

## NOTICE AND AGENDA

Notice is hereby given that the Millville City Council will hold their regularly scheduled Council Meeting on Thursday, August 27, 2020, at the Millville City Office, 510 East 300 South in Millville, Utah, which meeting shall begin promptly at 7:00 p.m. (Please note that all times listed are approximate.)

1. Call to Order / Roll Call – Mayor Hair
2. Opening Remarks / Pledge of Allegiance – Mayor Hair
3. Approval of agenda
4. Approval of minutes of the City Council Meeting – August 13, 2020
5. Agenda Items—
  - A. Public Comment Period (2 min/person)
  - B. Request for Business License for Dog Breeding Services at 150 S. 600 E. – Jessica Summers
  - C. Consideration of Resolution accepting the Chris Funk Minor Subdivision located at approximately 100 North 100 West – Dev. Coordinator Wall
  - D. Review of Sewer and Well Project Funding – Mayor Hair
  - E. PUBLIC HEARING – as close as possible to 7:15 p.m.

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

    - Mike Zollinger Annexation.
    - The issuance of Millville City Water Revenue Bonds and Bond Anticipation Notes, in one or more series, each in the aggregate principal amount not to exceed \$1,286,000 for water system improvements and related matters.
    - The issuance of Millville City Sewer Revenue Bonds and Bond Anticipation Notes, in one or more series, each in the aggregate principal amount not to exceed \$10,000,000 for sewer system improvements and related matters.
  - F. Consideration of Ordinance for Adoption of Mike Zollinger Annexation and Zoning Map Change – Recorder Twedt
  - G. Consideration of a Resolution Authorizing the Maximum Amount of \$1,286,000 Water Revenue Bond Anticipation Notes, Series 2020, and \$1,286,000 Water Revenue Bonds, Series 2022 pursuant to a note resolution and a bond resolution to be approved by the Mayor, City Recorder and Councilmember Grange as the Pricing Committee, for water system improvements and related improvements; and related matters – Recorder Twedt
  - H. Report on P&Z Meeting held August 20, 2020 – Dev. Coordinator Wall
  - I. Celco Discussion – Dev. Coordinator Wall
  - J. Review of Low-Income Sewer Lateral Funding Plan – Recorder Twedt
  - K. 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 August 24, 2020 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**  
**August 13, 2020**

**PRESENT:** David Hair, Clay Wilker, Michael Callahan, Pamela June, Ryan Zollinger, Tara Hobbs, Chad Kendrick, Corey Twedt, Carson Allen, Jessie Williamson

**Call to Order/Roll Call**

Mayor David Hair called the City Council Meeting to order for August 13, 2020 at 7:00 p.m. The roll call indicated Mayor Hair and Councilmembers Pamela June, Michael Callahan, Ryan Zollinger and Clay Wilker were in attendance with Councilmember Daniel Grange absent. Also, Treasurer Tara Hobbs and Recorder Corey Twedt were present.

**Opening Remarks/Pledge of Allegiance**

Councilmember Callahan welcomed everyone to the Council Meeting and led all present in the pledge of allegiance. He then offered a prayer.

**Approval of Agenda**

The agenda for the City Council Meeting of August 13, 2020 was reviewed.

**Councilmember Callahan moved to approve the agenda for August 13, 2020.**

Councilmember Wilker seconded. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent. (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 July 9, 2020.

**Councilmember Callahan moved to approve the minutes for July 9, 2020.**

Councilmember June seconded. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent.

**Public Comment Period**

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

**Request for a Business License for CA Repairs at 11 North Main Street**

Carson Allen has submitted a request for a business license for CA Repairs. He was present at the City Council Meeting. Carson explained that he buys dirt bikes, snowmobiles and four wheelers to fix up and re-sell. He said he would be storing the machines he is working on in the backyard. The quantity varies. Some months he is

working on five or six and other months he doesn't have any. Councilmember Zollinger said that Carson would need to look into the State rules about being licensed as a dealer and if he met the requirements where this was necessary. Councilmember Zollinger also said that Carson would need to speak to an accountant to ensure that he was handling sales tax correctly. Carson said that he is just learning the ropes and would figure all of these things out.

Mayor Hair said that there have been complaints in the past concerning the number of cars parked at Carson's home with drivers not able to see around the corner. Councilmember Zollinger said that this was a busy yard with a number of vehicles already. He said he was concerned about that becoming more of an issue. Especially with the home being right next to the school. Carson said that the family is selling the camper and working on a new parking plan to clean things up a bit. Councilmember Zollinger suggested that Carson and his family review the City Code regarding the regulations on the number of vehicles allowed and parking in the City right-of-way. Winter parking was discussed briefly as well. Carson said he would make sure the rest of the family was aware.

Councilmember Zollinger pointed out that business licenses are a conditional use and are reviewed each year. Having a business at a home puts the business and home on the City's radar and additional standards need to be met. Business licenses are reviewed each year by the City Council to determine if they will be extended into the following year.

**Councilmember Callahan moved to approve the business license for CA Repairs.**

Councilmember Zollinger seconded. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent. (A copy of the license application is included with the minutes as Attachment "B".)

**Report on P & Z Meetings held July 16 and August 6, 2020**

Development Coordinator Randy Wall reviewed with the Council the Planning Commission's draft minutes for the meetings held July 16 and August 6, 2020. Coordinator Wall said that Biominerals had discussed their plan to build an office and a warehouse. Biominerals was planning on using well water at the warehouse and City water at the office. The Council briefly discussed this and said that they felt that City water should be used for both buildings, even if de-chlorination was needed for the water that Biominerals uses for their processing. Councilmember Zollinger said that the City would need to keep an eye on discharge since the river was so close.

**Granting a Waiver for Side Setback Requirements for Parcel 02-129-0040**

Development Coordinator Wall reviewed the details of this request from the staff report. He explained that this had been discussed in a previous City Council meeting. Coordinator Wall said that he had discussed the issue with both neighbors to this parcel and both had signed off on the reduced set-backs.

**Councilmember Zollinger moved to grant the side setback waiver for parcel 02-129-0040.** Councilmember Callahan seconded. The Council briefly discussed that this was a one-time waiver specific to these circumstances and this parcel. The reason the waiver was granted was because the setbacks had been recorded incorrectly on the plat and not only because the neighbors had said it was okay. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent. (A copy of the staff report is included with the minutes as Attachment “C”.)

**Consideration of a Resolution Establishing Fees for Ambulance/EMS Services for businesses that do not receive a utility bill**

Councilmember Zollinger reviewed the resolution that would establish a fee for ambulance and EMS services for all businesses that do not receive a monthly utility bill. He reminded the Council that a similar resolution had been passed recently, adding this fee to monthly utility bills, but that not all businesses currently receive a utility bill from the City. This new resolution would require that all businesses pay the same as a local residence for the ambulance and EMS service fee. Councilmember Zollinger said that he felt that businesses would prefer to pay this fee once per year instead of monthly if they don’t already pay a Millville City utility bill. Recorder Twedt said that the staff, led by Development Coordinator Wall, would get a good list of all of the businesses that don’t receive a utility bill and then send out a letter explaining the fee along with a bill for the six remaining months of 2020. From now on, this fee would be paid with business license renewals before the beginning of each calendar year.

**Councilmember Callahan moved to approve Resolution 2020-19.** Councilmember Wilker seconded. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent. (The adopted resolution is included with the minutes as Attachment “D”.)

**Consideration for Scheduling a Public Hearing for the Utility Project Bonding and Bond Anticipation Notes (BANs) and the Mike Zollinger Annexation**

Recorder Twedt reviewed the need for a public hearing at the next City Council meeting on August 27, 2020. As indicated in the staff report, he explained that the original bonding public hearing that was held for the sewer and well projects was done before the City knew what funding sources they were going to use for the projects. The bonding attorney has notified the City that because the RDA requires a bridge loan, a different type of notice should be used and a new public hearing should be held.

Recorder Twedt said if the USDA sewer loan is obligated by the time of the hearing, we will also be able to provide the residents with details on their upcoming monthly sewer bill.

Recorder Twedt said that the Mike Zollinger Annexation protest period has now ended and a public hearing was needed before the City could decide to accept or deny the annexation. This should be done at the same public hearing on August 27<sup>th</sup>.

Recorder Twedt suggested that the public hearing be held at the City Office for a limited number of people. After the office was full, the City could provide a Zoom link for residents to join remotely.

**Councilmember Zollinger moved to schedule a public hearing for August 27, 2020 at 7:15 p.m.** Councilmember Callahan seconded. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent. (The associated staff report is included with the minutes as Attachment “E”.)

#### **Consideration of a Resolution Updating City Water Rates**

Councilmember Zollinger reviewed the water rate study performed by RCAC and the resolution that would increase culinary water base rates. He explained that the additional revenue was needed mostly to cover the next 5 years. After that time, there is a possibility of reducing the base rates again. Councilmember Zollinger said that the City should review the water rates again in 2023 and a decision should be made to reduce rates or pay off the debt quicker. An analysis and decision should be made instead of creating a bloated water fund collecting revenue that is not used in a good way.

**Councilmember Callahan moved to approve Resolution 2020-20 under the condition that the rate structure be reviewed in 2023.** Councilmember Wilker seconded. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent. (The adopted resolution is included with the minutes as Attachment “F”.)

#### **Shop Expansion**

Recorder Twedt said that the staff have been looking into the possibility of extending the shop. Having more space could benefit the City in case of an emergency and in case the COVID situation turns worse for Millville. If key staff members, government officials or even residents need to be isolated from their families due to COVID outbreaks or if the City needed to provide a command post for law enforcement or other emergency personnel, this extension would be used for that purpose. Recorder Twedt explained that there are COVID relief funds that have been allocated for Millville that could potentially be used for this extension. Also, for the long term, in addition to being used for emergency purposes, with sewer coming the City will be getting some new equipment and will need somewhere to store it for normal Public Works operations.

Councilmember Zollinger asked if the staff thought the shop would be located in this location long-term. Recorder Twedt said that in his mind, if the City were to build a new City office building at some point in the future, the City property near the roundabout on Main Street would likely be a good location. But keeping the shop in its current location near the park would probably make sense. Public Works Director Kendrick agreed that the shop would likely never move.

Councilmember June asked how the extension could be used for both emergency purposes as well as the Public Works Department. It was discussed that the City could best utilize the space with this dual purpose. When it is needed for emergencies, the public works equipment could be easily moved outside.

**Councilmember Callahan motioned approval for the shop expansion as outlined.** Councilmember June seconded. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent.

### **City Reports**

Director Kendrick said that water usage has been really high with all of the new homes and new yards that have been going in throughout the City.

He said that he has been working with the Division of Water Rights to get the start card for the new well construction. They have asked for a weir to be put in to measure the output of Garr Springs. Director Kendrick found a weir near the spring and will measure twice a day and then pump water from the test hole and continue to monitor the water level to see if there are any changes. The plan is to pump about 600 gallons per minute for 24 hours. Some holes will be dug to handle the water during that test.

### **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 has been keeping an eye on the abandoned house that was closed up and it appears to not have had any recent issues.

Councilmember Zollinger said that he has been contacted by a company from Vernal that provides fiber internet services to cities. They think they have a good fiber solution for Millville. They have been talking to other cities in the Valley as well. Mayor Hair suggested that Councilmember Zollinger take a quick look at it to see if it be a better fit than the other options that the City has looked at previously. Councilmember Zollinger said that he would schedule something for him and Recorder Twedt to take a look.

Mayor Hair said that depths of sewer lines in parts of the City was recently discussed with the engineers. There are parts of Mond-Aire and other parts of the City where a complete gravity collection system will be 25' deep. By requiring some pumps at some of the homes, the depth can decrease to 15' deep. The cost to dig the deeper lines would be 25% to 40% more. These depths were included in the original cost estimates, but we need to review this and decide what is best for the City. Mayor Hair asked the Council to think about this and said that it would be discussed more at a future meeting.

Mayor Hair said that with the Celco property, the City could consider the possibility of allowing just the current subdivision that Jeremy is working on to move into Providence through a border-line adjustment. This would allow the developer to provide a second outlet for their upper development with their existing Providence property. Development Coordinator Wall proposed that the requested subdivision could be allowed in Providence with some modifications to the roads so that they would have no future connection to the Millville 550 East Road. If this were permitted, in exchange, the old agreement should be nullified and all future development outside of that small subdivision should occur within Millville City. Councilmember Zollinger said that he wanted to look at this in more detail. Development Coordinator Wall was authorized to have a conversation with Jeremy about this possibility, but that future City Council review would be needed before any agreement could be made.

**Adjournment**

**Councilmember Wilker moved to adjourn the meeting.** Councilmember June seconded. Councilmembers Callahan, June, Wilker and Zollinger voted yes with Councilmember Grange absent. The meeting adjourned at 8:39 p.m.



**Millville City**  
 PO Box 308  
 510 East 300 South  
 Millville, Utah 84326  
 (435) 750-0924 corey@millvillecity.org  
 www.millvillecity.org

**CHECK APPLICABLE BOX**

Commercial       New Application  
 Home Business       Application Amendment

**CHANGE OF:**

Ownership       Business Name  
 Address       Business Description

**Business License Application**

For businesses with a permanent physical location within the Millville City limits.  
 This is not the application for special events, temporary businesses or solicitors.

License No. \_\_\_\_\_  
 Date Received \_\_\_\_\_

**SECTION I: Business Information**

Application Contact: Jessica Summers Contact Ph: 435-764-6467

A. Business Name "DBA": \_\_\_\_\_

B. Business Location: 150 50 600 East Millville, UT 84326  
Street Address (include unit #)

C. Mailing Address: PO Box 64 Millville, UT 84326  Same as "B. Business Location"  
ATTN: Street (include unit#)/PO Box address City, State, Zip

D. Local Business Ph: 435-764-6467 Fax: \_\_\_\_\_ www: \_\_\_\_\_

**SECTION II: Business Description — General** (complete the commercial or the Home Business AND the far right column)

**COMMERCIAL**

Building/plaza: \_\_\_\_\_

Is this a secondary use within an existing business location?

Yes, in \_\_\_\_\_  No

Hours of Operation: As needed

Type of Operation: (mark all that apply)

- Sales/Service: Customers typically come on site
- Sales/Service: Customers rarely come on-site
- Service no sales
- Fresh food service and/or preparation
- Manufacturing
- Medical/dental
- Daycare
- Instruction
- Preschool
- Other: Kenel-dog breeding

Previous use of location:  
 \_\_\_\_\_

**HOME BUSINESS**

Please Note:

A home business does not change the aesthetic character of the area and zone.

On-site employees?  Yes  No

If yes,  
 Up to how many? \_\_\_\_\_ Working hours? \_\_\_\_\_  
 Where will they park? \_\_\_\_\_

On-site customers?  Yes  No

If yes,  
 Up to how many per day? occasional  
 Up to how many per week? \_\_\_\_\_  
 Where will they park? \_\_\_\_\_

On-site business will be performed from a:

- (mark all that apply)
- Home office  Garage/storage room
  - Desk and chair  Carport/driveway
  - Shed/out building  Vehicle
  - Other: \_\_\_\_\_

Do you intend to set-up off-site?

(i.e. in parking lot, at festivals, within stores)  
 Yes  No

Proposed start date: \_\_\_\_\_

**This Business Includes:**

| Yes                      | No   |
|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> Signage   |
| <input type="checkbox"/> | <input type="checkbox"/> Alcohol sales and/or services                                   |
| <input type="checkbox"/> | <input type="checkbox"/> Live entertainment on-site                                      |
| <input type="checkbox"/> | <input type="checkbox"/> Door-to-door solicitation                                       |
| <input type="checkbox"/> | <input type="checkbox"/> Fireworks sales on-site   |
| <input type="checkbox"/> | <input type="checkbox"/> Vending machines on-site  |
| <input type="checkbox"/> | <input type="checkbox"/> On-site secondary business                                      |
| <input type="checkbox"/> | <input type="checkbox"/> On-site events (ie. community party parking lot/sidewalk sales) |
| <input type="checkbox"/> | <input type="checkbox"/> Investment advice and/or service                                |
| <input type="checkbox"/> | <input type="checkbox"/> Pesticides use and storage                                      |
| <input type="checkbox"/> | <input type="checkbox"/> Hazardous materials use and storage                             |
| <input type="checkbox"/> | <input type="checkbox"/> Vehicle sales   |
| <input type="checkbox"/> | <input type="checkbox"/> Firearms or explosives sales                                    |
| <input type="checkbox"/> | <input type="checkbox"/> Care of children or preschool                                   |
| <input type="checkbox"/> | <input type="checkbox"/> Any construction jobs over \$1,000                              |
| <input type="checkbox"/> | <input type="checkbox"/> Piercing, tattooing, perm, make-up                              |
| <input type="checkbox"/> | <input type="checkbox"/> Used merchandise transactions                                   |
| <input type="checkbox"/> | <input type="checkbox"/> Changes to existing garbage service                             |
| <input type="checkbox"/> | <input type="checkbox"/> Vehicles, trailers, mowers, etc. (stores on site)               |
| <input type="checkbox"/> | <input type="checkbox"/> Electrical, plumbing, structural, or mechanical changes to site |

**SECTION III: Business Description — Specific**

(attach additional pages if necessary)

dog Breeding services

**SECTION IV: Additional Information**

E. Utah State Tax Commission — Sales Tax Number: as needed  Not applicable  
 F. State & federal regulatory agency licensing info: as needed ASOR  Not applicable  
(Not referring to an EIN or entity number)  
 G. Did you use "One-Stop Online Business Registration" to Register your business with state and federal agencies?  
 Completely  Partially  Not at all  I do not know — someone else did it  
 H. Previous Business Name: \_\_\_\_\_  Not applicable  
 I. Previous Business Location: \_\_\_\_\_  Not applicable

**SECTION V: Ownership** (Parent business entity and business officer information)

**Parent Entity**

Parent Business Name: \_\_\_\_\_  same as "A. Business Name DBA"  
 State Entity Type:  Sole Proprietorship  Partnership  LLC  Corporation  Non-Profit Corporation (w/501 c3 letter)

**Officers (1)**

Officer Name: myself Contact Ph. \_\_\_\_\_  
 Home Address: \_\_\_\_\_  
Street (include unit #) / PO Box Address City, State, ZIP  
 This person can be contacted in the event of an after-hours police or fire emergency.

|  |  |  |
|--|--|--|
| <b>Sole Prop./Partnership</b>          | <b>LLC</b>                             | <b>Corporation</b>                     |
| <input type="checkbox"/> Owner         | <input type="checkbox"/> Member        | <input type="checkbox"/> President     |
| <input type="checkbox"/> Local Manager | <input type="checkbox"/> Manager       | <input type="checkbox"/> Director      |
|  | <input type="checkbox"/> Local Manager | <input type="checkbox"/> Officer       |
|  |  | <input type="checkbox"/> Local Manager |

**Officers (2)**

Officer Name: \_\_\_\_\_ Contact Ph. \_\_\_\_\_  
 Home Address: \_\_\_\_\_  
Street (include unit #) / PO Box Address City, State, ZIP  
 This person can be contacted in the event of an after-hours police or fire emergency.

|  |  |  |
|--|--|--|
| <b>Sole Prop./Partnership</b>          | <b>LLC</b>                             | <b>Corporation</b>                     |
| <input type="checkbox"/> Owner         | <input type="checkbox"/> Member        | <input type="checkbox"/> President     |
| <input type="checkbox"/> Local Manager | <input type="checkbox"/> Manager       | <input type="checkbox"/> Director      |
|  | <input type="checkbox"/> Local Manager | <input type="checkbox"/> Officer       |
|  |  | <input type="checkbox"/> Local Manager |

**SECTION VI: Notification and Verification of Authority**

- Mandatory review process** – this application does not constitute a business license. All applications are subject to the review process mandated by Title 5 of the Municipal Code. Incomplete applications will not be processed. Decisions on applications will take 15 days (minimum), and are made based on:
  - the information provided on the application, and
  - review of the Mayor and City Council
- Additional Requirements** – Under the Municipal Code, additional Business License application requirements are necessitated for some business types.
- Denial of License** – Application denial or subsequent license suspension or revocation are most often the result of:
  - an inaccurate or incomplete application, or failure to update information with the City and/or
  - non-compliance with the Municipal Code, Land Use Code, and/or applicable building, fire, and environmental codes.
- Other regulatory bodies** – It is the applicant's responsibility to determine and comply with any requirements from other regulatory agencies.
- Signage** – Permanent signage requires a separate Sign Permit Application, which is located on the city web site, Millvillecity.org.
- Building alterations** – All alterations to buildings or spaces, including electrical, plumbing, and mechanical alterations, require a separate building application.

I/We hereby agree to conduct said business strictly in accordance with the business license regulations as set forth in the Millville City Code, and swear under penalty of law the information contained herein is true.

Signature of Owner/Authorized Agent: Jessie Summers Printed Name: Jessica Summers Date: 8-13-20

**SECTION VII: For administration use only**

Classification:  Conforming  Non-Conforming  Child Care  Home Business  Low Impact  Medium Impact

Conditional Use: (If box is checked see conditions)

Agree  Do not agree Signature: Jessie Summers Date: \_\_\_\_\_

Yes  No City Council grants permission Signature: \_\_\_\_\_ Date: \_\_\_\_\_

FEES  \$25.00  EXEMPT PAYMENT TYPE  RECEIPT

**MILLVILLE CITY  
RESOLUTION 2020-21**

**A Resolution to Establish a Subdivision Identified as the Funk Minor Subdivision  
located at approximately 100 North 100 West**

WHEREAS, a request to subdivide parcel 03-029-0132 into two parcels has been received; and

WHEREAS, the Planning Commission reviewed the request on August 20, 2020 and recommended the City Council approve this subdivision; and

WHEREAS, the City Council discussed and reviewed the request at the City Council Meeting held on August 27, 2020;

THEREFORE, BE IT RESOLVED that the City Council hereby accepts the minor subdivision of two lots as proposed in drawings and documents submitted. These documents have been found to be in compliance with applicable Millville City Ordinances.

Passed and approved by the Millville City Council this 27th day of August 2020.

SIGNED:

\_\_\_\_\_  
David Hair, Mayor

ATTEST:

\_\_\_\_\_  
Corey Twedt, City Recorder

| <b>COUNCILMEMBER</b> | <b>YES</b> | <b>NO</b> | <b>ABSENT</b> | <b>ABSTAIN</b> |
|----------------------|------------|-----------|---------------|----------------|
| Michael Callahan     |            |           |               |                |
| Daniel Grange        |            |           |               |                |
| Clay G. Wilker       |            |           |               |                |
| Pamela June          |            |           |               |                |
| Ryan Zollinger       |            |           |               |                |





**AGENDA REPORT: BONDING FOR UTILITY PROJECTS**

**August 27, 2020**

**Background**

When Millville originally started the bonding process, we were not sure which funding source(s) we were going to be able to access or which would be most beneficial to the City. As things have progressed, we have been able to tap into funding from both the Utah Division of Water Quality and USDA for the sewer project and from USDA for the well project. With USDA funding, we are required to get a bridge loan to cover the loan portion of the project during the construction phase. Because of the need for the bridge loans, we need to hold another bonding public hearing to cover the Bond Anticipation Notes (BANs).

At the original bonding public hearing in September 2019, we estimated high on the cost of the projects to ensure that we would be covered by the amount in the bonding documents. \$15 million with a not to exceed interest rate of 5.5% was used at that time.

Now, we finally have obligated funding numbers for both projects and know how much grant money vs loan will be needed. Here is a summary of the funding received:

| <b>MILLVILLE SEWER PROJECT FUNDING</b> |                      |                     |  |
|--|----------------------|---------------------|--|
| DEQ Funding                            | Grant                | \$2,000,000         | Engineering Design and Construction          |
| DEQ Funding                            | Grant                | \$1,500,000         | Low-Income Laterals                          |
| USDA Funding                           | Grant                | \$2,949,000         | Construction                                 |
| USDA Funding                           | Loan - 1.5%          | \$5,011,000         | Construction                                 |
| Millville Contribution                 | NA                   | \$220,000           |  |
|  | <b>TOTAL</b>         | <b>\$11,680,000</b> |  |
| <b>Funded Percentages</b>              | <b>Percent Grant</b> | <b>55.21%</b>       |  |
|  | <b>Percent Loan</b>  | <b>42.90%</b>       |  |
| DEQ Forgiveness                        | Grant Now            | \$553,600           | Changed from Loan to Grant                   |
| <b>MILLVILLE WELL PROJECT FUNDING</b>  |                      |                     |  |
| USDA Funding                           | Grant                | \$587,000           |  |
| USDA Funding                           | Loan - 1.875%        | \$1,286,000         | Test Hole, Engineering and Construction Well |
| Millville Contribution                 | NA                   | \$98,000            |  |
|  | <b>TOTAL</b>         | <b>\$1,971,000</b>  |  |
| <b>Funded Percentages</b>              | <b>Percent Grant</b> | <b>29.78%</b>       |  |
|  | <b>Percent Loan</b>  | <b>65.25%</b>       |  |

Before the sewer funding numbers were available, we made again some high estimates to ensure that the new bonding notice would for sure cover the amount needed for the projects. The new bonding notices listed maximum loan and interest rate not to exceed \$1,286,000 and 4% for the well project and \$10,000,000 and 5% for the sewer project. As you can see from the obligated funding for the sewer project, much less than the \$10,000,000 will be needed when the sewer loan is closed.

The resolution being considered after the public hearing this week is to create a pricing committee of Mayor Hair, Recorder Twedt and Councilmember Grange for the well project who will sign the documents and close on the funding for the well on Friday of this week. The maximum loan and interest rate from the well will be \$1,286,000 and 4%. The BANS Note Resolution and Final Bond Resolution are included here for your reference and will be adopted by the pricing committee at the time of closing.

#### **Included Documents**

- Note and Bond Authorizing Resolution – Reviewed for approval by Council at City Council meeting
- BANS Note Resolution – Approved at closing by pricing committee
- Final Bond Resolution – Approved at closing by pricing committee

**MILLVILLE CITY, UTAH  
WATER REVENUE BOND ANTICIPATION NOTES, SERIES 2020  
AND WATER REVENUE BONDS, SERIES 2022  
AUTHORIZING RESOLUTION  
AUGUST 27, 2020**

RESOLUTION NO. 2020-22

A RESOLUTION AUTHORIZING THE MAXIMUM AMOUNT OF \$1,286,000 WATER REVENUE BOND ANTICIPATION NOTES, SERIES 2020, AND \$1,286,000 WATER REVENUE BONDS, SERIES 2022 PURSUANT TO A NOTE RESOLUTION AND A BOND RESOLUTION TO BE APPROVED BY THE MAYOR, CITY RECORDER AND COUNCILMEMBER GRANGE AS THE PRICING COMMITTEE, FOR WATER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS; AND RELATED MATTERS.

WHEREAS, Millville City, Cache County, Utah (the “Issuer”), a political subdivision and body politic duly and regularly created, established and organized and existing under and by virtue of the Constitution and laws of the State of Utah, desires to finance, in part, the acquisition and construction of water system improvements, and related improvements (the “System”) and desires to finance said improvements, in part, by issuing its Water Revenue Bond Anticipation Notes, Series 2020 in the total maximum principal amount of \$1,286,000 (the “Series 2020 Notes or Notes”) in anticipation of the issuance of its Water Revenue Bonds (the “Bonds”) to finance, in part, the acquisition and construction of water system improvements, and related improvements (the “Project”); 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 2020 Note and the Series 2022 Bonds shall be issued on a parity with the Outstanding Obligations such that the Notes and 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 2020 Notes and the Series 2022 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 2020 Notes and the Series 2022 Bonds authorized herein; and

WHEREAS, the Issuer adopted a Parameters Resolution on August 22, 2019, and held a public hearing September 26, 2019, authorizing the issuance and sale of its Water and Sewer Revenue Bonds in a maximum aggregate principal amount not to exceed \$15,000,000 bearing interest at a maximum rate of five and one-half percent (5.50%) per annum to mature in not more than forty (40) years, and posted and published required notices as authorized therein; and

WHEREAS, the Issuer adopted an Authorizing Resolution on October 10, 2019, authorizing the issuance and sale of Water and Sewer Revenue Bonds in a maximum aggregate principal amount not to exceed \$15,000,000 pursuant to a Master Resolution or Bond Resolution (the “Bond Resolution”) to be approved by the Pricing Committee; and

WHEREAS, the Issuer held a public hearing and adopted a Note and Bond Resolution on August 27, 2020, authorizing the issuance and sale of its Water Revenue Bonds and Bond Anticipation Notes in a maximum aggregate principal amount not to exceed \$1,286,000, bearing interest at a maximum rate of four percent (4.0%) per annum, to be sold at a discount of 98%, to mature in not more than 40 years for the Bonds, and to mature in not more than 5 years for the Notes, and posted and published required notices as authorized therein; and

WHEREAS, the Issuer desires to delegate to its Mayor, City Recorder and Councilmember Grange (together, the “Pricing Committee”) the authority, in accordance with 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 Notes and Bonds; and (ii) approve and execute all documents relating to the issuance of the Notes, all in one or more series, in accordance with the Note Resolution; and (iii) approve and execute all documents relating to the issuance of the Bonds, all in one or more series, in accordance with the Bond Resolution; and

WHEREAS, in order to accomplish those purposes the Issuer desires to authorize its Water Revenue Bond Anticipation Notes in the aggregate principal amount of not to exceed \$1,286,000 (the “Series 2020 Notes” or “Notes”) pursuant to this Resolution, and a Note Resolution of the Pricing Committee (the “Note Resolution”) attached as Exhibit B; and

WHEREAS, the Issuer desire to authorize its Water Revenue Bonds in the aggregate principal amount of not to exceed \$1,286,000 (the “Bonds”) pursuant to this Resolution and a Bond Resolution of the Pricing Committee (the “Bond Resolution”) attached as Exhibit C; and

WHEREAS, the Act provides that the Issuer may, by resolution, delegate to one or more officers of Issuer the authority to: (i) in accordance with and within the parameters set forth in the Notice of Bonds and Bond Anticipation Notes to Be Issued, and published in a newspaper of general circulation of the Issuer, approve the final interest rate or rates, price, principal amount, maturity or maturities, redemption features, and other terms of the Bond Anticipation Notes and the Bonds; and (ii) approve and execute all documents relating to the issuance of the Notes and the Bonds.

WHEREAS, The Series 2020 Notes shall be special limited obligations of the Issuer and shall be payable as to principal solely from and to the extent of the sources set forth in the Series 2020 Notes (i.e., the Notes) or any Bond Anticipation Notes issued in substitution for the Series 2020 Notes (the “Replacement Notes”), when and if issued, sold and delivered, and as to interest solely out of the Net Revenues to the payment of the principal of or interest on the Series 2020 Notes. Payment of interest on the Series 2020 Notes and payment of principal and interest of the Bonds are secured by an equal lien pledge of the Net Revenues of the Issuer’s System as set forth herein; and

WHEREAS, the Bonds shall be special limited obligations of the Issuer and shall be payable as to principal and interest solely from the Net Revenues of the System and shall not be general obligations of the Issuer:

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Council of Millville City, 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 of the Issuer directed toward the issuance and sale of the Notes, are hereby ratified, approved and confirmed.

Section 3. The Note 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, and the Notes are also authorized provided that the principal amount, interest rate or rates, maturity and discount shall not exceed the maximums set forth in the August 2020 notice of \$1,286,000 aggregate principal amount of its Notes, to bear interest at the rate or rates of not to exceed 4.0% per annum, to mature in not more than five (5) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof.

Section 4. The Bond Resolution attached hereto as Exhibit C 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, and the Bonds are also authorized provided that the principal amount, interest rate or rates, maturity and discount shall not exceed the maximums set forth in the August 2020 notice of \$1,286,000 aggregate principal amount of its Water Revenue Bonds, to bear interest at the rate or rates of not to exceed 4.0% 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-eight percent (98%) of the total principal amount thereof.

Section 5. The Mayor, City Recorder and Councilmember Grange are hereby appointed to be the Pricing Committee with respect to the Notes and the Bonds and are further authorized and directed, and the power is hereby delegated to them, to execute and deliver the Notes and the Note Resolution and all documents relating to the issuance of the Notes on behalf of the Issuer, and the Bonds and the Bond 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 6. The form, terms and provisions of the Notes and the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Note Resolution and Bond Resolution, as shall be approved by the Pricing Committee. The Mayor and the City Recorder are hereby authorized and directed to execute and seal the Notes and the Bonds and to deliver the Notes and Bonds upon payment therefor. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution provided that one original signature shall be required on the Notes and on the Bonds.

Section 7. Upon their issuance, the Series 2020 Notes shall be special limited obligations of the Issuer and shall be payable as to principal solely from and to the extent of the source set forth in the Series 2020 Notes (i.e., the Bonds) or any Bond Anticipation Notes issued in substitution for the Series 2020 Notes (the "Replacement Notes"), when and if issued, sold and delivered, and as to interest solely out of the Net Revenues to the payment of the principal of or interest on the Series 2020 Notes. Payment of interest on the Series 2020 Notes and payment of principal and interest of the Bonds are secured by an equal lien pledge of the Net Revenues of the Issuer's System as set forth herein. No provision of this Resolution, the Note Resolution, the Notes, the Bonds, the Bond Resolution 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 8. 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 9. After the Notes are delivered to the Purchaser(s), and upon receipt of payment therefor, the Note 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

Notes are deemed to have been duly discharged in accordance with the terms and provisions of the Note Resolution.

Section 10. After the Bonds are delivered to the Purchaser(s), and upon receipt of payment therefor, the Bond 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 Bond Resolution

Section 11. In accordance with the provisions of the Act, the Issuer has designated 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 and Bond Anticipation Notes to be Issued" to be (1) published once a week for two consecutive weeks in The Herald Journal, and (2) posted on the Utah Public Notice Website, and has caused or will cause 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 publication thereof. These actions are all hereby ratified by the City Council

Section 12. 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 13. 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 14. The City Recorder is directed to complete the attached Record of Proceedings.

Section 15. 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 Notes, and no further legislative action is anticipated at this time. The approval and execution of the Note Resolution and the Bond Resolution by the Pricing Committee, as authorized and delegated herein, is deemed and shall constitute an administrative action.

PASSED, APPROVED AND ADOPTED this August 27, 2020.

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Mayor

ATTEST:

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City Recorder

( S E A L )

RECORD OF PROCEEDINGS

The City Council (the “Council”) of the Millville City, Utah (the “Issuer”), met in public session at the regular meeting place of the Council in Millville, Utah, on August 27, 2020, at the hour of 7:00 p.m., or as soon thereafter as feasible, with the following members of the Council being present:

|                  |               |
|------------------|---------------|
| David Hair       | Mayor         |
| Michael Callahan | Councilmember |
| Clay Wilker      | Councilmember |
| Pamela June      | Councilmember |
| Ryan Zollinger   | Councilmember |
| Daniel Grange    | Councilmember |

Also present:

|             |               |
|-------------|---------------|
| Corey Twedt | City Recorder |
|-------------|---------------|

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 August 27, 2020 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:

ABSTAINING:

The resolution was then signed by the Mayor in open meeting and recorded by the City Recorder in the official records of Millville City, 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 Council of the Issuer at a lawful public meeting duly held and conducted by the Council in Millville, Utah, on August 27, 2020, commencing at the hour of 7:00 p.m., or as soon thereafter as feasible (the "Meeting"), as recorded in the regular official book of the proceedings of the Issuer kept in my office. The Meeting was called and noticed as required by law as is evidenced by the following Certificate of Compliance with Open Meeting Law. The persons present and the result of the vote taken at the Meeting are all as shown above. Attached hereto is an affidavit of publication of the foregoing ordinances or a summary thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer, this August 27, 2020.

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City Recorder

( S E A L )

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Corey Twedt, the undersigned City Recorder of the Issuer do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the August 27, 2020, public meeting held by the Issuer as follows:

- A) 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
- B) 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.
- C) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least 24 hours prior to the meeting.
- (D) 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 August 27, 2020.

\_\_\_\_\_  
City Recorder

( S E A L )

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

EXHIBIT B

FORM OF NOTE RESOLUTION

(See Transcript Document No. \_\_)

EXHIBIT C

FORM OF BOND RESOLUTION

(See Transcript Document No. \_\_)

**MILLVILLE CITY, UTAH**  
**WATER REVENUE BOND ANTICIPATION NOTE RESOLUTION**  
**OF THE PRICING COMMITTEE**  
**August 27, 2020**

A RESOLUTION AUTHORIZING THE WATER REVENUE BOND ANTICIPATION NOTES, SERIES 2020 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,286,000 FOR INTERIM FINANCING FOR WATER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS; TO PROVIDE FOR A PURCHASER OF THE SERIES 2020 NOTES; APPROVING A NOTE PURCHASE CONTRACT; AND RELATED MATTERS.

WHEREAS, Millville City, Cache County, Utah (the “Issuer”), a political subdivision and body politic duly and regularly created, established, organized, and existing under and by virtue of the Constitution and laws of the State of Utah, desires to construct water system improvements, and related improvements (the “Project”) (the “System”) and desires to finance said improvements, in part, by issuing its Water Revenue Bond Anticipation Notes, Series 2020 in the total principal amount of \$1,286,000 (the “Series 2020 Notes or Note”) in anticipation of the issuance of its Water Revenue Bonds, Series 2022 (the “Series 2022 Bonds”)(the denomination of the Series 2022 Bonds may change to correspond to the future year of issuance of such Bonds); and

WHEREAS, the City Council of the Issuer authorized the issuance and sale of its Water Revenue Bonds and Bond Anticipation Notes in a maximum principal amount not to exceed \$1,286,000 (the “Series 2020 Notes or Note”) bearing interest at a rate or rates not to exceed 4.0% to mature in not more than five (5) years from their date or dates for the Notes, and to mature in not more than forty (40) years from their date or dates for the Bonds, each to be sold at a price not less than ninety-eight (98%) of the total principal amount thereof. The Bonds and the Notes to be issued for the purpose of financing, in part, the costs of acquisition and construction of water system improvements, and related improvements (the “Project”), all pursuant to a Note and Bond Resolution of the Issuer adopted on August 27, 2020 and this Note Resolution of the Pricing Committee; and

WHEREAS, the Issuer through its Pricing Committee authorizes a Note Purchase Contract in substantially the form attached as Exhibit “B”, with Zions Bancorporation, N.A. (“Zions Bank”) as the Purchaser of the Series 2020 Notes pursuant to the terms of the Note Purchase Contract; and

WHEREAS, the Issuer through its Pricing Committee accepts the offer of Zions Bank and to confirm the sale of the Series 2020 Notes to Zions Bank:

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

## ARTICLE I

### DEFINITIONS

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

“Noteholder” or “Registered Owner” means the registered holder of any Series 2020 Note, the issuance of which is authorized herein.

“Bonds” means the Series 2020 Notes, Series 2022 Bonds and any bonds issued on a parity therewith, including the Outstanding Bonds.

“Custodian” means Zions Bancorporation, N.A. in its capacity under the Custody Agreement.

“Custody Account” means the account established in the Custody Agreement.

“Custody Agreement” means that certain Custody Agreement by and among the Issuer, Custodian, Purchaser, and the Government.

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

“Event of Default” means (a) any failure by Issuer to pay the principal and interest on the Bonds when due, (b) failure by the Issuer to perform any financial, non-financial, monetary, non-monetary, payment, technical or non-technical obligation under this Note Resolution, the Bonds or any other document executed in connection with this Note Resolution or the Bonds, (c) the failure of any representation made to by Issuer to any Bondholder or Noteholder to be true and correct, whether or not contained in this Note Resolution or any other document executed in connection with this Note Resolution or the Bonds, or (d) the failure of any opinion expressed by bond counsel in connection with the Bonds to be true and correct.

“Fully Registered Note” means any single Fully Registered Note in the denomination(s) equal to the aggregate principal amount of the applicable Series 2020 Notes authorized herein.

"Government" means the United States of America, acting through the Department of Agriculture, Rural Utilities Service and its agents.

“Interest Payment Date” means each June 15 and December 15, beginning on December 15, 2020.

“Issuer” means Millville City, Utah or its successors.

“Maturity Date” means the maturity date of the Series 2020 Notes which is June 15, 2022.

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

“Note Purchase Contract” is the purchase contract between the Issuer and Zions Bancorporation, N.A. for the purchase of the Series 2020 Notes.

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, including the cost of water 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 or Notes, 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 interest on the Series 2020 Notes on behalf of the Issuer. The initial paying agent for the Series 2020 Notes is the City Recorder of the Issuer.

“Pricing Committee” means, collectively, the Mayor, City Recorder and Councilmember Grange of the Issuer, as each such individual was appointed in a Note and Bond Resolution adopted by the City Council of the Issuer on August 27, 2020. Under such resolution, the Pricing Committee has been authorized to approve terms of the Series 2020 Notes and to approve and execute all documents related to the issuance of the Series 2020 Notes.

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

“Purchaser” means Zions Bancorporation, N.A. (“Zions Bank”) as the Purchaser of the Issuer’s Series 2020 Notes, authorized herein.

“Registrar” means the person or persons authorized by the Issuer to maintain the registration books with respect to the Series 2020 Notes on behalf of the Issuer. The initial Registrar for the Series 2020 Notes is the City Recorder of the Issuer.

“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 2020 Notes, 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.

“Series 2022 Bonds” means the Issuer’s \$1,286,000 Water Revenue Bonds, Series 2022 to be purchased by the United States Department of Agriculture, Rural Utilities Service.

“Series 2020 Note or Notes” means the Issuer’s Water Revenue Bond Anticipation Notes, Series 2020 in the total principal amount of \$1,286,000 purchased by Zions Bancorporation, N.A.

“Series 2020 Note Account” means the account established in Section 2.11 hereof.

“System” means the whole and each and every part of the Issuer’s water system, including the Project to be acquired and constructed pursuant to this Note 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.

## ARTICLE II

### WATER REVENUE BOND ANTICIPATION NOTES

Section 2.1. Purchase Contract. The Note Purchase Contract in substantially the form attached hereto as Exhibit “B” is in all respects hereby authorized and the Mayor directed to execute and deliver the same on behalf of the Issuer. The Series 2020 Notes shall be sold to Zions Bank pursuant to the Note Purchase Contract.

Section 2.2. Authorization and Description of the Series 2020 Notes.

The Series 2020 Notes shall be issued in anticipation of the issuance of the Series 2022 Bonds in the anticipated aggregate principal amount of \$1,286,000, the proceeds of which shall be used to pay, in part, cost of construction of the Project. The Series 2020 Notes shall be dated as of their date of delivery and shall mature on June 15, 2022. The Pricing Committee of the Issuer hereby estimates and determines that the term needed to effect the purpose for which the Series 2020 Notes are issued is not less than the term of the Series 2020 Notes.

If upon presentation at maturity the principal of and interest on the Series 2020 Notes are not paid in full as provided herein, the Series 2020 Notes shall be subject to an adjustment to the applicable interest rate as set forth below and described herein this Section.

The Series 2020 Notes shall bear interest from their initial delivery date to, but not including, the Adjustment date (the Adjustment Date is June 15, 2022) at a rate of two and fifty-seven hundredths percent (2.57%) per annum from their date of delivery to maturity or prior redemption. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months and shall be payable at maturity or upon prior redemption. The Note shall bear interest on June 15 and December 15 of each year beginning December 15, 2020, and shall be paid by check or draft mailed to the registered owner(s) of record of the Note. On the Adjustment Date, the interest rate on the outstanding Notes maturing after June 15, 2022, shall be adjusted to equal the Index Rate. On the Adjustment Date(s), the Note Registrar shall determine the Index Rate applicable on the Adjustment Date(s) and shall give notification to the Issuer and registered owners of the outstanding Series 2020 Notes maturing after June 15, 2022 (by telephone or facsimile transmission) of the rate so determined.

Adjustment Date(s): The Adjustment Dates shall be June 15, 2022 and June 15, 2023.

Index Rate: The Index Rate shall mean the rate per annum equal to the then 1-year FHLB Des Moines fixed rate advance plus 1.50% per annum as of June 15, 2022 with a new final maturity of June 1, 2024; or in the event the FHLB is no longer published, then another nationally recognized source as agreed upon by the Issuer and Bondholder.

The Series 2020 Note is issued on parity with the Issuer's Outstanding Bonds, such that the Series 2020 Note and the Outstanding Bonds are equally and ratably secured by a pledge of and first lien on the Net Revenues of the Issuer's System as described herein.

Section 2.3 Reserved.

Section 2.4. Nature of Obligation. The Series 2020 Notes create a i) lien on the proceeds of the Series 2022 Bonds or any bond anticipation notes issued in substitution for the Series 2020 Notes (the "Replacement Notes"), when and if issued, sold and delivered, and ii) lien upon the Net Revenues of the Issuer's System, superior to all other charges of any kind and nature, except the charges necessary to pay the principal of and interest on the Outstanding Bonds and any future parity bonds until the principal of and interest on the Series 2020 Notes are paid in full. The Series 2020 Notes are a special limited obligation of the Issuer and are 1) payable as to interest due on such Interest Payment Dates from the Net Revenues of the System and the proceeds of the Series 2022 Bonds or Replacement Notes, and 2) payable as to the principal of and interest from the proceeds of the Series 2022 Bonds or Replacement Notes, or in the event that the Series 2022 Bonds or Replacement Notes are not issued, from the Net Revenues of the Issuer's System.

No provision of this Note Resolution, the Note Purchase Contract, the Series 2022 Bonds, the Series 2020 Notes, or any other instrument, shall be construed as creating a general obligation of the Issuer, or creating a general obligation of the State of Utah or any political subdivision thereof, nor as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 2.5. Payment of Principal and Interest. The principal of and interest on the Series 2020 Notes shall be payable in lawful money of the United States of America to the registered owners of the Series 2020 Notes by the Paying Agent. The principal and the final interest payment shall be payable to the registered owner of each Series 2020 Note upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, interest shall be payable to the registered owner of the Series 2020 Notes determined as of the close of business on the first day of the calendar month next preceding the interest payment date (the "Regular Record Date"), irrespective of any transfer of ownership of the Series 2020 Notes subsequent to the Regular Record Date and prior to such interest payment date, by check or draft mailed to such registered owner at the address appearing on the registration books maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be payable to the registered owner of the Series 2020 Notes entitled to receive such interest determined as of the close of business on the date fixed by the Paying Agent for such purpose (the "Special Record Date"), irrespective of any transfer of ownership of the Series 2020 Notes subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or

registered first-class postage prepaid mail, at least five (5) days prior to the Special Record Date, to the registered owner of each Series 2020 Note upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the Registrar is authorized or required by law to remain closed, such payment, determination or notice shall be made or given on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which the Paying Agent or Registrar is authorized or required by law to remain closed.

Section 2.6. Redemption. The Series 2020 Notes shall be subject to optional redemption prior to their maturity date in whole or in part at any time at a price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. If called in part, the Paying Agent shall select by lot those Series 2020 Notes or portions of Series 2020 Notes to be redeemed.

Notice of redemption shall be given by the Paying Agent by sending a copy thereof by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the redemption date. If called in part, the Paying Agent shall select by lot those Series 2020 Notes or portions of Series 2020 Notes to be redeemed.

Notice of redemption shall be given by the Paying Agent by sending a copy thereof by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the redemption date, to the registered owner of the Series 2020 Notes determined as of the close of business on the day preceding the first mailing of such notice, at the address appearing on the registration books of the Registrar. Such notice shall specify the date fixed for redemption and shall further state that on the redemption date there will be due and payable upon the Series 2020 Notes the principal amount plus accrued interest thereon to the redemption date and that from and after said date interest will cease to accrue. Failure to mail any notice as aforesaid or any defect in any notice so mailed with respect to the Series 2020 Notes shall not affect the validity of the redemption proceedings with respect to the Series 2020 Notes.

Section 2.7. Execution of Series 2020 Notes. The Series 2020 Notes shall be executed on behalf of the Issuer by the Mayor and attested by the City Recorder (the signatures of said Mayor and City Recorder being either manual and/or by facsimile) and the corporate seal of the Issuer or a facsimile thereof shall be impressed or imprinted thereon. The use of such facsimile signatures of the Mayor and City Recorder and such facsimile of the seal of the issuer on the Series 2020 Notes is hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, attestation, and sealing of the Series 2020 Notes by said officials. The Series 2020 Notes shall then be delivered to the Registrar for manual authentication by it. The Certificate of Authentication shall be substantially in the form provided in the form of Note attached hereto. Only such of the Series 2020 Notes as shall bear thereon a Certificate of Authentication, manually executed by the Series 2020 Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Note Resolution, and such certificate of the Registrar shall be conclusive evidence that the Series 2020 Notes so certified have been duly registered and delivered under, and are entitled to the benefits of

this Note Resolution and that the Registered Owner thereof is entitled to the benefits of this Note Resolution. The Certificate of Authentication of the Registrar on any Series 2020 Note shall be deemed to have been executed by it if such Series 2020 Note is signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Series 2020 Notes issued hereunder or that all of the Series 2020 Notes hereunder be certified as registered by the same Registrar, and (ii) the date of authentication of the Series 2020 Note is inserted in the place provided therefor on the Certificate of Authentication.

Section 2.8. Registration, Transfer, and Exchange. Upon its execution and prior to its delivery, the Series 2020 Note shall be registered for the purpose of payment of principal and interest with the Registrar. Thereafter, the Series 2020 Note shall be transferable only upon the registration books of the City Recorder, or his/her successors, as transfer agent (the "Transfer Agent"), at the request of the Registered Owner thereof or his/her duly authorized attorney-in-fact or legal representative. The Series 2020 Note may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the registered owner or his/her duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlers and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of the Series 2020 Note during the five (5) days prior to the first mailing of any notice of redemption or to transfer ownership of the Series 2020 Note selected for redemption on or after the date of such mailing. The registered owner of the Series 2020 Note may also exchange such Series 2020 Note for another Note or Notes of convenient denominations. Transfers and exchanges shall be made at the expense of the transferor or exchanger and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may be imposed in connection with any transfer or exchange of the Series 2020 Note. No transfer of the Series 2020 Note shall be effective until entered on the registration books of the Registrar. In the case of every transfer or exchange, the Issuer shall execute and the Transfer Agent shall deliver to the new registered owner a new Note or Notes of the same Series and aggregate principal amount as the Series 2020 Note or Series 2020 Notes surrendered, and such Replacement Notes shall be secured by the Note Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2020 Note surrendered. The Registrar may deem and treat the person in whose name the Series 2020 Note is last registered upon the registration books of the Registrar as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on the Series 2020 Note and for all other purposes, and all such payments so made to such a person or upon his/her order shall be valid and effective to satisfy and discharge the liability of the Issuer upon the Series 2020 Note to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary.

Section 2.9. Form of Series 2020 Notes. The Series 2020 Note shall be in substantially the form as set forth in Exhibit “A” attached hereto. This Resolution is authorized in substantially final form, subject to comment and correction by the Purchaser.

Section 2.10. Delivery. The Series 2020 Note, when executed, registered, and authenticated as provided herein and by law, shall be delivered by the Issuer to Zions Bank upon receiving full payment therefor in accordance with the Note Purchase Contract between the Issuer and Zions Bank. The proceeds of the sale of the Note shall be held and administered by the Custodian in accordance with the Custody Agreement. All monies so deposited in the Custody Account shall be used solely for the purpose of the Project.

Section 2.11. Series 2020 Note Account. When and if the Issuer has issued, sold and delivered the Series 2022 Bonds or Replacement Notes, the Issuer shall deposit the net proceeds thereof received in the Series 2020 Note Account as established hereby, and shall apply the same as soon as practicable to the payment of the principal of and/or accrued interest on the Series 2020 Note. The Issuer shall also deposit or cause to be deposited for Net Revenues, to the extent required to pay amounts due on the Series 2020 Note, into the Series 2020 Note Account. The Issuer may also at the option of the Issuer deposit any other legally available funds or revenues in the Series 2020 Note Account and apply the same to the payment of the principal of or interest on the Series 2020 Note. The registered owners of the Series 2020 Note may not look to any general or other fund of the Issuer except the Series 2020 Note Account for payment of the principal of or interest on the Series 2020 Note.

All Net Revenues shall be placed in the Series 2020 Note Account for the payment as to the principal of and interest on the Series 2020 Notes and all bonds issued on a parity therewith.

From and after the earlier of the delivery date of the Series 2020 Notes, and until all the Series 2020 Notes have been fully paid, the Revenues shall be set aside into the Millville City, Utah Water Revenue Fund (the “Revenue Fund”), established under the resolution approving the Outstanding Bonds and reaffirmed hereby, 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 “Note 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 2020 Notes as shall become due and all bonds or obligations issued in parity therewith, including the Outstanding Bonds. The amount to be so set aside with respect to the Series 2020 Notes shall, as nearly as may be practicable, be set aside and allocated to the Note Account monthly, on or before the tenth day of each month, beginning December, 2020, and shall equal  $1/6$  of the amount of the interest on the payment next due on the Series 2020 Notes (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 Note Account to pay the interest on the Series 2020 Notes as and when the same become due. Amounts allocated to the Note Account shall be used solely for the purpose of paying the principal of and interest on outstanding obligations, if any, and Series 2020 Notes and shall not be reallocated, transferred or paid out for any other purpose; and

(ii) All remaining funds, if any, in the Sinking Fund after all of the payments required to be made into the Note Account have been made, may be used by the Issuer (a) to prepay or redeem the Series 2020 Notes 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 2.12. Pledge and Lien. The sums required to be deposited in the Series 2020 Note Account, together with all securities in which the same may be invested from

time to time, are hereby irrevocably pledged to secure the payment of the principal of and interest on the Series 2020 Note as provided herein. This pledge shall be valid and binding from and after the date of the first delivery of the Series 2020 Note, and such sums, as received by the Issuer and hereby pledged, shall immediately be subject to the lien of the pledge without any physical delivery thereof, any filing, or further act. The lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

Section 2.13. Series 2022 Bonds and Replacement Notes. The Issuer shall in good faith make every reasonable effort to issue and sell sufficient amount of Series 2022 Bonds or Replacement Notes at one time or from time to time so that on or before June 15, 2022, there will be sufficient net proceeds from such bond or note sales to pay in full the principal of and interest on, if any, the Series 2020 Notes. The terms and form of the Replacement Notes shall be set forth in the authorizing resolution of the Issuer if or when said Replacement Notes are finally issued.

The Issuer hereby covenants that without the consent of 100% of the Registered Owners of the Series 2020 Notes the Issuer shall not on or before the Maturity Date of the Series 2020 Notes issue and sell any Bonds (other than refunding bonds or the Series 2022 Bonds anticipated hereby) or any bond anticipation notes (other than those issued in substitution herefor) which bonds or notes are payable on a parity with the Series 2020 Notes unless the Series 2020 Notes have theretofore been, or are concurrently therewith, paid in full.

Section 2.14. Defeasance of Series 2020 Notes. When all of the principal and interest on the Series 2020 Notes have been duly paid, all obligations hereunder shall thereby be discharged and the Series 2020 Notes shall no longer be deemed to be outstanding. There shall be deemed to be such due payment when the Issuer has placed in escrow or in trust with bank or trust company located within or without the State of Utah bills certificates of indebtedness, notes, bond or other similar securities which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America ("Federal Securities") in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount may wholly or in part be initially invested, and verified by a certified public accountant) to pay all principal and interest due on the Series 2020 Note at maturity or on any date as of which the Issuer has exercised its option to redeem the Series 2020 Note prior to its maturity date. The Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Issuer and such bank or trust company at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owner thereof to assure such availability as so needed to meet such schedule.

## ARTICLE III

Section 3.1. Punctual Payment. The Issuer will punctually pay or cause to be paid the principal, the prepayment premium, if any, and any applicable interest when due on the Bond and Note, in strict conformity with the terms of the Bonds and of this Note Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds, according to the true intent and meaning thereof. The Issuer agrees that there shall be no grace period as to the date of any payment required to be made pursuant to the terms of the Bond and Note and of this Note Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds.

Section 3.2. Operation and Maintenance. The Issuer will cause the System to be operated continuously for the furnishing of System services to the inhabitants of the Issuer, to the extent practicable under conditions as they may from time to time exist, in an efficient and economical manner, and will at all times cause to be maintained, preserved and kept, the System, including all parts thereof and appurtenances thereto, in good repair, working order and condition, and in such manner that the operating efficiency thereof will be of high character. The Issuer will from time to time cause to be made all necessary and proper repairs and replacements so that the rights and security of the registered owners of the Bonds may be fully protected and preserved, and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Utah, including the making and collecting of sufficient rates, fees and charges as appropriate, for all services supplied by the System and the segregation and application of the Revenues of the System in the manner provided in this Note Resolution.

Section 3.3. Compliance with Contracts and Agreements; Maintenance of Revenues.

(a) The Issuer will comply with all terms, covenants and provisions, express or implied, of all contracts and agreements entered into by it for System use and services and all other contracts or agreements affecting or involving the System or the business of the Issuer with respect thereto, and will fix and collect rates, fees and charges, as appropriate for all services supplied by the System fully sufficient, after making due allowance for delinquencies in collection, to provide for the payment of the Expenses of Maintenance and Operation, to provide for the payment of all obligations payable from the Revenues of the System, including the Bonds, as and when the same become due and payable, and to establish the Bond Fund, the Reserve Fund and the Short Lived Assets Replacement Reserve Fund and to make the deposits into the Bond Fund, the Reserve Fund and the Short Lived Assets Replacement Reserve Fund as hereinabove required.

(b) In order to assure full and continuous performance of the covenants contained by sub-section (a) of this Section with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer hereby covenants and agrees that it will, at all times while any of the Bonds shall be outstanding, continue in effect and

establish, fix, prescribe and collect rates and charges for the sale or use of System services furnished by the Issuer which, together with any other income, are reasonably expected to yield Net Revenues equal to at least 1.25 times the aggregate annual debt service on all Bonds and Note issued hereunder, the Outstanding Bonds and Future Parity Bonds which will be outstanding in the forthcoming year.

(c) If at any time the Revenues arising from such rates, fees and charges, as appropriate, shall not be sufficient to make all such payments promptly as herein required, the Issuer shall revise the rates, fees and charges, as appropriate, to the users of System services so that such deficiency will be remedied before the end of the next ensuing Year. If the Issuer shall fail to revise such charges as herein required, the registered owners of not less than ten percent (10%) in aggregate principal amount of the Outstanding Bonds, whether or not there shall be any of the Bonds or Note shall then be in default, shall have authority, to the extent permitted by law, to bring an appropriate action in any court of competent jurisdiction to compel the Governing Body to carry out the provisions of this Section.

#### Section 3.4. Delinquencies; Single Billing.

(a) If any delinquent charge for System services, with applicable penalty and interest, is not paid in full within 60 days from the date on which the charge has become delinquent, the Issuer will, when appropriate and necessary to effect collection, cause all System services to be discontinued to the delinquent customers or premises, or forbid further use of such services by such customers or premises, to the extent permitted by law, until such delinquency, with penalties and interest has been paid in full. The Issuer further agrees in addition to the foregoing that it will do all things and exercise all remedies legally available to assure the prompt payment of all charges made for System services.

(b) The Issuer further covenants and agrees, to the extent permitted by law, that the Issuer will bill each customer receiving System services in a single bill, will refuse to accept payment for any of such services unless payment for the other services is also made, and if payment for any of such services is permitted to become delinquent and remain so for a period of 60 days, will treat such delinquency as provided in subsection (a) of this Section.

(c) If any customer or user of System services shall become delinquent for more than six months in the payment of his charges for such services, the Issuer agrees that, in addition to all of the remedies for which provision is made in this Note Resolution, the Issuer will proceed immediately, and it is hereby authorized to proceed, with a suit at law or in equity against such customer or user to recover the amount of any such delinquent charges, together with penalties and interest to the extent permitted by law.

Section 3.5. Consideration Required for Services. The Issuer will not permit System services to be supplied to any person, firm or corporation, public or private, or to any public agency or instrumentality including the Issuer without due consideration to be received in exchange therefor.

Section 3.6. Observance of Laws and Regulations; Permits, Licenses and Claims.

(a) The Issuer will well and truly keep, observe and perform all valid and lawful obligations or orders or regulations now and hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of Utah, or by any officer, board or commission having jurisdiction or control over the Issuer or the System or both, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Issuer, including its right to exist and carry on business, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired; provided, however, that the Issuer shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith.

(b) The Issuer shall at all times undertake reasonable efforts to perfect, and protect and maintain rights of any kind, all purchase contracts of any kind, and all permits, licenses and claims, necessary for the operation of the System.

Section 3.7. Payment of Taxes and Claims. The Issuer will, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon any of the properties of the System or upon the Revenues when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any such properties. The Issuer will keep the System and all parts thereof free from judgments, mechanics' and materialmen's liens (other than those arising by mere operation of law from the construction of the Project and other improvements to the System which are promptly discharged in due course) and free from all other liens, claims, demands and encumbrances of whatsoever prior nature or character, to the end that the priority of the lien of this Note Resolution on the Revenues may at all times be maintained and preserved, and free from any claim or liability which might embarrass or hamper the Issuer in conducting its business.

Section 3.8. Accounts and Reports.

(a) The Issuer will maintain and keep proper books of record and accounts separate and apart from all other records and accounts of the Issuer, in which there shall be made full and correct entries of all transactions relating to the System and the Revenues. Not later than 90 days after the close of each fiscal year, the Issuer will cause an audit of such books and accounts to be made by an independent public accountant, or state auditing official, if appropriate, showing the receipts of and disbursements made for the account of the System. Each such audit, in addition to

whatever matter may be thought proper by the accountant to be included therein, shall include the following:

- (1) A statement in detail of the income and expenditures of the System for such fiscal year;
- (2) A balance sheet as of the end of such fiscal year;
- (3) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Note Resolution, and the accountant's recommendations for any change or improvements in the operation of the System;
- (4) A list of the insurance policies and fidelity bonds in force at the end of such fiscal year, setting out as to each policy and bond that amount of the policy, the risks covered, the name of the insurer and the expiration date;
- (5) The number and type or class, if applicable, of customers of the System, and the number of connections, if applicable, to the System;
- (6) The amount of money in each of the funds created in Article V hereof at the end of such fiscal year and the amount of money paid into and expended from each of said funds during such fiscal year;
- (7) To the extent applicable, a statement of all schedules of rates in effect at the close of the fiscal year and the aggregate dollar amount billed for the System services during such fiscal year and the Revenues received from charges for System services by types or classes of customers, if applicable;
- (8) A list of the official titles of the Chairman and the Clerk and members of the Governing Body, and the name of each person occupying said positions; and
- (9) A general statement concerning any events or circumstances which might affect the financial status of the System.

All expenses incurred in the making of the audits required herein shall be regarded and paid as Expense of Maintenance and Operation. The Issuer further agrees to furnish a copy of each such audit to each Bondholder and Noteholder as soon as practicable, but in no event later than 270 days after the end of the Issuer's fiscal year. Any registered owner of any of the Bonds or Noteholder shall have the right to discuss with the accountant making the audit the contents of the audit and to ask for such additional information as he may reasonably require in connection with such audit. The Issuer agrees that said books of record and account herein referenced, and any and all other books, records and accounts of the Issuer relating to the System, shall at all reasonable times be open to inspection by any registered owner of any of the Bonds or their representatives duly authorized in writing, during normal business hours.

Section 3.9. Insurance and Fidelity Bonds.

(a) The Issuer agrees to procure and maintain, or cause to be procured and maintained, insurance on the System and public liability insurance in such amounts and against such risks as are usually insurable in connection with similar systems and as is usually carried by municipalities operating similar systems.

(b) The Issuer further agrees to procure and maintain, or cause to be procured and maintained, adequate fidelity insurance or bonds on the positions of Mayor, City Recorder and on any other person or persons handling or responsible for funds of the Issuer related to the System.

(c) The provisions of this Section relating to the procurement and maintenance of insurance are subject to the condition that insurance of the type described herein is obtainable at reasonable rates and upon reasonable terms and conditions.

Section 3.10. Against Sale or Other Disposition of System Property Except Under Conditions. The Issuer will not sell, lease, encumber, alienate or in any manner dispose of the System or any substantial part thereof until all of the Bonds and Note have been paid in full; provided, however, that nothing herein contained shall be construed to prevent disposal by the Issuer, upon prior written notice to the registered owners of the Bonds, of property which it deems has become inexpedient to use in connection with the System, when other property of equal value is substituted therefor.

Section 3.11. Against Competition with System Services. The Issuer, so far as it legally may, covenants and agrees that it will not operate or grant a franchise for the operation of any system competing with the System within the boundaries of the Issuer as long as any of the Bonds are Outstanding.

Section 3.12. Future Parity Bonds.

(a) The Issuer will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Revenues, unless such other bonds or obligations are made subordinate to the Bonds herein authorized; provided that at any time Future Parity Bonds may be authorized by resolution of the Governing Body if all the following conditions are met:

(1) The Issuer is in full compliance with all of the covenants and undertakings in connection with all Bonds of the Issuer then Outstanding and payable from the Revenues of the System;

(2) The Annual Net Revenues of the System for the 12 consecutive months ending with the calendar month next preceding the adoption by the Governing Body of the resolution authorizing the issuance and confirming the

sale of the Future Parity Bonds, as shown by an audit rendered by an independent public accountant employed by the Issuer, when added to the estimated amount of the increase in such Annual Net Revenues for the first full twelve-month period in which the improvements, extensions, additions or betterments to the System to be acquired with the proceeds of the Future Parity Bonds will be in operation (such estimated amount to be evidenced by a certificate of an independent consulting engineer approved by the Governing Body of recognized skill and experience in the field of engineering matters related to the construction and maintenance of systems similar to the System), are equal to at least 1.25 times the maximum annual debt service on (i) all Series 2022 Bond and Future Parity Bonds then outstanding plus (ii) the Future Parity Bonds then proposed to be issued;

(3) If the Future Parity Bonds are to be issued solely for the purpose of refunding a portion of the Bonds then outstanding then, for the purpose of making the calculation required under the foregoing paragraph, the maximum annual debt service on the Outstanding Bonds in any future Year shall take into consideration only Bonds that will remain outstanding after the issuance of such Future Parity Bonds, provided that if before the issuance and delivery of such Future Parity Bonds all of the Bonds theretofore issued will have been retired, nothing herein contained shall limit or restrict the issuance of any such Future Parity Bonds;

(4) Future Parity Bonds may be issued only for the purpose of acquiring, constructing, improving or extending the System, or for the purpose of refunding any outstanding Bonds, or for any combination of such purposes;

(5) The resolution authorizing the issuance of such Future Parity Bonds shall provide that the last maturity date of the Future Parity Bonds shall not be earlier than the last maturity date of any Bonds theretofore issued and then outstanding and shall provide for fixed serial maturities or mandatory minimum sinking fund payments, of any combination thereof, in such amounts as will be sufficient to provide for the payment or retirement of all such Future Parity Bonds on or before their respective maturity dates; and

(6) The payments required to be made into the various funds provided in Article V hereof must be current at the time of the issuance of such Future Parity Bonds;

(b) A certificate evidencing compliance with the foregoing requirements of this Section signed by the Chairman and attested and countersigned by the Clerk shall be delivered to the State so long as it is the registered owner of any of the Bonds and to any other registered owner of any of the Bonds requesting a copy thereof, prior to the issuance of any Future Parity Bonds.

Section 3.13. Rights and Remedies of Bondholders.

(a) The registered owner of any outstanding Bonds from time to time shall be permitted the exercise of all rights and powers to which such registered owner is entitled under the Constitution and laws of the State of Utah.

(b) In addition to all other rights afforded by the Constitution and laws of the State of Utah, to the extent permitted by law, the Issuer agrees that the registered owner of any outstanding Bonds or Note shall have the right (i) to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the officials of the Issuer to charge and collect rates for services supplied by the System sufficient to meet all requirements of this Note Resolution, and (ii) if any of the Bonds or Note shall be permitted to default as to payment of principal, prepayment premium, if any, and interest thereon to apply to a court of competent jurisdiction to appoint a receiver for the System.

Section 3.14. Note Resolution to Constitute Contract Between the Issuer and the Purchaser. The provisions of this Note Resolution shall constitute a contract between the Issuer and the registered owners from time to time of the Series 2020 Note. After the issuance of any the Note, no change, variation or alteration in the provisions of this Note Resolution may be made. The provisions of such contract shall be enforceable by appropriate proceedings to be taken by any of such registered owners either at law or in equity, to the extent permitted by law.

Section 3.15. Compliance with Resolution. The Issuer will not issue, or permit to be issued, any bonds or other obligations in any manner other than in accordance with the provisions of this Note Resolution and will not suffer or permit any Event of Default to occur under this Note Resolution, but will faithfully observe and perform all of the covenants, conditions and requirements hereof. The Issuer will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Note Resolution and for the better assuring and confirming to the registered owners of the Bonds of the rights, benefits and security provided in this Note Resolution. The Issuer for itself, its successors and assigns represents, covenants and agrees with the registered owners of the Bonds, as a material inducement to the purchase of the Bonds, that so long as any of the Bonds shall remain outstanding and the principal thereof, prepayment premium, if any, or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in this Note Resolution and the Bonds.

Section 3.16. Power to Issue Bonds and Pledge Revenues and Funds; Power to Own the System and Collect Rates and Fees; Ownership of Project. The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to adopt this Note Resolution and to pledge the Revenues purported to be pledged by this Note Resolution in the manner and to the extent provided herein. The Bonds and the provisions of this Note Resolution are and will be the valid and legally enforceable obligations of the Issuer

in accordance with the terms of the Bonds and the terms of this Note Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues under this Note Resolution and all the rights of the registered owners of the Bonds under this Note Resolution against all claims and demands of all persons whomsoever. The Issuer has, and will have so long as any Bonds are outstanding, good, right and lawful power to acquire, construct, improve, extend and own the Project and the System and to fix and collect rates, fees and charges, as appropriate, in connection with the System. The Issuer will, so long as any Bonds are Outstanding, own and operate the Project.

APPROVED AND ADOPTED BY THE PRICING COMMITTEE OF MILLVILLE  
CITY, UTAH THIS August 27, 2020.

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Mayor

---

Councilmember Grange

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City Recorder

( S E A L )

EXHIBIT "A"

FORM OF SERIES 2020 NOTE

UNITED STATES OF AMERICA  
STATE OF UTAH  
COUNTY OF CACHE  
MILLVILLE CITY  
WATER REVENUE BOND ANTICIPATION NOTE  
SERIES 2020

No. R-1

\$1,286,000

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

| <u>ORIGINAL<br/>DATE</u> | <u>INTEREST<br/>RATE</u> | <u>MATURITY<br/>DATE</u> |
|--------------------------|--------------------------|--------------------------|
| August 28, 2020          | 2.57%                    | June 15, 2022            |

REGISTERED OWNER: Zions Bancorporation, N.A.

PRINCIPAL SUM: ONE MILLION TWO HUNDRED EIGHTY-SIX THOUSAND DOLLARS AND NO/100 DOLLARS\*\*\*\*\*

Millville City, Cache County, Utah (the "Issuer") for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special fund hereinafter specified, the Principal Sum (specified above), in lawful money of the United States of America, on the Maturity Date (specified above), the Total Principal Sum of One Million Two Hundred Eighty-Six Thousand Dollars (\$1,286,000), together with interest accruing on the unpaid principal balance at the rate of two and fifty-seven hundredths percent (2.57%) per annum until paid, with interest thereon from the Original Date (specified above) to the next succeeding Interest Payment Date, or optional redemption date, such interest to be calculated on the basis of a 360-day year, comprised of twelve 30-day months and payable on each June 15 and December 15, beginning December 15, 2020 (each an "Interest Payment Date"), and on prior redemption, in the manner provided herein.

The principal of and interest on this Note are payable to the Registered Owner by the Issuer's City Recorder, or its successors, as Paying Agent. The principal is payable to the Registered Owner upon presentation and surrender of this Note at maturity or upon

prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is to be the first day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books maintained by the Issuer's City Recorder, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of this Note subsequent to the special record date and prior to the date fixed by the Registrar for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the special record date, to the Registered Owner of each Note upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the Registrar. If the date for making or giving any payment, determination or notice described herein is a Saturday, Sunday, legal holiday or any other day on which the Paying Agent or Registrar is authorized or required by law to remain closed, such payment, determination or notice is to be made or given on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which the Paying Agent or Registrar is authorized or required by law to remain closed.

This Note represents a series of Notes designated as Millville City, Utah Water Revenue Bond Anticipation Notes, Series 2020 issued in the aggregate original principal amount of \$1,286,000.

If upon presentation at maturity the principal of and interest on the Series 2020 Notes are not paid in full as provided herein, the Series 2020 Notes shall be subject to an adjustment to the applicable interest rate as set forth below and described herein this Section.

The Series 2020 Notes shall bear interest from their initial delivery date to, but not including, the Adjustment dates (the Adjustment Dates are June 15, 2022 and June 15, 2023) at a rate of two and fifty-seven hundredths percent (2.57%) per annum from their date of delivery to maturity or prior redemption. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months and shall be payable at maturity or upon prior redemption. The Note shall bear interest on June 15 and December 15 of each year beginning December 15, 2020, and shall be paid by check or draft mailed to the registered owner(s) of record of the Note. On the Adjustment Date, the interest rate on the outstanding Notes maturing after June 15, 2022, shall be adjusted to equal the Index Rate. On the Adjustment Date, the Note Registrar shall determine the Index Rate applicable on the Adjustment Date and shall give notification to the Issuer and registered owners of the outstanding Series 2020 Notes maturing after June 15, 2022 (by telephone or facsimile transmission) of the rate so determined.

Adjustment Dates: The Adjustment Dates shall be June 15, 2022 and June 15, 2023.

Index Rate: The Index Rate shall mean the rate per annum equal to the then 1-year FHLB Des Moines fixed rate advance plus 1.50% per annum as of June 15, 2022 with a new final maturity of June 1, 2024; or in the event the FHLB is no longer published, then another nationally recognized source as agreed upon by the Issuer and Bondholder.

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

This Note is subject to optional redemption prior to its Maturity Date in whole or in part at any time at a price equal to 100% of the principal amount of Notes to be redeemed plus accrued interest thereon to the redemption date. If the Notes are redeemed in part, the Paying Agent shall select by lot those Notes or parts thereof to be redeemed.

Notice of redemption is to be given by the Paying Agent in the name of the Issuer by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the redemption date, to the Registered Owner of the Note being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the Registrar. Such notice shall specify the Note to be redeemed, and the date fixed for redemption and shall state that on the redemption date there will be due and payable upon the Note so to be redeemed the principal amount thereof plus accrued interest thereon to the redemption date and that from and after such date interest will cease to accrue. Failure to mail any notice as aforesaid or any defect in any notice so mailed with respect to the Note does not affect the validity of the redemption proceedings with respect to the Note.

The Note is issued by the Issuer for the purpose of financing, in part, the acquisition and construction of water system improvements, and related improvements (the "Project"), and is issued in anticipation of the issuance by the Issuer of its Water Revenue Bonds, Series 2022 (the "Series 2022 Bonds"), or any bond anticipation notes issued in substitution of the Note, and is issued pursuant to, by virtue of and in full conformity with the Constitution of the State of Utah, and pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and all other laws of the State of Utah thereunto enabling, and pursuant to Resolutions of the Council of the Issuer duly adopted prior to the issuance of this Note on August 27, 2020 (the "Resolution"); and it is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the Issuer in issuing this Note.

The Note is a special limited obligation of the Issuer and is 1) payable as to interest due on such Interest Payment Dates from the Net Revenues of the System and the proceeds of the Series 2022 Bonds or Replacement Notes, and 2) payable as to the principal of and interest from the proceeds of the Series 2022 Bonds or Replacement

Notes, or in the event that the Series 2022 Bonds or Replacement Notes are not issued, from the Net Revenues of the Issuer's System. The Issuer may also at its option apply any other legally available funds or revenues to the payment of the principal of or interest on this Note.

Payment of the principal of and interest on this Note shall be made solely from a special fund identified in the Resolution authorizing the issuance hereof as the Series 2020 Note Account, into which fund the Issuer has covenanted in the Resolution to pay an amount sufficient to pay the principal of and interest on this Note from the aforesaid sources.

It is hereby recited, certified and warranted that for the payment of this Note and the interest hereon the Issuer has created and will maintain the Series 2020 Note Account and will deposit therein the net proceeds of the aforesaid Series 2022 Bonds or bond anticipation notes, when and if issued, sold and delivered, and out of said special account, as an irrevocable charge thereon, the Issuer will pay this Note and the interest hereon.

This Note is secured by a lien on the sums deposited in the aforesaid special account, and said sums are pledged and set aside for the payment of this Note, all in anticipation of the issuance, sale and delivery of the aforesaid Series 2022 Bonds or bond anticipation notes.

The Issuer covenants and agrees with the Registered Owner that it will keep and will perform all of the covenants contained in this Note and the Resolution authorizing the issuance hereof.

In the Resolution, the Issuer has covenanted that it will in good faith make every reasonable effort to issue and sell a sufficient amount of its Series 2022 Bonds or Bond Anticipation Notes at one time or from time to time so that on or before June 15, 2022, there will be sufficient net proceeds from such bond or note sales to pay this Note in full. The Resolution provides that without the consent of 100% of the Registered Owners of the note the Issuer shall not on or before the Maturity Date of this Note issue and sell any Bonds (other than refunding bonds or those anticipated hereby) or any bond anticipation notes (other than those issued in substitution herefor) which bonds or notes are payable on a parity with the Note unless the Note has theretofore been, or are concurrently therewith, paid in full.

Reference is hereby made to the Resolution for a description of the provisions, terms and conditions upon which this Note is issued and secured, including, without limitation, the nature and extent of the security for this Note, provisions with respect to the custody and application of the proceeds of this Note, the collection and disposition of the moneys charged with and pledged to the payment of the principal of and interest on this Note, a description of the aforesaid special fund and the nature and extent of the security afforded thereby for the payment of this Note and the interest hereon and the manner of enforcement of said pledge, and the rights, duties, immunities and obligations of the Issuer and the members of its Council of Trustees and also the rights and remedies of the Registered Owner.

This Note is transferable only upon the registration books of the City Recorder of the City, or his/her successors, as Transfer Agent, at the request of the Registered Owner or his/her duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or his/her duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and beneficiaries of the trust. The Transfer Agent is not required to transfer ownership of this Note during the five (5) days prior to the first mailing of any notice of redemption or to transfer ownership of this Note selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Note for another Note or Notes of convenient denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may be imposed in connection with any transfer or exchange of this Note. No transfer of this Note is to be effective until entered on the registration books of the City Recorder of the City, or its successor, as Registrar. In the case of every transfer or exchange, the Issuer is to execute and the Transfer Agent is to deliver to the new registered owner a new Note or Notes of the same series and aggregate principal amount as the Note or Notes surrendered. The Registrar may deem and treat the person in whose name this Note is last registered upon the registration books of the Registrar as the absolute owner hereof for the purpose of receiving payment of the principal of and interest on this Note and for all other purposes, and all such payments so made to such person or upon his order are valid and effective to satisfy and discharge the liability of the Issuer upon this Note to the extent of the sum or sums so paid, and the Issuer is not affected by any notice to the contrary.

THIS NOTE HAS BEEN ISSUED AND DELIVERED IN RELIANCE UPON REPRESENTATIONS OF THE REGISTERED OWNER THAT THIS NOTE IS BEING ACQUIRED SOLELY FOR INVESTMENT AND NOT WITH A PRESENT VIEW TO DISTRIBUTION OR RESALE. THIS NOTE MAY NOT BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED, INCLUDING THE SALE OF A PARTICIPATION INTEREST HEREIN, WHETHER OR NOT FOR CONSIDERATION, BY THE REGISTERED OWNER EXCEPT UPON COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS.

IN TESTIMONY WHEREOF, Millville City, Cache County, Utah, has caused this Note to be signed in its name and on its behalf with the manual or facsimile signature of the Mayor, to be sealed with the seal of Millville City, Utah, and to be signed and attested with the manual or facsimile signature of its City Recorder.

MILLVILLE CITY, UTAH

By: \_\_\_\_\_ (DO NOT SIGN)  
Mayor

ATTEST:

\_\_\_\_\_  
(DO NOT SIGN)  
City Recorder

( S E A L )

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the within mentioned Resolution and is one of the Water Revenue Bond Anticipation Notes, Series 2020 of Millville City, Utah.

CITY RECORDER OF MILLVILLE CITY,  
UTAH as Registrar

By: \_\_\_\_\_ (DO NOT SIGN)

Date of Registration and Authentication: August 28, 2020

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations.

|                   |   |  |
|-------------------|---|--|
| TEN COM           | - | as tenants in common   |
| TEN ENT           | - | as tenants by the entirety   |
| JT TEN            | - | as joint tenants with right of survivorship and not as tenants in common |
| UNIF GIFT MIN ACT | - | _____ Custodian _____<br>(Cust) (Minor)                                  |

under Uniform Gifts to Minors Act

\_\_\_\_\_  
(State)

Additional abbreviations may also be used though not on the above list.

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
(Name and Address of Assignee)

the attached Note and does hereby irrevocably constitute and appoint \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or its successors, to transfer said Note on the books kept for registration thereof.

Dated: \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_  
(Bank, Trust Company or Firm)

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Note in every particular without alteration or enlargement or any change whatever.

Transfer Fee Required

EXHIBIT "B"

NOTE PURCHASE CONTRACT

(See Transcript Doc. No. \_\_)

4847-6741-7257, v. 1

**MILLVILLE CITY, UTAH  
FINAL BOND RESOLUTION  
OF THE PRICING COMMITTEE  
WATER REVENUE BONDS, SERIES 2022  
\_\_\_\_\_, 20\_\_**

A RESOLUTION AUTHORIZING THE \$1,286,000 WATER REVENUE BONDS, SERIES 2022 FOR WATER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS, AND TO REFUND AND RETIRE THE ISSUER'S WATER REVENUE BOND ANTICIPATION NOTES, SERIES 2020; AND RELATED MATTERS.

WHEREAS, Millville City, Cache County, Utah (the "Issuer"), desires to finance, in part, the acquisition and construction of water system improvements, and related improvements (the "System") and desires to finance said improvements, in part, by issuing its \$1,286,000 Water Revenue Bonds, Series 2022 (the "Series 2022 Bonds") (the denomination of the Series 2022 Bonds may change to correspond to the future year of issuance of such Bonds) to refund and retire the Issuer's \$1,286,000 Water Revenue Bond Anticipation Notes, Series 2020; and

WHEREAS, the Issuer has previously issued its 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 (the "Outstanding Bonds"); and

WHEREAS, the Issuer does not have on hand money to pay the cost thereof, but other than the Issuer's Outstanding Bonds, 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 2022 Bonds; and

WHEREAS, the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"), provides that the Issuer may issue nonvoted revenue bonds as long as revenues generated from the revenue producing facilities of the Issuer are sufficient to pay for operation and maintenance of said facilities and debt service on all outstanding 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 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 2022 Bonds authorized herein; and

WHEREAS, the Issuer adopted a Parameters Resolution on August 22, 2019, authorizing the issuance and sale of Water and Sewer Revenue Bonds in a maximum

aggregate principal amount not to exceed \$15,000,000 and posted and published required notices as authorized therein, and held a public hearing on September 26, 2019; and

WHEREAS, the Issuer adopted a Note and Bond Authorizing Resolution on August 27, 2020 authorizing the issuance and sale of its Water Revenue Bonds in a maximum aggregate principal amount not to exceed \$1,286,000 (the “Bond” or “Bonds”) bearing interest at a rate or rates not to exceed 4.0% per annum for a period of 40 years at a discount of 98% pursuant to a Final Bond Resolution (collectively, the “Bond Resolutions”) to be approved by the Pricing Committee; and

WHEREAS, the Issuer adopted a Note and Bond Authorizing Resolution for Bonds and Bond Anticipation Notes on August 27, 2020 and the Note Resolution of the Pricing Committee on August 27, 2020, authorizing the issuance and sale of its Water Revenue Bond Anticipation Notes, Series 2020 in the maximum principal amount of \$1,286,000 (the “Series 2020 Notes or Note”) bearing interest at a rate or rates not to exceed 4.0% per annum to mature, if a Note, in not more than 5 years, and to mature, if a Bond, in not more than 40 years, at a discount of 98% pursuant to a Note Resolution of the Pricing Committee on August 27, 2020 and to a Final Bond Resolution of the Pricing Committee.

WHEREAS, the Issuer adopted a Note and Bond Authorizing Resolution for Bonds and Bond Anticipation Notes on August 27, 2020, authorizing the issuance and sale of its Water Revenue Bonds, Series 2022 in the maximum principal amount of \$1,286,000 (the “Series 2020 Bonds or Bond”) bearing interest at a rate or rates not to exceed 4.0% per annum to mature in not more than 40 years at a discount of 98% pursuant to this Final Bond Resolution of the Pricing Committee; and

WHEREAS, the Issuer noticed and held a public hearing on August 27, 2020 for public comment on the Bonds and Bond Anticipation Notes in the maximum principal amount, interest rate, maturity and discount provided herein; and

WHEREAS, Zions Bancorporation, N.A. (“Zions Bank”) has offered to purchase the Issuer’s Series 2020 Notes in the total principal amount of \$1,286,000 bearing interest at the rate of 2.57% per annum on the unpaid principal amount thereof; and

WHEREAS, the United States of America acting through its Department of Agriculture, Rural Utilities Service (“USDA”) has offered to purchase the Issuer’s Series 2022 Bonds in the total principal amount of \$1,286,000 bearing interest at the rate of one and eight hundred seventy-five thousandths percent (1.875%) per annum on the unpaid principal amount thereof, and has authorized a grant to the Issuer in the amount of \$587,000; and

WHEREAS, the Issuer desires to accept the offer of the USDA and to confirm the sale of the Series 2022 Bonds to the USDA:

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

## ARTICLE I

### DEFINITIONS

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

“Annual Debt Service” means the annual payment of principal, premium or penalty, if any, and interest to be paid by the Issuer during any Sinking Fund Year on the Series 2022 Bonds and all outstanding bonds or other forms of indebtedness issued on a parity with the Series 2022 Bonds and which are secured by the Net Revenues of the System.

“Bondholder” or “Registered Owner” means the registered holder of any Series 2022 Bond, the issuance of which is authorized herein.

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

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

“Fully Registered Bond” means any single Fully Registered Bond in the denomination(s) equal to the aggregate principal amount of the Series 2022 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 Water 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 interest on the Series 2022 Bonds on behalf of the Issuer. The initial paying agent for the Series 2022 Bonds is the City Recorder of the Issuer.

“Project” means to finance, in part, the acquisition and construction of water system improvements, and related improvements to the Issuer’s System, including all equipment and necessary appurtenances thereto.

“Registrar” means the person or persons authorized by the Issuer to maintain the registration books with respect to the Series 2022 Bonds on behalf of the Issuer. The initial Registrar for the Series 2022 Bonds is the City Recorder of the Issuer.

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

“Revenues” means all gross income and revenues of any kind, from any source whatsoever, derived from the operation of the System, including, without limitation, all fees, rates, connection charges, impact fees that are imposed with respect to the Project and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and Revenues. Balances held in the Revenue Fund on the last day of each Fiscal Year in excess of 25% of the amount of the Operation and Maintenance Expenses for that Fiscal Year, after payment of all Operation and Maintenance Expenses and all deposits requested by Section 3.4(a)-(b) of this Bond Resolution to that date have been made, shall be considered to be Revenues available for the next Fiscal Year.

“Serial Bonds” means the fully registered \$1,000 denomination Water Revenue Bonds which may be issued in exchange for the Fully Registered Series 2022 Bonds.

“Series 2022 Bond or Bonds” means the Issuer’s Water Revenue Bonds, Series 2022 authorized herein in the principal amount of \$1,286,000 bearing interest at the rate of 1.875% per annum to be purchased by the USDA.

“Series 2020 Note or Notes” means the Issuer’s Water Revenue Bond Anticipation Notes, Series 2020 issued in the aggregate principal amount of \$1,286,000 and sold to Zions Bancorporation, N.A. issued in anticipation of the Series 2022 Bonds.

“Sinking Fund Year” means the twelve-month period beginning on July 1 of the calendar year and ending on the next succeeding June 30; provided, however, that the first Sinking Fund Year will begin on the delivery date of the Series 2022 Bonds and will end on the next succeeding June 30.

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

“Total Loan Commitment” means the total amount which USDA is obligated to lend to the Issuer on the terms hereinafter described provided that in no event shall such amount exceed \$1,286,000.

“Total Principal Sum” means the amount of proceeds actually loaned and delivered by the USDA at any given time pursuant to Section 2.3 hereof to the Issuer up to the maximum amount of \$1,286,000, as recorded on the Certificate of Dates of Payment and Amount attached to the Series 2022 Bonds.

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

## ARTICLE II

### ISSUANCE OF SERIES 2022 BONDS

Section 2.1. Principal Amount, Interest Rate, Designation, and Series. The Series 2022 Bonds are hereby authorized to be issued by the Issuer in the principal amount of \$1,286,000 for the purpose of financing, in part, the costs of the Project, and to refund and retire the Issuer's Water Revenue Bond Anticipation Notes, Series 2020, and for the purpose of paying costs of issuance of the Series 2022 Bonds.

The Series 2022 Bonds shall be dated as of the date of their delivery, shall be in the maximum aggregate principal amount of \$1,286,000 and shall bear interest on the unpaid principal balance at the rate of interest of one and eight hundred seventy-five thousandths percent (1.875%) per annum from the issue date until paid as established by the USDA in its letter committing to purchase the Series 2022 Bonds from the Issuer. Both principal and interest on the Series 2022 Bonds shall be payable in lawful money of the United States of America to the registered owner of the Series 2022 Bonds at the address of such owner shown on the registration books of the Issuer.

The Series 2022 Bonds is issued on parity with the Issuer's Outstanding Bonds, such that the Series 2022 Bonds and the Outstanding Bonds are equally and ratably secured by a pledge of and first lien on the Net Revenues of the Issuer's System.

Section 2.2. Date and Maturities. The Series 2022 Bonds shall be dated as of their date of delivery and shall be paid as follows:

Monthly principal and interest installments in an amount determined by the Issuer and USDA at the time of delivery of the Series 2022 Bonds to USDA sufficient to pay the principal amount of said Series 2022 Bonds with interest thereon over a period of not more than 40 years from the delivery date of the Series 2022 Bonds, which is estimated to be \$3,820 per month. Payments for the 40 years will be equal to \$45,840 per year.

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 grant and loan commitments the Issuer has already obtained, then, as authorized in Section 11-14-302 of the Utah Local Government Bonding Act, the Issuer hereby authorizes the Mayor, Councilmember Grange and the City Recorder as a Pricing Committee, to approve a final principal amount and repayment schedule for the Series 2022 Bonds within the parameters set forth in the Notice of Public Hearing and Bonds and Bond Anticipation Notes 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 before this resolution, which parameters are in the aggregate principal amount of not to exceed \$1,286,000, to bear interest at the rate or rates not to exceed four percent (4.0%) per annum, to mature, if a Bond, in not more than forty (40) years from their date or dates, and, if a Note, in not more than five (5) years, and to be sold at a price not less than 98% of the total principal amount thereof, and all other terms of the Series

2020 Notes and Series 2022 Bonds, and to approve and execute all documents related to the issuance of the Series 2020 Notes and the Series 2022 Bonds. The City Recorder is authorized to attest such signatures and apply the City seal as appropriate.

If the Series 2022 Bonds are not issued in the calendar year 2022, then the denomination of the Bonds shall be changed to correspond to the year of issuance.

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

If less than \$1,286,000 is advanced on the Series 2022 Bonds such that the Total Principal Sum is less than \$1,286,000, the repayment period shall be shortened and the number of monthly principal and interest installments shall be reduced to correspond to the Total Principal Sum of the Series 2022 Bonds as evidenced on the Certificate of Dates of Payment and Amount on the Fully Registered Bond representing the Series 2022 Bonds.

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

Prepayments shall be made on the date, at the place and in the manner provided herein for making regularly scheduled installment payments. No partial prepayment shall extend or postpone the due date of any subsequent monthly installment. All prepayments shall be applied to principal last falling due on the Series 2022 Bonds and shall be in the amount of principal being prepaid, together with accrued interest thereon to the date of prepayment, and shall be made without penalty or additional interest or charges.

Notice of any prepayment of principal on the Fully Registered Bonds, or of the call for redemption of any of the Serial Bonds, shall be given as provided in the Series 2022 Bond forms set forth in Exhibits "B" and "C" hereto. Interest on any Series 2022 Bond subject to prepayment or redemption shall cease to accrue as to the amount of principal being prepaid or redeemed after the date fixed for prepayment or redemption if notice has been properly given and funds (or securities in which such funds are invested) equal to the amount of prepayment or redemption price shall have been deposited at the place of payment at that time.

Except as otherwise provided herein, every payment on the Series 2022 Bonds shall be applied first to interest computed to the date of payment and then to principal.

Section 2.5. Execution and Delivery of Series 2022 Bonds. The Mayor is hereby authorized to execute by manual or facsimile signature the Series 2022 Bonds and the City Recorder to countersign by manual or facsimile signature the Series 2022 Bonds and to have imprinted, stamped, or otherwise placed on the Series 2022 Bonds the official seal of the Issuer. The City Recorder is hereby authorized to authenticate and deliver to USDA the Series 2022 Bonds upon payment to the Issuer of the first incremental advance of the proceeds of the Series 2022 Bonds. The City Recorder, Mayor, or his/her designee, is further authorized and directed to certify to the monthly installment payments to be set forth in the Installment Payment Certificate on the Series 2022 Bonds.

The Series 2022 Bonds are issued under the provisions of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Fully Registered Bond and each of any Serial Bonds issued as hereinafter prescribed shall contain a recital that they are issued under the authority of said Act, and the recitals to such effect contained in the bond forms set forth in Exhibits "B" and "C" hereof are hereby approved. Such recitals shall conclusively impart full compliance with all of the provisions of the Bond Resolution and the Series 2022 Bonds shall be incontestable for any cause whatsoever after their delivery for value. The principal of and interest on the Series 2022 Bonds shall be payable only out of one hundred percent (100%) of the Net Revenues, and in no event shall said Series 2022 Bonds be deemed to constitute an indebtedness of the Issuer within the meaning of any State, constitutional or statutory limitation or a charge against the general credit or taxing power of the Issuer.

Section 2.6. Approval of Sale. The sale of the Series 2022 Bonds to USDA is hereby authorized and approved. USDA has requested, and the Issuer has agreed, that the obligation of the Issuer thereunder shall be represented in the form of a single, fully registered, negotiable revenue bond, without coupons, that the registered owner thereof shall have the right to convert the said Fully Registered Bond to Serial Bonds in registered form, at his own expense.

Section 2.7. Designation of Paying Agent and Registrar. The City Recorder in Millville, Utah is hereby designated as Paying Agent and Registrar for the Series 2022 Bonds.

Section 2.8. Exchange for Serial Bonds. The Serial Bonds which may be issued upon conversion of the Fully Registered Bond, as provided in Section 2.6 hereof, shall mature annually on the anniversary of the date of the original Bond of each of the remaining years of the original term of the Series 2022 Bonds, shall be dated as of the date when the conversion is effected, and shall be in \$1,000 denominations as will permit them to mature within the original term of the Fully Registered Bond in substantially the same amount(s) of principal and interest as are required to be paid annually on the Fully Registered Bonds as set forth in the Amortization Schedule referred to therein, during each of the remaining years of the original term of the Fully Registered Bond, except that one bond of the series may be in a different denomination if necessary, and additional

denominations may be used if necessitated by the redemption provisions set forth in the Serial Bonds upon redemption thereof. The Serial Bonds shall be in substantially the form as set forth in Exhibit “C”.

Section 2.9. Defeasance of Series 2022 Bonds. The Series 2022 Bonds shall be deemed paid only upon the payment in full of the principal of and interest on said Series 2022 Bonds in accordance with the terms thereof. The setting aside money exclusively for the payment of the Series 2022 Bonds shall have no application with respect to the Series 2022 Bonds.

Section 2.10. Enforcement of Resolution With Respect to Series 2022 Bonds. So long as USDA is the registered owner of the Series 2022 Bonds, it may deal directly with the Issuer in the servicing and enforcement of said Series 2022 Bonds.

## ARTICLE III

### REGISTRATION, PAYMENT, AND FLOW OF FUNDS

Section 3.1. Execution of and Registration of Series 2022 Bonds; Persons Treated as Owners. The Series 2022 Bonds shall be signed by the Issuer and the Issuer shall cause books for the registration and for the transfer of the Series 2022 Bonds to be kept by the City Recorder who is hereby appointed the Registrar of the Issuer with respect to the Series 2022 Bonds. Any Series 2022 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 2022 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 2022 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 2022 Bond surrendered for transfer. Series 2022 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2022 Bonds of the same series or other authorized denominations and the same maturity. The execution by the Issuer of any Series 2022 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 2022 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 2022 Bond for redemption.

Series 2022 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 2022 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 2022 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 2022 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 2022 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 2022 Bond shall be delivered.

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

Section 3.3. The Series 2022 Bonds Constitute Special Limited Obligations. Notwithstanding anything in this Bond Resolution elsewhere contained, the principal and interest, if any, on the Series 2022 Bonds shall be payable out of 100% of the Net Revenues, and in no event shall the Series 2022 Bonds be deemed or construed to be a general indebtedness of the Issuer or payable from any funds of the Issuer other than those derived from the operation of the System or from proceeds of the Series 2022 Bonds.

The Issuer may, in its sole discretion, but without obligation and subject to the Constitution, laws, and budgetary requirements of the State of Utah, make available properly budgeted and legally available funds to defray any insufficiency of Revenues to pay the Series 2022 Bonds; provided however, the Issuer has not covenanted and cannot covenant to make said funds available and has not pledged any of such funds for such purpose.

Section 3.4. Flow of Funds. From and after the earlier of the delivery date of the Series 2022 Bonds, and until all the Series 2022 Bonds have been fully paid, the Revenues shall be set aside into Millville City, Utah Water Revenue Fund referred to herein as "Revenue Fund", established hereunder. The Issuer will thereafter make monthly accounting allocations of the funds deposited in said Revenue Fund for the following purposes and in the following priority:

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

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

(i) Of the amounts allocated to the Sinking Fund there shall be allocated the following amounts to a subaccount established on the books of the Issuer known as the “Bond Account” such amounts as will assure, to the extent of the availability of Net Revenues from the System, the prompt payment of the principal and interest, if any, on the Series 2022 Bonds as shall become due and all bonds or obligations issued in parity therewith, including the Outstanding Bonds. The amount to be so set aside with respect to the Series 2022 Bonds shall, as nearly as may be practicable, be set aside and allocated to the Bond Account monthly, on or before the fifth day of each month, beginning the month following the initial delivery of the Series 2022 Bonds and shall equal the monthly principal and/or interest installment determined under Section 2.2 hereof, to the end that there will be sufficient funds allocated to the Bond Account to pay the principal and/or interest on the Series 2022 Bonds as and when the same become due. Amounts allocated to the Bond Account shall be used solely for the purpose of paying principal and interest, if any, on the Series 2022 Bonds and shall not be reallocated, transferred or paid out for any other purpose. (In the event insufficient moneys are available to make prompt payment of the full principal and interest on the Series 2022 Bonds as shall become due and all bonds and obligations issued in parity therewith, including the Outstanding Bonds, such moneys shall be allocated pro rata based on the amount of principal coming due over the next 12 months for each such parity bond, if any.)

(ii) Of the amounts allocated to the Sinking Fund after there shall have been allocated the amounts required to be allocated under (i) above, there shall be allocated monthly to a subaccount established on the books of the Issuer known as the “Reserve Account - Series 2022” such amounts as will assure to the extent of available Net Revenues from the

System, the full accumulation within the Reserve Account of amounts to be accumulated with respect to the Series 2022 Bonds. On or before the fifth day of each month, beginning the month following delivery of the Series 2022 Bonds to the Reserve Account - Series 2022 to be known as "Reserve Account - Series 2022" established on the books of the Issuer the sum of \$382.00, plus such additional amount as may be required to meet any monthly installment to the Reserve Account - Series 2022 not theretofore made in whole or in part, such allocation shall continue until there shall have been accumulated an amount equal to \$45,840.00. Amounts allocated to the Reserve Account - Series 2022 shall be used to pay the principal and interest, if any, falling due on the Series 2022 Bonds at any time when there are not sufficient funds in the Bond Account to pay the same, but pending such use may be invested as hereafter provided. When the Reserve Account - Series 2022 has been accumulated as in this paragraph provided, no further allocations to the Reserve Account - Series 2022 need be made unless payments from the Reserve Account - Series 2022 have reduced the same below the amounts required by this paragraph, in which event allocations shall be resumed until such deficiency has been remedied (in the event insufficient moneys are available to make prompt payment into the Reserve Account - Series 2022 as shall become due and all reserve accounts, if any, with respect to all bonds and obligations issued on a parity with the Series 2022 Bonds, including the Outstanding Bonds, such moneys shall be allocated pro rata based on the amount of principal coming due over the next 12 months for each such parity bond); and

(iii) 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 - Series 2022 have been made, may be used by the Issuer (a) to prepay or redeem the Series 2022 Bonds in whole or in part, (b) to make extensions, improvements, additions, repairs, and replacements to the System, or (c) to be applied to any other lawful purpose as determined by the Issuer.

(c) If at any time, the Net Revenues derived by the Issuer from the operation of the System shall be insufficient to make any payment to any of the above funds or accounts on the date or dates specified, the Issuer shall make good the amount of such deficiency by making additional payments out of the first available Net Revenues thereafter derived by the Issuer from the operation of the System.

Section 3.5. Investment of Funds. Any funds allocated to the Bond Account and Reserve Account - Series 2022 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 shall be maintained in said funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Reserve Account - Series 2022 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 2022, after said transfer, has funds equaling \$45,840.00. Should said Reserve Account - Series 2022 have less than \$45,840.00, then said income shall be maintained in said Reserve Account - Series 2022 until total deposits in said Reserve Account - Series 2022 equals \$45,840.00. There shall not be required to be in the Bond Account and the Reserve Account - Series 2022 at any time more than the total amount required to pay the total principal outstanding of the Series 2022 Bonds. Whenever the money in the Bond Account and said Reserve Account - Series 2022 equals the total principal amount of the Series 2022 Bonds outstanding, the money in said Accounts shall be used to prepay all of the Series 2022 Bonds.

## ARTICLE IV

### COVENANTS

Section 4.1. Covenants of Issuer. The Issuer hereby covenants and agrees with each and every holder of the Series 2022 Bonds the following:

(a) The rates for all Water service supplied by the System to the Issuer and its inhabitants and to all customers within or without the boundaries of the Issuer shall be sufficient for the retirement and/or redemption of the Series 2022 Bonds, provided such rates must be reasonable rates for the type, kind, and character of the service rendered. There shall be no free service and there shall be charged against all users of the System, including the Issuer, such rates and amounts as shall be adequate to meet the debt service payments on the Series 2022 Bonds and any Parity Bonds (as defined in Section 4.2) when due. The rates charged for Water service provided by the System shall be sufficient to produce Net Revenues that are equal to 125% of Annual Debt Service. All Net Revenues, including those received from the Issuer, shall be subject to distribution for the payment of the Operation and Maintenance Expenses of the System and the payment of the Series 2022 Bonds and any Parity Bonds, as provided herein. Balances held in the Revenue Fund on the last day of each Fiscal Year in excess of 25% of the amount of the Operation and Maintenance Expenses for that Fiscal Year, after payment of all Operation and Maintenance Expenses and all deposits required by Section 3.4(a)-(b) of this Bond Resolution to that date have been made, shall be considered to be Revenues available for the next Fiscal Year.

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

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

(d) So long as any Series 2022 Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System and all properties constituting the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Sinking Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the System, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time

as the USDA is the Registered Owner of the Series 2022 Bonds, each such audit will be supplied to the USDA, as soon as completed without prior request therefor by the USDA. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

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

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

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

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

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

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

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

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

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

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

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

compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

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

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

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

(i) The Issuer may consolidate the bills submitted for Water 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 Water bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all Water service to the Water user concerned to be cut off immediately.

(j) Every officer, agent or employee of the Issuer having custody or control of any of the Revenues or of the proceeds of the Series 2022 Bonds shall be bonded by a responsible corporate surety in an amount not less than the annual debt service of the Series 2022 Bonds. The premiums on such surety bonds shall not be an Operation and Maintenance Expense of the System.

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

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

(m) The Issuer will not grant a franchise for the operation of any competing Water system within the Issuer's limits, as long as any Series 2022 Bonds authorized herein remain outstanding.

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

(o) All payments falling due on the Series 2022 Bonds shall be made to the Bondholder thereof at par and all charges made by the Depository Bank for its services shall be paid by the Issuer.

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

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

(r) The Issuer will file or cause to be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2022 Bonds are issued, a Form 8038-G, Information Return for Tax-Exempt Governmental Bond Issues, with respect to the Series 2022 Bonds.

(s) The Mayor and City Recorder of the Issuer are hereby authorized and directed to execute such certificates as shall be necessary to establish that the Series 2022 Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations promulgated or proposed in relation thereto. The Issuer covenants and certifies to and for the benefit of the Registered Owners of

the Series 2022 Bonds that no use will be made of the proceeds from the issue and sale of the Series 2022 Bonds, or any funds or accounts of the Issuer which may be deemed to be gross proceeds of the Series 2022 Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of the Series 2022 Bonds, would have caused the Series 2022 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 2022 Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated with respect thereto.

(t) The Issuer further covenants and agrees to and for the benefit of the Registered Owners of the Series 2022 Bonds that the Issuer (i) will not take any action that would cause interest on the Series 2022 Bonds to become includible in gross income for purposes of federal income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the Series 2022 Bonds to become includible in gross income for purposes of federal income taxation and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Series 2022 Bonds in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on such Series 2022 Bonds.

Section 4.2. Additional Indebtedness. No additional indebtedness, bonds or notes of the Issuer payable on a priority superior to the Series 2022 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 2022 Bonds. Furthermore, the Series 2022 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 2022 Bonds authorized to be issued pursuant to this Bond Resolution regardless of the fact that they may be actually issued and delivered at different times. It is expressly agreed and covenanted that the Issuer will not hereafter issue any bonds or obligations payable from the Net Revenues of the System, or any part thereof, or which constitutes a lien on such Net Revenues or on the System until all Series 2022 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 2022 Bonds.

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

(1) The Series 2022 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 2022 Bonds except that if fewer than all of the Series 2022 Bonds outstanding at the time are so refunded, no refunding bonds shall bear interest at a rate higher or mature at a date earlier than the corresponding Bond refunded thereby without the consent of the owners and holders of all of the corresponding unrefunded Series 2022 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 2022 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 2022 Bonds refunded.

(2) Additional bonds may be issued on a parity with the Series 2022 Bonds herein authorized if all of the following conditions are met at the time of the issuance of such additional bonds (herein referred to as “Parity Bonds”):

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

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

(iii) The proceedings authorizing such Parity Bonds must raise the amount to which the reserve funds shall be accumulated to an amount no less than the highest future Annual Debt Service of all Bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued and must require the accumulation of such amount in the Reserve Account to be accomplished within six (6) years after delivery of such Parity Bonds.

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

Section 4.3. Bank Designation. For purposes of and in accordance with Section 265 of the Code, the Issuer hereby designates the Series 2022 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Issuer reasonably anticipates that

the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Issuer and by any aggregated issuer during calendar year 2022 will not exceed \$10,000,000. For purposes of this Section, “aggregated issuer” means any entity which, (i) issues obligations on behalf of the Issuer, (ii) derives its issuing authority from the Issuer, or (iii) is directly or indirectly controlled by the Issuer within the meaning of Treasury Regulation Section 1.150-1(e). The Issuer hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Issuer and all aggregated issuers for the calendar year 2022, does not exceed \$10,000,000.

Section 4.4. Arbitrage Rebate Exemption for Small Issuer. The Issuer hereby certifies for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Series 2022 Bonds (the “Rebate Exemption”) as follows:

(a) The Series 2022 Bonds are issued by the Issuer which has general taxing powers.

(b) Neither the Series 2022 Bonds nor the Series 2020 Note nor any portion thereof is a private activity bond as defined in Section 141 of the Code (“Private Activity Bond”).

(c) Ninety-five percent (95%) or more of the net proceeds of the Series 2022 Bonds and Series 2020 Note are to be used for local government activities of the Issuer (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Issuer).

(d) Neither the Issuer nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt bonds other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during calendar year 2020 or 2022, which in the aggregate would exceed \$5,000,000.

For purposes of this Section 4.4, “aggregated issuer” means any entity which (a) issues obligations on behalf of the Issuer, (b) derives its issuing authority from the Issuer, or (c) is subject to substantial control by the Issuer.

The Issuer hereby represents that it has not created, does not intend to create, and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(IV) of the Code.

Accordingly, the Issuer will qualify for the Rebate Exemption granted to small governmental units under Section 148(f)(4)(D) of the Code, and the Issuer shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to the Series 2022 Bonds.

## ARTICLE V

### MISCELLANEOUS

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

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

Section 5.2. Amendments to Bond Resolution. Provisions of this Bond Resolution shall constitute a contract between the Issuer and the Bondholder; and after the issuance of the Series 2022 Bonds, no change, variation or alteration of any kind in the provisions of this Bond Resolution shall be made in any manner until such time as all of the Series 2022 Bonds have been paid in full except as hereinafter provided.

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

Whenever the Issuer shall propose to amend or modify this Bond Resolution under the provisions of this section, it shall cause notice of the proposed amendment to be sent to all Bondholders of all Series 2022 Bonds then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the City Recorder for public inspection. Should a Bondholder consent to the proposed amendment to this Bond Resolution, it shall submit to the Issuer a written instrument which shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof. Upon receipt of Bondholder consents representing at least 75% of the principal of Series 2022 Bonds outstanding, the governing body of the Issuer may adopt said amendatory resolution, and it shall become effective, provided, however, that nothing in this Section 5.2 shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on delinquent payments, without

the consent of the Bondholder of such Series 2022 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 2022 Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Series 2022 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 2022 Bonds then outstanding, without the consent of the Bondholders of all the Series 2022 Bonds at the time outstanding which would be affected by the action to be taken.

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

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

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

Section 5.4. Certification with Respect to Series 2022 Bonds. The Issuer hereby finds, determines and certifies with respect to the Series 2022 Bonds that it is unable to obtain sufficient credit, except from USDA, at reasonable rates and terms, taking into consideration prevailing and private cooperative rates and terms in or near it for similar purposes and periods of time. The Issuer hereby covenants and agrees with USDA that if at any time while the Series 2022 Bonds are held by USDA, it shall appear to USDA that the Issuer may be able to obtain credit from other sources at reasonable rates and terms for loans of similar purposes and periods of time, the Issuer, within the limitation of its then existing legal powers, and at USDA's request, will make an effort in good faith to pay in full all principal and accrued interest remaining on the Series 2022 Bonds then held by USDA by issuing refunding bonds or otherwise.

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

ordinance or resolution will be furnished to any Bondholder. The Bondholders may, by suit, action, mandamus, injunction or other proceedings, either at law or in equity, enforce or compel performance of all duties and obligations required by this Bond Resolution to be done or performed by the Issuer. Nothing contained herein, however, shall be construed as imposing on the Issuer any duty or obligation to levy any tax either to pay the principal of or interest, if any, on the Series 2022 Bonds authorized herein or to meet any obligation contained herein concerning the Series 2022 Bonds.

Section 5.6. Sale of Series 2022 Bonds Approved. The sale of the Series 2022 Bonds to the USDA, at par, is hereby ratified, confirmed and approved.

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

Section 5.8. Refunding of Series 2020 Notes. The Issuer hereby authorizes the refunding and retirement of the Series 2020 Notes with the proceeds of the Series 2022 Bonds at such time as the Issuer is prepared to seek reimbursement for all construction expenses paid for with the Series 2020 Notes.

Section 5.9. 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 Bond Resolution and the documents authorized and approved herein.

Section 5.10. Severability. If any section, paragraph, clause or provision of this Bond Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Resolution.

Section 5.11. Statutory Authority for the Series 2022 Bonds. The Series 2022 Bonds are issued under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, and each Series 2022 Bond certificate shall so recite. By the adoption of this Bond Resolution, it is the intention of the Issuer to comply in all respects with the applicable provisions of the Act and the Series 2022 Bonds issued hereby shall be incontestable for any reason whatsoever after their delivery for value.

Section 5.12. Record of Proceedings. The City Recorder of the Issuer is hereby directed to complete and execute the Record of proceedings attached hereto to officially record the proceedings at which this Bond Resolution was considered for adoption.

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

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

APPROVED AND ADOPTED BY THE PRICING COMMITTEE OF  
MILLVILLE CITY, CACHE COUNTY, UTAH THIS \_\_\_\_\_, 2020.

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Mayor

---

Councilmember Grange

---

City Recorder

( S E A L )



EXHIBIT “B”

FORM OF SERIES 2022 BOND

REGISTERED

REGISTERED

UNITED STATES OF AMERICA  
STATE OF UTAH  
COUNTY OF CACHE  
MILLVILLE CITY  
WATER REVENUE BOND, SERIES 2022

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”), for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the United States of America Acting through the Department of Agriculture, Rural Utilities Service or the registered owner hereof or registered assigns, the Total Principal Sum set forth at the end of this Bond in the “Certificate of Dates of Payment and Amounts,” but in no event more than the maximum principal amount of \$1,286,000, together with interest from the date of delivery at the rate of one and eight hundred seventy-five thousandths percent (1.875%) per annum. Payments of principal and interest shall be made by the Issuer as follows:

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

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

Both principal and interest on this Bond shall be payable in lawful money of the United States of America, to the registered owner hereof at the address of such owner

shown on the registration books of the Issuer. Any holder of this Bond subsequent to its original holder is hereby placed on notice of all payments of both principal and interest made on this Bond prior to its transfer to him and all subsequent holders hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this Bond as of the date of transfer to them and hereby release the Issuer from all obligation as to all principal and interest paid by the Issuer prior to such date.

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

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

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

This Bond is issued for the purpose to finance, in part, the acquisition and construction of water system improvements, and related improvements (the "Project") and to refund and retire the Issuer's \$1,286,000 Water Revenue Bond Anticipation Notes, Series 2020 under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, and under and by virtue of and in full conformity with the Constitution and laws of the State of Utah and Resolutions duly adopted by the Issuer on August 27, 2020 (collectively, the "Bond Resolutions"); and paying the costs of issuing the Bonds.

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

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

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

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

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

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

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

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

MILLVILLE CITY, CACHE COUNTY,  
UTAH

By \_\_\_\_\_ (Do Not Sign)  
Mayor

COUNTERSIGNED:

\_\_\_\_\_  
(Do Not Sign)  
City Recorder

( S E A L )

REGISTRATION CERTIFICATE

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

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

Date of  
Registration

Name of Registered Owner

Signature of  
Bond Registrar

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INSTALLMENT PAYMENT CERTIFICATE

The undersigned, Acting City Recorder of the Issuer and duly authorized representative of the holder of this Bond, hereby certify that the amount(s) shown below are the monthly installment payments to be made on this Bond by the Issuer and that the Issuer will fully pay the Total Principal Sum and interest thereon within forty (40) years from the date of this Bond. The Amount of Monthly Installment for 40 years is: \$3,820, provided that the final monthly installment may be in such lesser or greater amount as is necessary to pay the balance of principal and interest then remaining due.

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Acting City Recorder of Issuer

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Authorized Representative  
of Holder

CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

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

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

EXHIBIT "C"

FORM OF SERIES 2022 SERIAL BOND

UNITED STATES OF AMERICA  
STATE OF UTAH  
COUNTY OF CACHE  
MILLVILLE CITY  
WATER REVENUE BONDS, SERIES 2022

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, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

No. \_\_\_\_\_ \$ \_\_\_\_\_

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

This Bond is one of an authorized issue of Serial Bonds of like date, term, interest rate and effect except as to maturity, in the aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), issued in exchange for the conversion of the Issuer's Water Revenue Bond, Series 2022 dated \_\_\_\_\_, 20\_\_\_\_, in the total principal sum of \$1,286,000, authorized by Resolutions of the Issuer duly adopted on August 27, 2020 and a Final Bond Resolution on \_\_\_\_\_, 20\_\_\_\_ (collectively, the "Bond Resolutions"). This Bond and the issue of Serial Bonds of which it is a part is issued for the purpose to finance, in part, the acquisition and construction of water system improvements, and related improvements (the "Project"), and to refund and retire the Issuer's \$1,286,000 Water Revenue Bond Anticipation Notes, Series 2020, including such legal, engineering and fiscal agent expenses reasonably incurred, under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and under and by virtue of and in full conformity

with the Constitution and laws of the State of Utah; and paying the costs of issuance of the Series 2022 Bonds.

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

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

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

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

This Bond and the issue of Bonds of which it forms a part are limited obligations of the Issuer and are payable solely from a special fund designated the “Millville City, Utah Water Revenue Bonds Sinking Fund”, into which special fund shall be deposited one hundred percent (100%) of the Net Revenues (as defined in the Bond Resolution) to be derived from the Issuer’s Water system (the “System”), including any future improvements, additions and extensions thereto. For a more particular description of said Fund, the Net Revenues to be deposited therein and the nature and extent of the security afforded thereby, reference is made to the provisions of the aforementioned Bond Resolution adopted by the Issuer pursuant to which this Bond is issued and such Fund has been established and will be maintained. This Bond, and the issue of which it forms a

part, shall constitute a lien upon all moneys which from time to time are in the Sinking Fund herein pledged. This Bond, and the issue of which it forms a part, does not now and shall never constitute an indebtedness of the Issuer within the meaning of any State constitutional provisions or statutory limitation or a charge against the general credit or taxing powers of the Issuer.

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

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

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

By /s/ (Do Not Sign)  
Mayor

COUNTERSIGNED:

/s/ (Do Not Sign)  
City Recorder

( S E A L )

REGISTRATION CERTIFICATE

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

Date of  
Registration

Name of  
Registered Owner

Signature of  
Bond Registrar

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## **AGENDA REPORT: MIKE ZOLLINGER ANNEXATION**

**August 27, 2020**

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### **Background**

The protest period for the Mike Zollinger Annexation ended on August 10, 2020. The next step is for the City Council to hold a public hearing after which they can consider acceptance of the annexation through an ordinance. If accepted by the City Council, documentation will be sent to the State Lieutenant Governor's Office for review.

As required by Millville Code, all annexations come into Millville zoned as Agricultural. The zoning map that would be accepted with the Annexation Ordinance shows the annexed area as Agricultural.

### **Included Documents**

- Ordinance 2020-6 for acceptance of Annexation
- Plat Map for Annexation
- Updated Zoning Map

**MILLVILLE CITY  
ORDINANCE 2020-6**

**AN ORDINANCE ACCEPTING THE ANNEXATION KNOWN AS THE  
MIKE ZOLLINGER ANNEXATION**

WHEREAS, the owners of certain real property, described below, desire to annex such real property to the corporate limits of Millville City, Utah; and

WHEREAS, said real property is located within the area proposed for annexation and covers a majority of the private land area within the area proposed for annexation; and

WHEREAS, said real property is equal in value to at least one-third (1/3) of the value of all private real property within the area proposed for annexation; and

WHEREAS, said property covers an area that is equivalent to less than five percent (5%) of the total land mass of all private real property within Millville City; and

WHEREAS, said owners have caused a Petition for Annexation to be filed with the city, together with an accurate plat of the real property which was made under the supervision of a competent, licensed surveyor; and

WHEREAS, on July 10, 2020, the Millville City Council received a required Notice of Certification from the City Recorder certifying that the annexation petition meets the requirements of State law; and

WHEREAS, the City Council published and mailed notice of the certification as required by law; and

WHEREAS, the City Council held the required public hearing after giving notice as required by law and has determined annexation of said property is appropriate and desirable;

NOW, THEREFORE, pursuant to Section 10-2-407, Utah Code Annotated 1953, as amended, the City Council of Millville City, Utah, hereby adopts, passes, and publishes the following:

**AN ORDINANCE AMENDING THE MUNICIPAL ZONING MAP AND ANNEXING CERTAIN REAL PROPERTY AND EXTENDING THE CORPORATE LIMITS OF MILLVILLE CITY, UTAH (MIKE ZOLLINGER ANNEXATION).**

BE IT ORDAINED, by the City Council of Millville City, Cache County, State of Utah, as follows:

SECTION 1. That certain real property, more particularly described in Section 2 below is hereby annexed to Millville City, Utah, and the corporate limits of said city are hereby extended accordingly.

SECTION 2. That the real property which is the subject of this Ordinance is described as follows:

A portion of the SW1/4, the NW1/4 & the NE1/4 of Section 15, Township 11 North, Range 1 East, Salt Lake Base & Meridian, Cache County, Utah, more particularly described as follows:

Beginning at a point on the existing Corporate Limits of Millville City located North 3,363.12 feet and West 1,952.93 feet from the Southeast Corner of Section 15, T11N, R1E, S.L.B.& M. (Basis of Bearing: N88°37'25"E along the Section line between the Southeast Corner of Section 15 and the South 1/4 Corner of Section 14, T11N, R1E, S.L.B.& M.); thence along said Corporate Limits the following 6 (six) courses and distances: N88°18'51"W 261.33 feet; thence N87°53'08"W 539.05 feet; thence S1°13'56"W 34.94 feet; thence N87°51'01"W 406.40 feet; thence S2°41'20"W 635.40 feet; thence S89°33'00"E 158.52 feet to the westerly line of Parcel 02-127-0003; thence S1°57'00"W 408.14 feet to the north line of Parcel 02-127-0005; thence N89°33'00"W 271.93 feet along said Parcel and also along Parcel 02-127-006 to said Corporate Limits of Millville City; thence along said Limits the following 2 (two) courses and distances: N9°16'43"E 422.25 feet; thence N89°21'57"W 651.31 feet to the center line of the Providence Blacksmith Fork Canal (aka Canal No. 2); thence along the center line of said canal and the westerly line of Parcel 02-117-0024 the following 16 (sixteen) courses and distances: N8°06'35"E 5.43 feet; thence N7°22'57"W 25.97 feet; thence N0°13'15"E 27.50 feet; thence N16°22'37"E 136.29 feet; thence N30°00'07"E 32.88 feet; thence N21°36'35"E 54.39 feet; thence N21°28'49"E 59.07 feet; thence N33°19'51"E 22.07 feet; thence N23°10'11"E 48.20 feet; thence N12°28'56"E 49.84 feet; thence N8°22'18"E 20.85 feet; thence N18°26'59"E 35.94 feet; thence N22°47'38"E 54.84 feet; thence N15°02'04"E 26.98 feet; thence N9°23'32"E 29.43 feet; thence N13°00'52"E 104.37 feet; thence S87°43'18"E 10.27 feet along the extension of, and along a Boundary Line Agreement recorded in Deed Book 1930 Page 1068 of the Official Records of Cache County to the Corporate Limits of Providence City and the easterly bank of said Providence Blacksmith Fork Canal; thence along said Corporate Limits the following 9 (nine) courses and distances: N10°29'24"E 8.13 feet; thence N15°24'00"E 114.85 feet; thence N8°09'03"E 61.17 feet; thence N8°28'19"E 150.44 feet; thence N22°18'32"E 145.36 feet; thence N12°33'22"W 93.78 feet; thence N0°54'01"W 20.68 feet; thence

N29°43'30"E 102.75 feet; thence S87°41'53"E 520.30 feet, more or less, to the Corporate Limits of Providence City; thence along said Corporate Limits the following 13 (thirteen) courses and distances: thence S2°07'14"W 435.51 feet; thence S87°52'46"E 297.00 feet; thence N2°07'14"E 23.62 feet; thence S89°02'11"E 827.33 feet to the westerly bank of the Providence-Millville Canal; thence along west bank and continuing along said Corporate Limits: thence Southeasterly along the arc of an 80.00 foot radius non-tangent curve (radius bears: N70°57'08"E) to the left 10.24 feet through a central angle of 7°20'08" (chord: S22°42'56"E 10.24 feet); thence S26°23'00"E 27.05 feet; thence along the arc of a 25.00 foot radius curve to the right 30.56 feet through a central angle of 70°02'00" (chord: S8°38'00"W 28.69 feet); thence S43°39'00"W 27.70 feet; thence S48°42'00"W 51.00 feet; thence along the arc of a 100.00 foot radius curve to the left 111.06 feet through a central angle of 63°38'00" (chord: S16°53'00"W 105.44 feet); thence S14°56'00"E 31.25 feet; thence S21°15'00"E 38.00 feet; thence S34°49'00"E 13.30 feet to the point of beginning.

SECTION 3. That the real property described in Section 2 above shall be classified as being in the Agricultural (A) Zone in accordance with the provision of Section 17.12.030 of the Millville City Code and the zoning map of Millville City shall be amended to include the real property described above.

SECTION 4. A certified copy of this ordinance, an original plat describing the property, and the annexation agreement shall be filed with the Cache County Recorder with thirty (30) days after the date of this ordinance is adopted.

SECTION 5. This ordinance shall become effective upon posting in each of three (3) public places within the corporate limits of Millville City.

ADOPTED AND PASSED by the Millville City Council this 27<sup>th</sup> day of August, 2020.

BY:

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David Hair, Mayor

ATTEST:

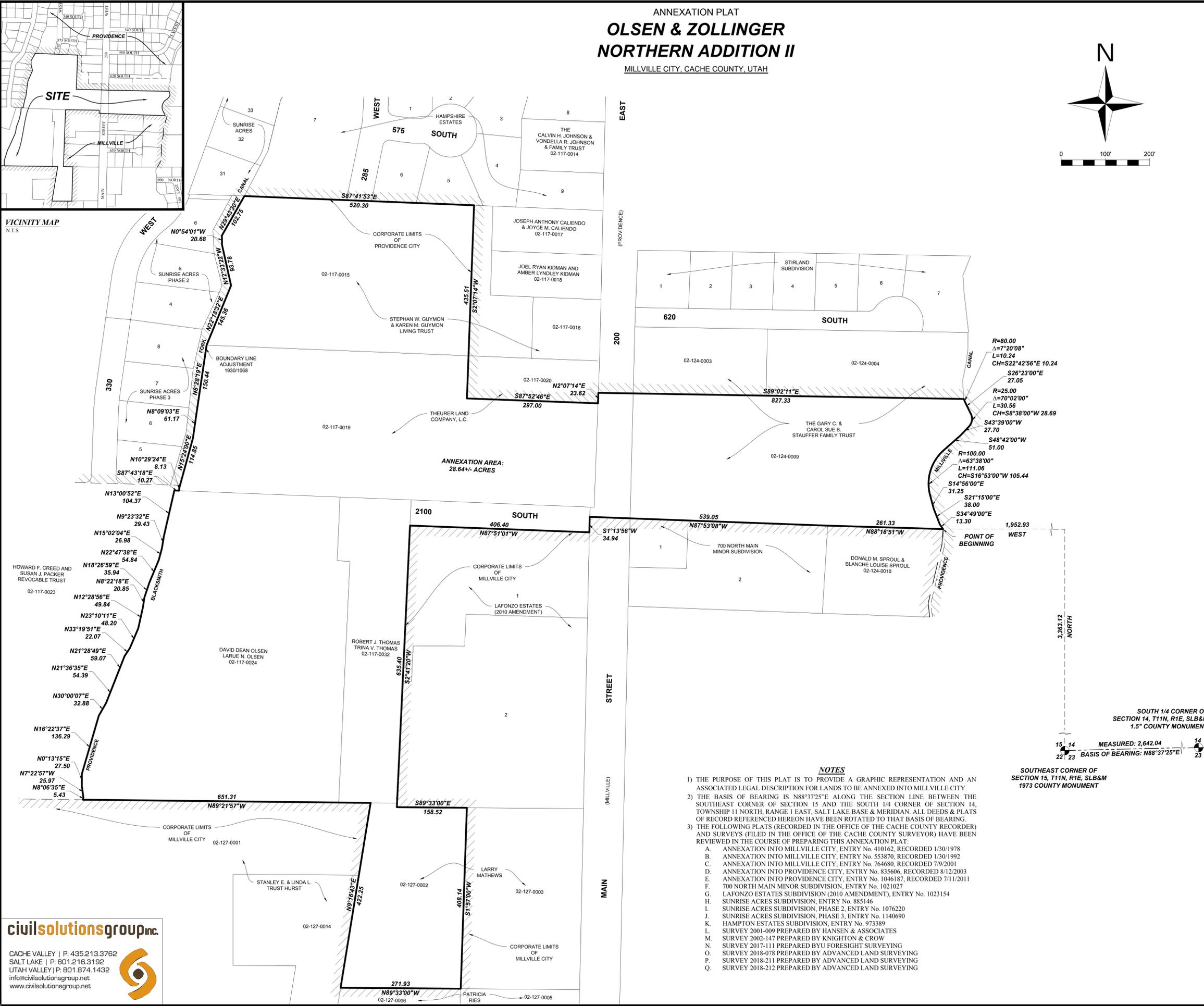
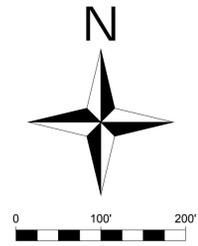
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Corey Twedt, City Recorder

| <b>COUNCILMEMBER</b> | <b>YES</b> | <b>NO</b> | <b>ABSENT</b> | <b>ABSTAIN</b> |
|----------------------|------------|-----------|---------------|----------------|
| Michael Callahan     |            |           |               |                |
| Daniel Grange        |            |           |               |                |
| Clay G. Wilker       |            |           |               |                |
| Pamela June          |            |           |               |                |
| Ryan Zollinger       |            |           |               |                |

Posted: \_\_\_\_\_

ANNEXATION PLAT  
**OLSEN & ZOLLINGER**  
**NORTHERN ADDITION II**  
 MILLVILLE CITY, CACHE COUNTY, UTAH



**SURVEYOR'S CERTIFICATE**  
 I, DENNIS P. CARLISLE, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR, AND THAT I HOLD CERTIFICATE NO. 172675 IN ACCORDANCE WITH TITLE 58, CHAPTER 22 OF UTAH STATE CODE. I FURTHER CERTIFY THAT THIS PLAT IS A TRUE AND ACCURATE MAP OF THE TRACT OF LAND TO BE ANNEXED INTO MILLVILLE CITY, UTAH.

**BOUNDARY DESCRIPTION**  
 A portion of the SW1/4, the NW1/4 & the NE1/4 of Section 15, Township 11 North, Range 1 East, Salt Lake Base & Meridian, Cache County, Utah, more particularly described as follows:  
 Beginning at a point on the existing Corporate Limits of Millville City located North 3,363.12 feet and West 1,952.93 feet from the Southeast Corner of Section 15, T11N, R1E, S.L.B.& M. (Basis of Bearing: N88°37'25"E along the Section line between the Southeast Corner of Section 15 and the South 1/4 Corner of Section 14, T11N, R1E, S.L.B.& M.); thence along said Corporate Limits the following 6 (six) courses and distances: N88°18'51"W 261.33 feet; thence N87°53'08"W 539.05 feet; thence S1°13'56"W 34.94 feet; thence N87°51'01"W 406.40 feet; thence S2°41'20"W 635.40 feet; thence S89°33'00"E 158.52 feet to the westerly line of Parcel 02-127-0003; thence S1°57'00"W 408.14 feet to the north line of Parcel 02-127-0005; thence N89°33'00"W 271.93 feet along said Parcel and also along Parcel 02-127-0006 to said Corporate Limits of Millville City; thence along said Limits the following 2 (two) courses and distances: N9°16'43"E 422.25 feet; thence N89°21'57"W 651.31 feet to the center line of the Providence Blacksmith Fork Canal (aka Canal No. 2); thence along the center line of said canal and the westerly line of Parcel 02-117-0024 the following 16 (sixteen) courses and distances: N8°06'35"E 5.43 feet; thence N7°22'57"W 25.97 feet; thence N0°13'15"E 27.50 feet; thence N16°22'37"E 136.29 feet; thence N30°00'07"E 32.88 feet; thence N21°36'35"E 54.39 feet; thence N21°28'49"E 59.07 feet; thence N33°19'51"E 22.07 feet; thence N23°10'11"E 48.20 feet; thence N12°28'56"E 49.84 feet; thence N8°22'18"E 20.85 feet; thence N18°26'59"E 35.94 feet; thence N22°47'38"E 54.84 feet; thence N15°02'04"E 26.98 feet; thence N9°23'32"E 29.43 feet; thence N13°00'52"E 104.37 feet; thence S87°43'18"E 10.27 feet along the extension of, and along a Boundary Line Agreement recorded in Deed Book 1930 Page 1068, of the Official Records of Cache County to the Corporate Limits of Providence City and the easterly bank of said Providence Blacksmith Fork Canal; thence along said Corporate Limits the following 9 (nine) courses and distances: N10°29'24"E 8.13 feet; thence N15°24'00"E 114.85 feet; thence N8°09'03"E 61.17 feet; thence N8°28'19"E 150.44 feet; thence N22°18'32"E 145.36 feet; thence N12°33'22"W 93.78 feet; thence N0°54'01"W 20.68 feet; thence N29°43'30"E 102.75 feet; thence S87°41'53"E 520.30 feet, more or less, to the Corporate Limits of Providence City; thence along said Corporate Limits the following 13 (thirteen) courses and distances: S2°07'14"W 435.51 feet; thence S87°52'46"E 297.00 feet; thence N2°07'14"E 23.62 feet; thence S89°02'11"E 827.33 feet to the westerly bank of the Providence-Millville Canal; thence along west bank and continuing along said Corporate Limits: thence Southeasterly along the arc of an 80.00 foot radius non-tangent curve (radius bears: N70°57'08"E) to the left 10.24 feet through a central angle of 7°20'08" (chord: S22°42'56"E 10.24 feet); thence S26°23'00"E 27.05 feet; thence along the arc of a 25.00 foot radius curve to the right 30.56 feet through a central angle of 70°02'00" (chord: S8°38'00"W 28.69 feet); thence S43°39'00"W 27.70 feet; thence S48°42'00"W 51.00 feet; thence along the arc of a 100.00 foot radius curve to the left 111.06 feet through a central angle of 63°38'00" (chord: S16°53'00"W 105.44 feet); thence S14°56'00"E 31.25 feet; thence S21°15'00"E 38.00 feet; thence S34°49'00"E 13.30 feet to the point of beginning.

Contains: 28.64+/- acres  
 SURVEYOR'S SEAL  
 DENNIS P. CARLISLE  
 PROFESSIONAL LAND SURVEYOR  
 CERTIFICATE NO. 172675  
 DATE

**ACCEPTANCE OF LEGISLATIVE BODY**  
 THIS IS TO CERTIFY THAT WE, THE UNDERSIGNED MILLVILLE CITY COUNCIL, HAVE RECEIVED A PETITION SIGNED BY THE MAJORITY OF THE OWNERS OF THE TRACT OF LAND SHOWN HEREON REQUESTING THAT SAID TRACT BE ANNEXED TO THE CITY OF MILLVILLE AND THAT A COPY OF THE ORDINANCE HAS BEEN PREPARED FOR THE FILING HERewith ALL IN ACCORDANCE WITH THE UTAH CODE ANNOTATED (1979) 10-1-04 THROUGH 423, (AS REVISED) AND THAT WE HAVE EXAMINED AND DO HEREBY APPROVE AND ACCEPT THE ANNEXATION OF THE TRACT AS SHOWN AS PART OF SAID CITY AND THAT SAID TRACT OF LAND IS TO BE KNOWN HEREAFTER AS THE **OLSEN & ZOLLINGER NORTHERN ADDITION II** TO MILLVILLE CITY.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ A.D. 20\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 RECORDER'S SEAL

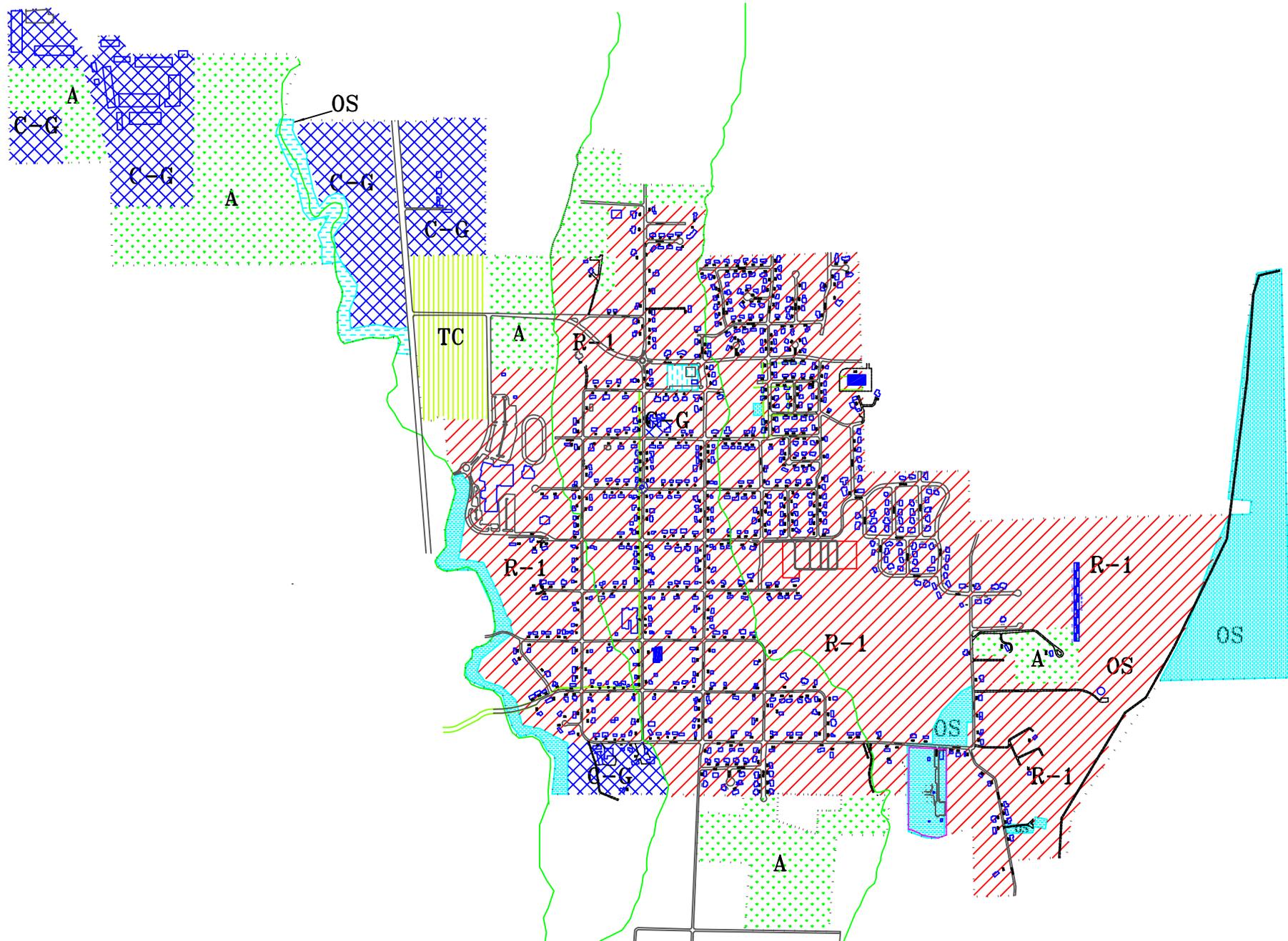
ATTEST: \_\_\_\_\_  
 RECORDER  
**APPROVAL BY DEPUTY COUNTY SURVEYOR**  
 THIS PLAT HAS BEEN REVIEWED BY THE COUNTY SURVEYOR AND IS HEREBY APPROVED AS A FINAL LOCAL ENTITY PLAT, PURSUANT TO UTAH CODE ANNOTATED 17-23-20 AMENDED.  
 SURVEYOR'S SEAL

COUNTY SURVEYOR  
 DATE  
**ANNEXATION PLAT**  
**OLSEN & ZOLLINGER**  
**NORTHERN ADDITION II**  
 MILLVILLE CITY, CACHE COUNTY, UTAH

RECORDED # \_\_\_\_\_  
 STATE OF UTAH, COUNTY OF CACHE, RECORDED AND FILED AT THE REQUEST OF:  
 DATE: \_\_\_\_\_ TIME: \_\_\_\_\_ BOOK: \_\_\_\_\_ PAGE: \_\_\_\_\_  
 \$ \_\_\_\_\_  
 FEE \_\_\_\_\_  
 CACHE COUNTY RECORDER

- NOTES**
- 1) THE PURPOSE OF THIS PLAT IS TO PROVIDE A GRAPHIC REPRESENTATION AND AN ASSOCIATED LEGAL DESCRIPTION FOR LANDS TO BE ANNEXED INTO MILLVILLE CITY.
  - 2) THE BASIS OF BEARING IS N88°37'25"E ALONG THE SECTION LINE BETWEEN THE SOUTHEAST CORNER OF SECTION 15 AND THE SOUTH 1/4 CORNER OF SECTION 14, TOWNSHIP 11 NORTH, RANGE 1 EAST, SALT LAKE BASE & MERIDIAN. ALL DEEDS & PLATS OF RECORD REFERENCED HEREON HAVE BEEN ROTATED TO THAT BASIS OF BEARING.
  - 3) THE FOLLOWING PLATS (RECORDED IN THE OFFICE OF THE CACHE COUNTY RECORDER) AND SURVEYS (FILED IN THE OFFICE OF THE CACHE COUNTY SURVEYOR) HAVE BEEN REVIEWED IN THE COURSE OF PREPARING THIS ANNEXATION PLAT:
    - A. ANNEXATION INTO MILLVILLE CITY, ENTRY No. 410162, RECORDED 1/30/1978
    - B. ANNEXATION INTO MILLVILLE CITY, ENTRY No. 553870, RECORDED 1/30/1992
    - C. ANNEXATION INTO MILLVILLE CITY, ENTRY No. 764680, RECORDED 7/9/2001
    - D. ANNEXATION INTO PROVIDENCE CITY, ENTRY No. 835606, RECORDED 8/12/2003
    - E. ANNEXATION INTO PROVIDENCE CITY, ENTRY No. 1046187, RECORDED 7/11/2011
    - F. 700 NORTH MAIN MINOR SUBDIVISION, ENTRY No. 1021027
    - G. LAFONZO ESTATES SUBDIVISION (2010 AMENDMENT), ENTRY No. 1023154
    - H. SUNRISE ACRES SUBDIVISION, ENTRY No. 885146
    - I. SUNRISE ACRES SUBDIVISION, PHASE 2, ENTRY No. 1076220
    - J. SUNRISE ACRES SUBDIVISION, PHASE 3, ENTRY No. 1140690
    - K. HAMPTON ESTATES SUBDIVISION, ENTRY No. 973389
    - L. SURVEY 2001-009 PREPARED BY HANSEN & ASSOCIATES
    - M. SURVEY 2002-147 PREPARED BY KNIGHTON & CROW
    - N. SURVEY 2017-111 PREPARED BY U FORESIGHT SURVEYING
    - O. SURVEY 2018-078 PREPARED BY ADVANCED LAND SURVEYING
    - P. SURVEY 2018-211 PREPARED BY ADVANCED LAND SURVEYING
    - Q. SURVEY 2018-212 PREPARED BY ADVANCED LAND SURVEYING

**civilsolutionsgroupinc.**  
 CACHE VALLEY | P. 435.213.3762  
 SALT LAKE | P. 801.216.3192  
 UTAH VALLEY | P. 801.874.1432  
 info@civilsolutionsgroup.net  
 www.civilsolutionsgroup.net



**Legend:**

- |   |                  |   |                   |
|---|------------------|---|-------------------|
|  | Agricultural (A) |  | Residential (R-1) |
|  | Commercial (C-G) |  | Town Center (TC)  |
|  | Open Space (OS)  |   |                   |

Prepared by: David Dickey  
 17 Aug 2020  
 File: Zoning 2020 8-17 r14.dwg  
 Ref File: Millmast 2017 3-30.dwg

## Zoning City of Millville



This is to certify that this map is the official zoning map for the city of Millville, Utah referred to in Section 6-4 of the Millville City Ordinances.

David Hair, Mayor

Attest: Corey Twedt  
City Recorder

Date \_\_\_\_\_

# **MILLVILLE PLANNING COMMISSION MEETING**

**City Hall - 510 East 300 South - Millville, Utah**

**Aug 20, 2020**

## **1. Roll Call:**

Chairman Garrett Greenhalgh, Commissioners Lynette Dickey, Bonnie Farmer, Larry Lewis, Matt Anderson (Alt.) and Darcy Ripplinger (Alt.).

## **Others Present:**

Treasurer Tara Hobbs, Development Coordinator Randy Wall, Recorder Corey Twedt, Joan Findlay, Reed Findlay, Jon Hancey, Roxie Hancey, Kora Hancey, Val Meyer, Angie Meyer, Chris Funk, and Bayler Gunnell. Jeremy Jensen participated by phone for his portion of the meeting. Secretary Adria Davis recorded the minutes.

## **2. Opening Remarks/Pledge of Allegiance**

Chairman Greenhalgh opened the meeting at 8:00 p.m. He led all present in the Pledge of Allegiance.

## **3. Review and Approval of agenda**

The agenda for the Planning Commission meeting of Aug 20, 2020 was reviewed. A motion was made by Commissioner Dickey to approve the agenda as presented. Commissioner Lewis seconded. Commissioners Dickey, Greenhalgh, Farmer, Lewis, Anderson (Alt.) and Ripplinger (Alt.) voted in Favor, with Commissioner Thompson excused.

## **4. Review and Approval of the Minutes from Aug 6, 2020**

The Planning Commission meeting minutes were reviewed. A motion was made by Commissioner Farmer to approve the minutes as outlined. Commissioner Lewis seconded. Commissioners Dickey, Greenhalgh, Farmer, Lewis, Anderson (Alt.) and Ripplinger (Alt.) voted in Favor, with Commissioner Thompson excused.

### **5.A. Zoning Clearance – Reed Findlay, accessory building at 249 E Center, Millville**

This shed is less than 200 sq ft but will have electricity so it does need a permit. Commissioner Dickey moved to approve the clearance. Commissioner Lewis seconded. Commissioners Dickey, Greenhalgh, Farmer, Lewis, Anderson (Alt.) and Ripplinger (Alt.) voted in Favor, with Commissioner Thompson excused.

### **5.B. Zoning Clearance – Jon and Roxie Hancey, accessory building at 150 S 550 E, Millville.**

This steel building is set 2 feet off the property line. This meets the Millville setback requirement (dripline on current property), however the county may require a larger setback and/or a firewall on the side nearest the property line.

Commissioner Lewis made a motion to approve the clearance. Commissioner Farmer seconded. Commissioners Dickey, Greenhalgh, Farmer, Lewis, Anderson (Alt.) and Ripplinger (Alt.) voted in Favor, with Commissioner Thompson excused.

### **5.C. Zoning Clearance – City of Millville, shop extension at 510 E 300 S, Millville**

This will be an extension of the shop connected to the current building but set halfway back. It will be 20 feet off the rear property line, and will be funded with Covid19 grant money.

Commissioner Lewis made a motion to approve the clearance. Commissioner Dickey seconded. Commissioners Dickey, Greenhalgh, Farmer, Lewis, Anderson (Alt.) and Ripplinger (Alt.) voted in Favor, with Commissioner Thompson excused.

**5.D. Funk Minor Subdivision – Final Plat**

Chris Funk has made arrangements with the previous property owner for him to install all of the sidewalks for the entire subdivision. They will be 5 feet wide, and positioned 3 feet west of the property line as specified by the public works director.

The sidewalks do not have to be installed before meeting with the City Council but no building permits will be issued until they are completed.

Lot 1 is using frontage along 100 West to meet the 108 foot frontage requirement, which means the home must face west.

Commissioner Lewis made a motion to recommend to the city council the approval of the Funk Minor Subdivision contingent upon the sidewalks being completed before any building occurs, and also contingent upon the frontage of lot 1 facing west (on 100 West). Commissioner Dickey seconded. Commissioners Dickey, Greenhalgh, Farmer, Lewis, Anderson (Alt.) and Ripplinger (Alt.) voted in Favor, with Commissioner Thompson excused.

**5.E. Millville Escape Subdivision Preliminary Plat – Set Public Hearing**

Jeremy Jensen participated by video conference, however the sound would not work so he also called in over the phone.

Chairman Greenhalgh clarified that the sewer is on the way. Currently no major subdivisions are allowed due to the moratorium imposed by Bear River blocking septic permits until the sewer is completed. When the sewer is done the homes in this subdivision should be okay to proceed forward.

All of the required paperwork listed under Ord 16.16.020 for the preliminary plat has not been received, including item F.10. Owners Of Subdivided Lots: One copy of a list of the names and addresses of all owners of subdivided lots and unplatted land contiguous to or within six hundred feet (600') of the boundary of the proposed subdivision.

This list is required in order to notify surrounding neighbors of the public hearing, and should be supplied prior to moving ahead with the process.

Commissioner Lewis made a motion to set a public hearing for Thursday Sept 17, 2020 at 8:05 pm contingent upon receiving the list of neighboring property owners' names and addresses by Sept 1, 2020. If the list is not received no hearing will be scheduled. Commissioner Anderson seconded. Commissioners Dickey, Greenhalgh, Farmer, Lewis, Anderson (Alt.) and Ripplinger (Alt.) voted in Favor, with Commissioner Thompson excused.

**5.F. Airbnb Ordinance Review – Dev. Coordinator Wall**

Randy researched what the laws were regarding Airbnbs and has provided documents for the commissioners showing places where they are legal or illegal, what the Utah law states regarding short term rentals, and some suggestions for what should be included in our own ordinance. (see attached) He also called all around the county and found that only two cities have ordinances addressing Airbnbs, Logan and Providence. Both of those cities do not allow them, and most places are just turning a blind eye to the issue.

The main concerns that seem to surface with Airbnbs are; Noise, parking, curfews, and destruction of property. Many of these issues are already addressed in our current ordinances. A suggestion was made to require a business license which could allow the city greater control over regulating the business if complaints are received.

Before the commission precedes any further with developing a whole new ordinance they want to make sure the City Council is wanting this regulation for the city. Dev. Coordinator Wall will review this topic at the next council meeting to see what their interest is.

### **5.G. Review of Sidewalks**

The commissioners had maps of all the existing sidewalks in the city which had been drawn up by Harry Meadows. In the discussion it was identified that this was more complicated than just picking an area to say sidewalks are required here.

The costs for installing sidewalks can be quite large and the city may never get around to installing them where they had hoped.

The commissioners wanted to focus on filling in the missing spots where pieces of sidewalk had never been completed. They also thought sidewalks should be required in places that were adjacent to a lot with an existing sidewalk.

There was also discussion about all new major subdivisions installing sidewalks, but minor subdivisions may or may not be required to have them.

There were some areas of town that have never had them but maybe should have some, like on 300 South near the park. Also brought up were areas near churches, schools, parks and feeder roads.

Chairman Greenhalgh felt that the current map was too hard to decipher and requested a clearer map showing the houses that currently had sidewalk in front of them. Randy volunteered to put something together for next time.

The discussion will be continued at the next meeting.

### **5.H. Other**

Val Meyer has presented drawings from his engineers (and approved by Millville engineers) to show the retaining wall needed on his Hillside Overlay parcel. He was present to request approval from the planning commission to proceed with the construction of the wall and the soil compaction for his foundation. The commissioners were all in agreement that he could move forward, but didn't know if the county would require a building permit in order to have the inspections done.

Chairman Greenhalgh stamped and signed the drawings for Mr. Meyer to take to the county, and told him to have the county contact him if they had any concerns.

### **6. City Council Report – review minutes from the Aug 13, 2020 meeting**

Commissioner Farmer asked about the Millville Escape Subdivision annexing into Providence.

Dev. Coordinator Wall explained that there was some discussion going on with Jeremy Jensen about moving this current subdivision into Providence and making some future concessions regarding the remainder of the Celco property in Millville.

### **7. Agenda Items for Next Meeting**

Building permits  
Sidewalks review

### **8. Calendaring of future Planning Commission Meeting**

The next regularly scheduled meeting will be held Thursday, Sept 3, 2020 at 8:00 pm.

### **9. Adjournment**

Chairman Greenhalgh moved to adjourn the meeting at 9:50 p.m.



## **AGENDA REPORT: SEWER LATERAL GRANT APPLICATION**

**August 27, 2020**

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### **Background**

The City has pushed for and received funding for “low-income” sewer lateral connections from the Division of Environmental Quality. \$1.5 Million dollars can be used to cover the cost to install lateral sewer connections for residents that meet certain income requirements.

Because this is the first time that the DEQ has provided money for this type of program, the City needs to create an application program for how the money will be distributed to the residents that qualify. The money will not be enough to cover everyone that falls below the income threshold, so the money will need to go to those most in need first and then we will cover as many as possible that are eligible. To make the determination of who will receive the grant funding, we need some very clear rules and criteria. We need to have any room for subjectivity in the selection process. The plan will need to be reviewed and approved by the Division of Environmental Quality before we can carry it out.

Today, we are looking for comments and concerns from the City Council on the draft policy.

### **Included Documents**

- Sewer Lateral Connection Grant Policy - Draft
- Grant Application Form - Draft



## **MILLVILLE LATERAL CONNECTION GRANT POLICY**

### **INTRODUCTION**

Millville City has sought after and been awarded a \$1.5 million grant from the Utah Division of Water Quality to help pay for low-income on-lot lateral connections to the sewer collection system. This is the first time a grant of this kind has been given out by the Division of Water Quality and it comes with strict restrictions and a process that must be followed. No exceptions to this policy can be made.

Funding recipients must have a total household income no greater than 150% of the State median adjusted gross household income.

Funding will be given on a most needed basis and cover as many residents as possible. Because the cost of connecting the number of residents that meet the State requirements exceed the amount of grant money available, not everyone that is eligible for the grant funds will receive them.

The cost for on-lot lateral connections will be the responsibility of those that do not qualify for this grant funding and for those that qualify, but do not receive the grant. The cost of the connection will be provided at a later date and can be paid in one lump sum or distributed over time as a premium on their sewer bill.

### **APPLICATION REQUIREMENTS AND RESTRICTIONS**

#### **2019 Tax Return**

You must have a paper copy of 2019 Tax Returns to determine household income. If you did not file taxes in 2019, you will not be eligible for this grant.

#### **Income Restrictions**

State Median Adjusted Gross Income for 2018 is \$48,000. To qualify, total gross household income must be less than \$72,000 as shown on a 2019 Tax Return.

#### **Household Income**

2019 Tax returns must be provided for everyone in the home that is meets both of these requirements:

- over the age of 18
- does not qualify as a dependent

The “total income” from the tax returns of these individuals are then added together to find the “Household Income”

### **How to find “Total Income”**

On form 1040 of your tax return, Total Income is on line 7b. Your 1040 form(s) must be presented at time of application. You cannot apply for this grant with just a W2 or 1099.

If you don’t have a copy of your 2019 tax return, but you have filed, you can get a copy from the IRS. This website may be helpful: <https://www.irs.gov/individuals/get-transcript>

### **Primary Residence**

You must live in the home for which you are applying for a connection grant.

### **Trusts**

If your home is in a trust, you are not eligible for this grant.

## **HOW TO APPLY**

If your household meets the requirements above, you must come in person to the City Office to apply during the designated application period (see below).

If you are not able to leave your home and are not able to come to the City Office, arrangements can be made for staff to come to your home.

### **Things to bring**

1. Tax returns for all household members that meet the above requirements
2. Photo ID (passport or driver’s license)
3. Last Millville City utility bill

### **What you will do**

1. Fill out a brief paper application form.
2. Show all tax returns for qualifying household members to City Staff. No copies will be made and you will not leave your tax returns with the City.
  - Staff will take note of filing status, address and total income.
3. You will sign a legal affidavit that all of the information provided is accurate and inclusive.

## **WHEN CAN I APPLY?**

Application can only be done in person during one of the following application times at the City Office. You can not apply during regular Millville City business hours.

- September ?, 2020 - 1 pm - 6 pm (weekday)
- September ?, 2020 - 8 am - 3 pm (weekday)
- September ?, 2020 - 8 am - 3 pm (Saturday)

If you want to apply, but can not make it to any of these set application times, please contact Recorder Twedt (contact information below).

## **SELECTION PROCESS**

Millville City staff will tabulate all of the collected information for applicants that meet all of the qualifications into a spreadsheet. This spreadsheet and all forms provided will be kept secure and confidential. A verification process will be completed to verify that the information provided is accurate and that the applicant meets all of the requirements listed above. If there is a problem with your application, you will be notified by mail. You will have 10 days to fix your application to be considered for the grant funds. Grant funds will be awarded on a most needed basis and be stretched to as many qualifying applicants as possible.

The applicant entries will be sorted from low to high based on household income. The engineers and contractors will determine how many of the homes can be connected with the grant money available. Each applicant will receive notification by mail indicating if their home lateral connection will be covered by this grant.

Anyone who does not qualify will have the option to either pay for their lateral connection in one lump sum or by a payment plan with a higher sewer utility bill until the cost of the connection has been paid in full.

For all questions related to this lateral connections grant policy, please contact City Recorder Corey Twedt.

[ctwedt@gmail.com](mailto:ctwedt@gmail.com)

435.881.2669

[Application Form Link](#)

**Notes:**

- Have people come in and fill out a form and show tax return(s)
- Staff confirms the following:
  - Name of applicant matches ID and name on tax return
  - Address on tax return matches that of home on application (mine just has PO Box?)
  - Household income from all qualifying people on form matches that from all qualifying people tax returns. Must see physical tax returns.
- Do two rounds as we will likely miss people in the first round
- Need good public outreach; need to make sure everyone is aware (newsletters (2), website, posting boxes, text/email notification, Herald Journal??)

# Millville Sewer Lateral Grant Application

Millville has sought after and been awarded a \$1.5 million grant from the Utah Division of Water Quality (DEQ) for the purpose of installing sewer lateral connections for low income residents. DEQ has set restrictions on how these funds can be used and who can benefit from them. See the policy document for all information on the restrictions, application process and requirements and selection process.

PLEASE ONLY FILL OUT ONE FORM PER HOME

\* Required

1. Have you read through the Lateral Connection Grant Policy Information Document \*

*Mark only one oval.*

Yes

No

2. Home Physical Address \*

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3. PO Box \*

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4. Is this your primary residence? Do you physically live in this home? \*

*Mark only one oval.*

Yes

No

5. Name of Primary Applicant (Last, First) \*

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6. Phone Number \*

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7. Total number of people in the home \*

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8. List names of ALL other "qualified people" people that live in the home (Last, First) \*

"Qualified People" include everyone in the home that is both over the age of 18 and does not qualify as a dependent.

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9. Is your home part of a Trust?

Mark only one oval.

Yes

No

10. Total "Household Income" \*

Household income includes "Total Income" from ALL 2019 tax returns for qualified people that live in your home. This number is found on form 1040 line 7b of your tax return(s). You will need to verify this number by showing your tax returns to the City representatives.

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11. Signature \*

By signing this document, you do solemnly affirm and declare that all of the information provided is correct and not tampered and nothing material has been concealed.

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# **Councilmember Assignments 2020**

Updated 1/9/20

## **Councilmember Daniel Grange**

- Sewer
- Animal Control
- Trails

## **Councilmember Ryan Zollinger**

- Water
- Finance
- Fiber Internet

## **Councilmember Clay Wilker**

- P&Z
- Fire/EMS/Emergency Preparedness
- City Celebration Support

## **Councilmember Pamela June**

- City Events (Millville Days/ Night Out Against Crime, Easter, Christmas, Fair Booth)
- Youth Council
- Mini Miss Millville and Parades

## **Councilmember Michael Callahan**

- Ordinance Enforcement
- Wildfire
- Sewer Support
- P&Z Support