance of this Bond shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

Optional Redemption. The Bonds are subject to redemption prior to maturity at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of maturity and by lot within each maturity if less than the full amount is redeemed, upon not less than thirty (30) days' nor more than forty-five (45) days' prior notice, at a redemption price equal to 100% of the principal amount of each Bond to be redeemed. Notice of redemption shall be mailed by the Issuer, postage prepaid, to the registered owners of said Bonds addressed to such owners at their address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Master Resolution, the Series 2019B Bonds (as defined in the Master Resolution) are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 or any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water and sewer service sufficient to pay this Bond when due and principal on all bonds issued on a priority to or parity with this Bond, if any, as the same 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 Revenues (as defined in the Master Resolution) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Master Resolution) to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The Registered Owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the City Recorder (the "Registrar") in Millville City, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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, additions and extensions thereto, have been pledged and will be set aside into said special fund by the Issuer to be used for the payment of this Bond and the issue of which it forms a part and all bonds issued on a parity with this Bond, if any, and that said Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than by the issue of Series 2019 Bonds of which this Bond is one and all bonds issued on a parity with this Bond, 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 the ____ day of _____, 20__.

By /s/ _____ (Do Not Sign)
Mayor

COUNTERSIGNED:

/s/ _____ (Do Not Sign)
City Recorder

(S E A L)

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto

_____ (Tax Identification or Social Security No. _____) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO SEC RULE 17Ad-1

Manufacturing

Manufacturing refers to a large or small-scale production of goods that converts raw materials, parts, and components into finished merchandise using manual labor and/or machines. The finished goods can be sold directly to consumers, to other manufacturers for the production of more complex products, or to wholesalers who distribute the goods to retailers.

A manufacturing business is any business that uses raw materials, parts, and components to assemble finished goods. Manufacturing businesses often employ machines, robots, computers, and humans to produce the merchandise and typically use an assembly line, which enables a product to be put together step by step, moving from one workstation to the next.

Manufacturing businesses can choose to sell their products directly to consumers, to other manufacturers, to distributors or to wholesalers.

Retail

A retail sale occurs when a business sells a product or service to an individual consumer for his or her own use. The transaction itself can occur through a number of different sales channels, such as online, in a brick-and-mortar storefront, through direct sales, or direct mail. The aspect of the sale that qualifies it as a retail transaction is that the end user is the buyer.

There are four major categories of retailers:

- **Hardlines** – things that tend to last a long time, such as appliances, cars, and furniture
- **Soft goods or consumables** – things like clothing, shoes, and toiletries
- **Food** – things like meat, cheese, produce, and baked goods
- **Art** – things like fine art, as well as books and musical instruments

Within those categories you'll also find different types of retail stores. Some of the most common types include:

- **Department Stores** – the oldest, and often largest, place for consumers to shop for a variety of products under one roof. Target and Macy's are examples.

- **Big Box Store** – major retailers that specialize in one type of product, such as electronics. Best Buy and Bed Bath and Beyond are examples.
- **Discount Stores** – department stores that stock discounted items and lower priced brands. Walmart and Kmart are examples.
- **Warehouse Stores** – these no frills warehouses often require you to be a member to access their low prices. BJ's and Costco are examples.
- **Mom-and-Pop Stores** – smaller, often niche stores run by small business owners. These are your corner stores and local storefronts.
- **E-tailers** – online retailers that sell via the internet and have products delivered to your door. They typically do not have physical stores. Amazon and etsy are examples.

Services

Services are the non-physical, intangible parts of our economy which we cannot touch or handle.

Services, such as banking, education, medical treatment, and transportation make up the majority of the economies.

They only exist while the provider is supplying it and the customer is consuming it. For example, a haircut is a service; you cannot transport or store a haircut.

In fact, the haircut only exists while somebody is cutting your hair.

When you pay for a service, you receive something intangible. In other words, you do not get anything solid, i.e., you cannot touch it

The buyer of a service gets something he or she needs. However, the customer does not own any physical, solid, or fixed property resulting from the transaction.

- **Intangibility:** you cannot touch or handle them. Neither can you transport, stock, manufacture, mine, or farm them.
- **Inventory (Perishability):** you cannot store them for future use. Once the provider delivers the service, it irreversibly vanishes.
- **Inseparability:** the provider must deliver the service at the time of consumption. Unlike a good, a service can only be delivered and consumed when the provider is present.

Report Criteria:

Selected types: Assistance Applied, Billing Adjustment, Contract Adjustment, Contract Billing, Deposit Applied, Interest Applied, Payment, Payment Adjustment, Reallocation, Transfer, Write Off

Billing Adjustment

07/16/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
SILICONE PLASTICS #1	1.4200.1	Billing	1	OFF INCORRECT ACCOUN			17.15-	M	PNTLY - 19

Total 07/16/2019:

17.15-

07/18/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
COX, EARL	1.1670.1	Billing	3	NO WATER AT THIS ADDR			28.00-	M	WATER - 1
DE HART, KEITH RENTA	2.1770.1	Billing	7	NO WATER AT THIS ADDR			28.00-	M	WATER - 1
HART, JAMES/ RAEANN	1.3820.2	Billing	5	NO WATER AT THIS ADDR			28.00-	M	WATER - 1
NIELS FUGAL & SONS	32.3983.1	Billing	1	off water bever had water be			28.00-	M	WATER - 1
PCA BUILDING 12	32.3984.1	Billing	2	NO WATER AT THIS ADDR			28.00-	M	WATER - 1
PEPPERIDGE FARMS	2.9055.1	Billing	6	NO WATER AT THIS ADDR			28.00-	M	WATER - 1
ULTRA LIGHT ADVENTUR	3.3	Billing	4	NO WATER AT THIS ADDR			28.00-	M	WATER - 1

Total 07/18/2019:

196.00-

07/22/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
TYSON ASHLEY SAWIN	4.3140.1	Billing	1	OFF WATER BILL WRONG			8.77-	M	WATER - 1

Total 07/22/2019:

8.77-

07/23/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
KATHY KAYE FOODS	32.3982.1	Billing	6	OFF NO WATER AT THIS A			28.00-	M	WATER - 1
REESE KARMON TONY	4.3285.0	Billing	1	off penatly moved in june 28 - took owner ship			8.20-	M	PNTLY - 19
RICHMOND AUSTIN KALIE	1.3930.2	Billing	2	off penalty paid in full - moved out. June			11.21-	M	PNTLY - 19
SAWIN TYSON	4.3140.0	Billing	5	PUT NAME 431401 ACCO - 2 accounts set up			88.73-	M	Multiple
SORENSEN, RONALD	1.4270.1	Billing	7	OFF LEAK FIXED BILL LAST year read.			59.68-	M	WATER - 1
TYSON ASHLEY SAWIN	4.3140.1	Billing	3	OFF PENALTY			8.85-	M	PNTLY - 19
TYSON ASHLEY SAWIN	4.3140.1	Billing	4	OFF 1 GARBAGE CHARGE 2 accounts fixed.			18.65-	M	GB/RC - 5

Total 07/23/2019:

223.32-

07/30/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
LKL ASSOCIATES (MILLVIL	2.9050.1	Billing	1	water has never been to this address / garbage only.			28.00-	M	WATER - 1
WARNES CRAIG ALFRED	4312.0	Billing	2	OFF GARBAGE SHE HAS small can.			2.25-	M	GB/RC - 5

Total 07/30/2019:

30.25-

08/02/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
MATHYS, HEINZ	1.3260.1	Billing	1	off mail payment lost			11.53-	M	PNTLY - 19
Total 08/02/2019:							11.53-		

payment dated /
mail delay

08/08/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
MATHEWS, CLAIR	1.3200.1	Billing	1	off she only has garbage co			28.00-	M	WATER - 1
Total 08/08/2019:							28.00-		

only has garbage

08/10/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
BARKER, BRETT KELLI	2.7030.1	Billing	1	OF PENALTY OFF MOVED			33.27-	M	PNTLY - 19
BULLOCK BRIDGER CLK C	4.3141.0	Billing	3	NO METER SET YET OFF			39.78-	M	Multiple
DE HART, KEITH RENTA	2.1770.1	Billing	2	DOES NOT HAVE WATER			.90-	M	WATER - 1
PARKER COLTON	3.2680.1	Billing	4	OFF 42.74 CREDIT OFF FO			42.74	M	WATER - 1
Total 08/10/2019:							31.21-		

- pentally off
Billed no services yet
Billed H2O apt
(new owners billed)

08/27/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
HART, JAMES/ RAEANN	1.3820.2	Billing	1	OFF NO WATER AT ADDR			.90-	M	WATER - 1
Total 08/27/2019:							.90-		

no water / garbage only

09/04/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
ULTRA LIGHT ADVENTUR	3.3	Billing	1	off water not on property			.90-	M	WATER - 1
Total 09/04/2019:							.90-		

(garbage only)

09/10/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
MATHEWS, CLAIR	1.3200.1	Billing	1	never has had water comput			28.00-	M	WATER - 1
Total 09/10/2019:							28.00-		

no H2O garbage only

09/24/2019

Name	Customer Number	Type	Reference Number	Description	Source ID	Check Number	Amount	Msg	Service
MONSON, CORDELL	1.3400.1	Billing	1	OFF 90.00 LEAK FIXED			90.00-	M	WATER - 1
Total 09/24/2019:							90.00-		

Billed last years
usage



AGENDA REPORT: BUDGET REVIEW

October 10, 2019

Background

Every quarter, the City Council reviews the budget-to-date for an update on revenue and expenses so far in the fiscal year.

The budget review at this meeting will include the FY20 Q1 budget. Historically, the preference has been for the Council to review and ask any questions they have rather than read through the budget line by line in the meeting. I have a couple of things that the Council should be aware of that I will discuss in the review, but if you have any questions, please ask them.

Included Documents

- FY20 Budget with progress and percentage through Q1.

MILLVILLE CITY BUDGET - REVENUE			ORIGINAL	REVIEW	
Account #	Account Description		FY20 Budget	FY20 Q1	% of Total
GENERAL	4030	Property Tax	\$117,000	\$964	0.8%
	4310	Sales Tax	\$238,000	\$45,040	18.9%
	4070	Comcast Franchise	\$8,500	\$2,172	25.6%
	4010	In Lieu Fees	\$6,200	\$2,553	41.2%
	4530	Building Permits	\$4,000	\$1,006	25.2%
	4510	Animal Licenses	\$6,000	\$1	0.0%
	4685	Sanitation	\$154,000	\$39,407	25.6%
	4202	Fines / Court	\$2,300	\$1,047	45.5%
	4350	Interest	\$18,000	\$5,640	31.3%
	4520	Business Licenses	\$1,700	\$75	4.4%
	4204	9-1-1 Service	\$22,800	\$9,689	42.5%
	4330	Class "C" Roads	\$100,000	\$0	0.0%
	3992	Appro. Fund Bal. Class "C" Rd	\$0	\$0	0.0%
	4060	Energy Sales and Use Tax	\$114,000	\$25,186	22.1%
	3991	Appropriated Fund Balance	\$0	\$0	0.0%
	4610	Park Impact Fee	\$53,300	\$26,650	50.0%
	NEW	Park Impact Appropriated FB	\$341,700	\$0	0.0%
	4591	Road Impact Fee	\$17,600	\$8,800	50.0%
	3999	Road Impact Appropriated FB	\$42,400	\$0	0.0%
	4410	Restaurant/RAPZ Tax	\$74,000	\$0	0.0%
	4654	Youth Council	\$1,500	\$47	3.1%
	4311	Mass Transit Sales Tax/CVTD	\$18,000	\$0	0.0%
	4620	Park Rentals	\$3,000	\$900	30.0%
	4050	Motor Tax	\$900	\$0	0.0%
	4205	Property Review Fee/Conceptual Plan	\$1,000	\$0	0.0%
	4210	Reimbursed Fees; Eng. & Dev.	\$2,000	\$4,970	248.5%
	4671	Millville Memories Books	\$50	\$0	0.0%
	4640	Donations	\$200	\$0	0.0%
	4690, 4655	Misc. Revenue	\$2,500	\$0	0.0%
	TOTAL GENERAL		\$1,350,650		

STORM WATER	4850	Charges for Stormwater	\$30,000	\$6,504	21.7%
	4361	Interest	\$150	\$29	19.3%
	4855	Stormwater Construction Fees	\$1,000	\$1,375	137.5%
	3998	Appropriated Fund Balance	\$0	\$0	0.0%
	TOTAL STORMWATER		\$31,150		

CPT PROJ.	4357	Interest	\$9,000	\$2,899	32.2%
	3995	Appropriated Fund Balance	\$13,000	\$0	0.0%
	4790	Transfer from General Fund	\$0	\$0	0.0%
	TOTAL CAPITAL PROJECT		\$22,000		

MILLVILLE CITY BUDGET - REVENUE		ORIGINAL	REVIEW		
Account # Account Description		FY20 Budget	FY20 Q1	% of Total	
WATER & SEWER	4955, 6	Charges for Water Service ...	\$382,000	\$112,381	29.4%
	4966, 8	Miscellaneous Income	\$81,700	\$0	0.0%
	Multiple	Interest	\$13,000	\$2,749	21.1%
	4973	Water Impact Fee	\$30,500	\$15,250	50.0%
	4972	Tapping Fee	\$200	\$0	0.0%
	4974	Filing Fee	\$500	\$1,000	200.0%
	4950	InterCity Sewer Upsizing Line	\$15,000	\$4,921	32.8%
	4951	Charges for Sewer Service	\$8,000	\$919	11.5%
	4996	Transfer from Capital Project Fund	\$22,000	\$0	0.0%
	3996	Appropriated Fund Balance	\$128,200	\$0	0.0%
	3990	Appro. from Capital Replacement Fund	\$0	\$0	0.0%
	TOTAL WATER AND SEWER		\$681,100		
TOTAL		\$2,084,900			

MILLVILLE CITY BUDGET - EXPENSES			ORIGINAL	REVIEW	
Account # Account Description		FY20 Budget	FY20 Q1	% of Total	
GENERAL	5000	General Government	\$45,500	\$4,862	10.7%
	5061	Auditor (General) ...	\$10,800	\$0	0.0%
	5064	Financial Consulting & IT (General) ...	\$9,000	\$670	7.4%
	5051	Elected Officials (General)	\$22,200	\$6,650	30.0%
	5006	Insurance (General)	\$17,000	\$980	5.8%
	5052	Recorder	\$18,500	\$3,697	20.0%
	5053	Treasurer	\$9,000	\$3,839	42.7%
	5440	School Crossing Guard ...	\$7,500	\$249	3.3%
	5370	Development Coordinator ...	\$16,000	\$2,994	18.7%
	5063	Legal (General) ...	\$8,000	\$706	8.8%
	5500	Building (General) ...	\$8,600	\$624	7.3%
	5400	P&Z ...	\$8,800	\$365	4.1%
	5062	Engineering (General) ...	\$25,000	\$2,187	8.7%
	5411	Police	\$16,700	\$16,693	100.0%
	5421	Fire	\$20,500	\$19,860	96.9%
	5450	Animal Control ...	\$4,000	\$3,776	94.4%
	5480	Elections ...	\$2,000	\$0	0.0%
	5430	First Responders	\$8,500	\$0	0.0%
	5100	Roads - General ...	\$112,000	\$40,035	35.7%
	5180	Roads Class "C" Regular ...	\$44,000	\$1,004	2.3%
	5185	Roads Class "C" Capital Outlay	\$0	\$0	0.0%
	7004	Class "C" Designated Future Use	\$56,000	\$0	0.0%
	5173	Road Impact Fee Capital Outlay	\$60,000	\$25,388	42.3%
	7006	Road Impact Fee Designated Future	\$0	\$0	0.0%
	5200	Parks (General) ...	\$116,700	\$8,904	7.6%
	5250	Parks/Recreation - Other ...	\$10,500	\$356	3.4%
	5230	Park Capital Improv. RAPZ (Reimbursable)	\$74,000	\$0	0.0%
	5231	Park Impact Fees ...	\$395,000	\$61,641	15.6%
	7003	Park Impact Fees - Designated Future	\$0	\$0	0.0%
	5300	Sanitation	\$157,000	\$42,162	26.9%
	5350	9-1-1 Service	\$24,000	\$5,880	24.5%
	5010	Disaster Relief Fund	\$2,000	\$0	0.0%
	5429	Public Safety/Emergency Preparedness ...	\$6,000	\$3,750	62.5%
	5270	Youth Council ...	\$5,200	\$702	13.5%
	7002	Designated for Future Use	\$11,750	\$0	0.0%
	5595	Mass Transit Tax Distribution/CVTD	\$18,900	\$0	0.0%
	5590	Transfer to Capital Project Fund	\$0	\$0	0.0%
	5591	Transfer to Water-Sewer Fund	\$0	\$0	0.0%
	5593	Transfer to Stormwater Fund	\$0	\$0	0.0%
	TOTAL GENERAL		\$1,350,650		

MILLVILLE CITY BUDGET - EXPENSES			ORIGINAL	REVIEW	
Account #	Account Description		FY20 Budget	FY20 Q1	% of Total
STORM WATER	5801, 2	Salaries/Benefits	\$15,500	\$0	0.0%
	5845	Special Dept. Supplies (SW) ...	\$7,600	\$800	10.5%
	5850	Capital Outlay	\$0	\$0	0.0%
	7035	Appropriated for Future Use	\$8,050	\$0	0.0%
	TOTAL STORMWATER		\$31,150		

CPT PROJECT	5751	Capital Outlay - Gen Government	\$0	\$0	0.0%
	5753	Capital Projects	\$0	\$0	0.0%
	5791	Transfer to Water-Sewer Fund	\$22,000	\$0	0.0%
	7040	Designated Future Use	\$0	\$0	0.0%
	TOTAL CAPITAL PROJECT		\$22,000		

WATER & SEWER	Multiple	General (Water) ...	\$49,000	\$13,776	28.1%
	5901, 5902	Salary/Benefit (Water) ...	\$124,000	\$18,743	15.1%
	5931	Legal (Water) ...	\$19,000	\$0	0.0%
	5932	Auditor (Water) ...	\$9,000	\$0	0.0%
	5934	Financial Consulting (Water) ...	\$5,800	\$0	0.0%
	5962, 5963	Bond (1997)	\$102,000	\$0	0.0%
	5959, 5960	Bond (2006)	\$91,500	\$0	0.0%
	5975	Cap. Facility Rplcmnt Fund Reserve	\$30,000	\$0	0.0%
		Bond -06 Reserve Fund	\$0	\$0	0.0%
	5945	Special Department Supplies ...	\$48,800	\$9,658	19.8%
	5925	Insurance (Water) ...	\$8,500	\$490	5.8%
	5950	Capital Outlay (Water)	\$22,000	\$0	0.0%
	5933	Engineering (Water) ...	\$100,000	\$92,392	92.4%
	5951	Water Capital Projects ...	\$50,000	\$1,387	2.8%
	5961	InterCity Sewer Upsizing Payment	\$14,500	\$0	0.0%
	5928	City Sewer/Nibley	\$7,000	\$0	0.0%
	7020	Designated for Future Use	\$0	\$0	0.0%
	TOTAL WATER AND SEWER		\$681,100		

TOTAL	\$2,084,900
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— 5th Annual —

CACHE SUMMIT

 November 7, 2019

 Cache County Events Center
@ the Fairgrounds

KEYNOTES

Don Albrecht (*Director, Western Rural Development Center*) - Land use effects on economic development and vice versa

John Janson (*Planner/Consultant - Past Utah APA Chapter President*) - How to make positive land use changes in your community

\$25 online - \$30 at the door



**Regional
Growth
Exercise**



**Economic
Development &
Conservation**



**Planning
Implementation
Tools**

WHO? Real Estate Professionals, Builders, Developers, Investors, Consultants, Elected and Appointed Officials, Business Leaders, Educators, Planners, and other Interested Citizens.

To register, visit cachesummit.com

CACHE SUMMIT 2019 SPONSORSHIP GUIDE

Sponsorship Levels:

Platinum

Cost: \$500

Receive: 3 Registrations + 1/2 page logo/
advertising space in conference program + booth space

Gold

Cost: \$400

Receive: 3 Registrations + large logo in program

Silver

Cost: \$300

Receive: 2 Registrations + medium logo in program

Bronze

Cost: \$200

Receive: 1 Registration + small logo in program

Group Sponsorship Option:

Cost: \$500

Receive: 10 Registrations + a medium
logo in program

Please contact Zac Covington with
Bear River Association of Governments (BRAG)
at 435.713.1423 or zacc@brag.utah.gov.

Councilmember Assignments 2019

Updated 4/11/19

Councilmember Daniel Grange

- P&Z
- Roads
- Sewer

Councilmember Clay Wilker

- High School Liaison
- Ordinance Enforcement
- Water
- Fire

Councilmember Cindy Cummings

- First Responders
- Youth Council
- City Events (Easter, Christmas)
- Miss and Mini Miss Millville and Parades

Councilmember Mark Williams

- Millville Days and Night Out Against Crime
- Transit and CVTD
- Law Enforcement

Councilmember Michael Callahan

- Animal Control
- Cert Training/ Emergency Preparedness
- Fair Booth
- Parks
- Trails