



**MAYOR AND COUNCIL DINNER - 5:00 P.M.**

*The Mayor and Council will meet in the Multi-Purpose Room for informal discussion and dinner. No action will be taken on any items.*

No decisions will be made at this meeting. The public is invited to observe the work session. Public comment generally is not taken during work sessions.

**CALL TO ORDER**

**COUNCIL BUSINESS**

1. Calendar
  - Nov 07 - Daylight Savings (fall back one hour)
  - Nov 09 - Work/Study Meeting 5:30 p.m.
  - Nov 11 - City Offices Closed (observance of Veteran's Day)
  - Nov 16 - Work/Study Meeting 5:30 p.m., 7:00 p.m. Regular Meeting
2. **DISCUSSION ON THIS EVENING'S REGULAR MEETING AGENDA ITEMS**
  - a) Invocation - Councilmember Snelson
  - b) Pledge of Allegiance - Councilmember Jensen
  - c) Consent Agenda
    1. Approval of minutes for the work study meeting on September 21, 2021
    2. Approval of a Resolution and amendment to the Lease Agreement between Hobbie Creek Golf Course and The Sand Trap Restaurant - Craig Norman, Golf Pro
    3. Approval of a Resolution deferring payments for Strawberry Water Delivery - Brad Stapley, Public Works Director
3. **DISCUSSIONS/PRESENTATIONS**
  - a) Discussion regarding a deferral of payments for Strawberry Water Delivery - Brad Stapley, Public Works Director
  - b) Discussion regarding Cherrington Park - Bradley Neel, Building and Grounds Director
  - c) Lakeside Community Plan - Josh Yost, Community Development Director
4. **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**
5. **CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION**

*The Springville City Council may temporarily recess the meeting and convene in a closed session as provided by UCA 52-4-205.*
6. **ADJOURNMENT**

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CERTIFICATE OF POSTING - THIS AGENDA IS SUBJECT TO CHANGE WITH A MINIMUM OF 24-HOURS NOTICE- POSTED 10/30/2021

In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.

Meetings of the Springville City Council may be conducted by electronic means pursuant to Utah Code Annotated Section 52-4-207. In such circumstances, contact will be established and maintained by telephone or other electronic means and the meeting will be conducted pursuant to Springville City Municipal Code 2-4-102(4) regarding electronic meetings. s/s - Kim Crane, CMC, City Recorder





The regular Springville City Council meeting will be broadcast on Zoom, go to <https://www.springville.org/agendas-minutes/> and select the Zoom Meeting link.

Public Comment may be submitted via email, comments will be read in the meeting and entered into the permanent record. Email comments to [kcrane@springville.org](mailto:kcrane@springville.org) before 5:00 p.m. day of the meeting.

#### CALL TO ORDER

INVOCATION

PLEDGE

APPROVAL OF THE MEETING'S AGENDA

MAYOR'S COMMENTS

**PUBLIC COMMENT** - Audience members may bring any item, not on the agenda to the Mayor and Council's attention. Please complete and submit a "Request to Speak" form. Comments will be limited to two or three minutes, at the discretion of the Mayor. State Law prohibits the Council from acting on items that do not appear on the agenda.

**CONSENT AGENDA** - The Consent Agenda consists of items that are administrative actions where no additional discussion is needed. When approved, the recommendations in the staff reports become the action of the Council. The Agenda provides an opportunity for public comment. If after the public comment the Council removes an item from the consent agenda for discussion, the item will keep its agenda number and will be added to the regular agenda for discussion, unless placed otherwise by the Council.

1. Approval of the minutes for the work study meeting on September 21, 2021
2. Approval of a Resolution and amendment to the Lease Agreement between Hobbles Creek Golf Course and The Sand Trap Restaurant - Craig Norman, Golf Pro
3. Approval of a Resolution deferring payments for Strawberry Water Delivery - Brad Stapley, Public Works Director

#### REGULAR AGENDA

4. Consideration of a Resolution authorizing the issuance of up to \$13,000,000 Water and Sewer Revenue and Refunding Bonds, Series 2021 of Springville City, Utah - Bruce Riddle, Assistant City Administrator/Finance Director
5. Consideration of an Ordinance amending the Springville Official Zone Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial (RC) Zone from 400 South to 1400 North between 2600 West and 1650 West - Josh Yost, Community Development Director (continued from July 06, 2021)
6. Consideration of a Resolution and Development Agreement with Meadowbrook Land LLC for property located at approximately 1950 West from 1000 North to 1300 North, Springville, Utah, Parcel Nos. 23:025:0034, 23:025:0030, 23:025:0057 & 23:025:0063 - John Penrod, Assistant City Administrator/City Attorney
7. Consideration of a Resolution and Development Agreement with the Colmena Group under the name of the Springville Business Park LLC for property located at approximately 1740 West Center Street, Springville, Utah, Parcel Nos. 23:029:0055 and 23:029:0061 - John Penrod, Assistant City Administrator/City Attorney (continued from October 19, 2021)
8. Discussion regarding the Hobbles Creek Golf Course irrigation system - Bruce Riddle, Assistant City Administrator/Finance Director

#### MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS

**CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION**

9. *The Springville City Council may adjourn the regular meeting and convene into a closed session as provided by UCA 52-4-205.*

**ADJOURNMENT**

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2 MINUTES OF THE WORK/STUDY MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON  
4 TUESDAY, SEPTEMBER 21, 2021 AT 5:30 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN  
6 STREET, SPRINGVILLE, UTAH.

8 **Presiding and Conducting:** Mayor Richard J. Child  
10 **Elected Officials in Attendance:** Liz Crandall  
Craig Jensen  
Matt Packard  
Mike Snelson  
Brett Nelson

12 **City Staff in Attendance:** City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney  
14 John Penrod, Assistant City Administrator/Finance Director Bruce Riddle, Deputy Recorder Jennifer  
16 Grigg, Building and Grounds Director Bradley Neel, Community Development Director Josh Yost, Golf  
Pro Craig Norman, Public Safety Director Lance Haight, Administrative Services Director Patrick  
Monney, Public Works Director Brad Stapley, Library Director Dan Mickelson, and Museum of Art  
Director Rita Wright.

#### CALL TO ORDER

18 Mayor Child welcomed everyone and called the Work/Study meeting to order at 5:30 p.m.

#### COUNCIL BUSINESS

##### 20 1. Calendar

- 22 • Sept 29-Oct 01 - ULCT Annual Convention
- 24 • Oct 05 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Oct 12 - Work/Study Meeting 5:30 p.m.
- Oct 19 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.

26 Mayor Child asked if there were any questions or additions to the calendar. There were none.

##### 28 2. Discussion on this evening's Regular Meeting agenda items

- 30 a) Invocation - Councilmember Packard
- 32 b) Pledge of Allegiance - Councilmember Nelson
- 34 c) Consent Agenda

- 36 1. Approval of the minutes for the work-study meeting and regular meeting on July 06,  
2021, and the work-study meetings for July 20, 2021, and August 03, 2021
- 38 2. Approval of a Resolution and authorizing the Utah County Mutual Aid Agreement  
Mobile Field Force - Lance Haight, Public Safety Director

34 Mayor Child said this item will be postponed in the regular meeting.

- 36 3. Approval of Resolution authorizing Springville City to purchase 0.352 acres of  
38 property located in the Jesse's Brook Subdivision from Bertha Jarr - John Penrod,  
Assistant City Administrator/City Attorney

38 Mayor Child asked if there was any discussion on tonight's consent agenda. There was none.

### 3. DISCUSSIONS/PRESENTATIONS

40 a) **Parks, Recreation, and Trails Master Plan - Bradley Neel, Building and Grounds Director**  
Director Neel introduced Lisa Benson and Sam Taylor from Landmark Design. Lisa started a  
42 brief overview of the design process and that changes to the final plan are possible. There are seven  
chapters. Demographics predict the 2050 population to be 61,158, a 173% increase, nearly double.  
44 Springville has more children and increasing household sizes. She said there are a lot of different  
needs and the community is aging. This draft will go back to the advisory committee before being  
46 published for the public. She explained there is a website along with the survey and this draft plan that  
is part of the work already accomplished. The survey had 1200 responses which showed heavy use of  
48 the recreation center. Respondents still use facilities in adjacent cities and a majority supports the PAR  
tax. The report included an existing park inventory. The LOS (level of service) analysis ranks acreage  
50 of parks per current population x1000. The total parks LOS equation shows 180.4 acres divided by  
35,268 population x 1000 = 5.11 acres per 1000 residents; comparable or higher than all neighboring  
52 communities but Orem. As a community ages, that number declines. Councilmember Nelson clarified  
that the canyon parks are included in that count. Councilmember Jensen asked if LOS includes built-out  
54 parks. Lisa answered the 340 number includes other acreage like the Rodeo Ground, Senior Center,  
the CRC, and Dry Creek Trail. Councilmember Packard asked about facilities up left fork. Lisa  
56 answered they are not included and that this calculation of total parks LOS is not the same equation  
used to calculate impact fees.

58 She continued to describe the acreage distribution analysis which shows areas and potential  
residential areas that need neighborhood parks, especially out west. Councilmember Nelson asked if  
60 our LOS is comparable to other cities. Lisa answered that looking out to build out, Springville City has  
acquired enough land for parks, but 60.7 acres need to be developed by 2030. Councilmember Snelson  
62 clarified that acquiring more land is still recommended. Lisa answered absolutely because land prices  
will always go up. Administrator Fitzgerald said the challenge is that acquisition cannot use impact fees.  
64 Councilmember Jensen clarified parks can be acquired through development agreements. Lisa said  
citizens ask for smaller urban-type parks, but as kids age, they need bigger regional parks for soccer.  
66 Councilmember Crandall clarified the plan recommendation is five acres per 1000 residents.

Lisa Benson continued by saying the city needs to acquire 52.2 acres by build-out and develop  
68 64.7 acres total. Councilmember Nelson asked what parks are planned out west that gives residents a  
reason to go down to those areas. The solution is to acquire some land to hang out and interesting  
70 places to visit. Mayor Child said there are other ways to acquire property. Councilmember Jensen said  
with development out west, there are plans for more areas, walkways, and smaller parks. He added that  
72 Memorial Park is freakin' awesome.

Lisa continued by addressing amenities like trees, lawns, & playgrounds. The amenity level of  
74 service analysis shows what the city needs to add and where the city has adequate amenities. There is  
no specific standard for open space which contributes to the quality of life and mitigates natural  
76 hazards. She moved on to recreation by saying the city has been good at funding affordable programs  
and monitoring the changing needs. Councilmember Packard said the city prioritizes recreation on the  
78 survey. Lisa said the survey showed positive feedback on events as well as requests for more music  
and multicultural events. The city has a very robust art presence and she recommended a partnership  
80 between trails and the arts. Councilmember Nelson asked why this Trail Master Plan was not aligned  
with the Active Master Transportation Plan. Attorney Penrod said there was a grant for this master plan.  
82 Councilmember Snelson asked if the Hobble Creek Canyon Trail that is in the canyon is included in the  
city trails total. Administrator Fitzgerald said the city maintains to the county line.

84 She continued to talk about three priority trails: Community, Bonneville, and Stonebury.  
85 Councilmember Snelson pointed out that the Active Transportation Committee prioritizes the same  
86 trails. Councilmember Nelson noted the two plans should be coordinated and strategically aligned.  
87 Administrator Fitzgerald said the Council needs to decide if these are part of the master plan and  
88 impact fee analysis. Lisa added that signage and wayfinding are needed. She covered the cost, grants,  
89 and federal funding to complete the plan. Councilmember Packard asked where the numbers come  
90 from. Lisa answered an average price per acre over the years of \$400,000. It is better to acquire land  
91 now because the costs will go up. She concluded with an actionable plan and a final cost of 59 million to  
92 complete the plan by 2050.

93 **b) Discussion regarding Development Agreements - John Attorney Penrod, Assistant City**  
94 **Administrator/City Attorney**

95 Attorney Penrod explained some changes in development agreements. He described examples  
96 of court decisions recently. The land use regulation process involves vested rights. He quoted new  
97 legislation and (LUDMA) the Land Use and Management Act for the state of Utah. Density bonuses  
98 formalized in a development agreement continue if the land changes hands. Councilmember Jensen  
99 asked about subdivisions and vesting. Attorney Penrod said vesting rights are important when moving  
100 forward in an orderly fashion. Vested rights start when that application is filed, not bonded and  
101 sometimes developers use phases. He asked the Council how they feel about vesting in a development  
102 agreement up to 30 years on 200 acres. Councilmember Snelson asked if there is a specific amount of  
103 time. Councilmember Packard asked if vesting ties the hands of the Council in the future. Attorney  
104 Penrod said yes if it is in the development agreement. Councilmember Penrod asked if the city was  
105 protected. Attorney Penrod answered the developer can do whatever the ordinance allows.  
106 Councilmember Jensen asked what other communities are doing. Attorney Penrod answered from 5 to  
107 30 years. He suggested vesting some of the development, not all of it. Mayor Child recommended  
108 breaking it up into phases. Attorney Penrod said the city council should maintain the right to legislate  
109 the development. Councilmember Packard asked about bonding. Attorney Penrod said state law limits  
110 what can be bonded. Cities can also tie design standards and landscaping into a development  
111 agreement. Councilmember Packard suggested consistency because other large developments will  
112 follow these standards in the future.

113 Attorney Penrod introduced Loyal Hulme and Dawn Soper of Kirton McConkie. Mr. Hulme  
114 started by noting the magnitude of developing 200 acres and the developer is committed to this area.  
115 He said dedicated parks and improvements are part of this development. These development  
116 agreements are amended all the time and urged the Council to embrace the concept of a great plan.  
117 The developer needs vested rights and certainty and will bring a site plan for the Council to confirm and  
118 amend the development agreement. The alternative is hodge-podge and mishmash. This is an  
119 elaborate way to be deliberate with your zoning and create a base standard. Mr. Hulme asked for at  
120 least a 30-year vested development agreement, not a 5 or 10-year agreement. Councilmember Packard  
121 asked why 10-20 years is needed from the financial side. Mr. Hulme answered investors need to bring  
122 millions of dollars just for the sewer, then again for roads and utilities. Councilmember Packard said the  
123 developer does not have the investors convinced. Mr. Hulme said in the current draft of the agreement,  
124 the city could change the design standards including the size of the buildings, open space, setbacks,  
125 heights, and all the vested rights. Density is the key to getting lenders to the table. Councilmember  
126 Crandall asked about both sides agreeing on the rules. She asked about development agreements in  
127 the past. Councilmember Nelson asked if the developer has the upper hand in a 30-year agreement.  
128 Attorney Penrod said the developer might not be around in 30 years. Administrator Fitzgerald  
129 referenced a development agreement where a half-developed project changed hands and the original  
130 entitlements and design standards were out of date.

132 Ed Axley, CEO of Unified Business Alliance, Unified Private Equity, and President of Davis  
133 Design-Build explained a development in Midway and told Councilmember Packard that the project is  
134 funded. He explained utilities need to bore under I-15 and the magnitude of the project needs the  
135 security that the project can go through without changes because of all the heavy improvements in the  
136 beginning. Councilmember Nelson asked if the developers will adjust to trends in 10 years. Mr. Axley  
137 asked to compromise between 30 and two years vesting. He suggested pausing as a possibility.  
138 Councilmember Crandall suggested phasing. Mr. Axley said designs can change in 30 years and wants  
139 to do anything to encourage collaboration. Councilmember Packard said there are two different  
140 developments and the project could be sold to somebody else. He also said we have to protect the city.  
141 Councilmember Nelson suggested a change of ownership be added to the agreement. Attorney Penrod  
142 said LUDMA causes distrust between cities and developers. Councilmember Snelson said developers  
143 do not live up to the agreement. Mr. Hulme said the document guarantees the city gets the product in  
144 120 pages of code. Attorney Penrod said there are standards in the agreement, but many different  
things can apply to that same standard.

4. **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

146 Mayor Child asked for any other comments. There were none.

5. **CLOSED SESSION**

148 *The Springville City Council may temporarily recess the regular meeting and convene in a closed  
session as provided by Utah Code Annotated Section 52-4-205*

150 There was none.

6. **ADJOURNMENT**

152 **COUNCILMEMBER PACKARD MOVED TO ADJOURN THE WORK/STUDY MEETING OF THE  
153 SPRINGVILLE CITY COUNCIL AT 7:04 P.M. COUNCILMEMBER SNELSON SECONDED THE  
154 MOTION, ALL VOTED AYE.**

156

158

160 *This document constitutes the official minutes for the Springville City Council Work/Study meeting held on Tuesday,  
September 21, 2021.*

162 *I, Jennifer Grigg do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City,  
of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete  
164 record of this meeting held on Tuesday, September 21, 2021.*

166

168

170

172

DATE APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Jennifer Grigg  
Deputy Recorder





## STAFF REPORT

**DATE:** October 21, 2021  
**TO:** Honorable Mayor and City Council  
**FROM:** Craig Norman, Golf Professional  
**SUBJECT:** Amendment to Hobble Creek G.C. Restaurant Lease Agreement

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### **RECOMMENDED MOTION**

Motion to approve the First Amendment to the Lease Agreement for Hobble Creek Golf Course Restaurant by and between Springville City, and The Sand Trap LLC. This First Amendment is to revise the parties' Lease Agreement for Hobble Creek Golf Course Restaurant, dated April 15, 2020.

### **SUMMARY OF ISSUES/FOCUS OF ACTION**

The Sand Trap LLC has asked to do some upgrades to the men's and ladies association rooms. The existing agreement did not include these areas as "shared space". They would on occasion use the rooms as bride/groom rooms for weddings. Upgrades would consist of lighting, paint and furniture. They will schedule use of the space with the city and it will be subject to availability.

### **DISCUSSION**

Both men's and ladies' associations have approved the upgrades, as well as the Buildings & Grounds Department. The upgrades would be consistent with the building theme and certainly be an upgrade over existing décor. All upgrades would stay with the city.

### **ALTERNATIVES**

Leave rooms as is.

### **FISCAL IMPACT**

No fiscal impact to the city as the lessor is paying all costs



**FIRST AMENDMENT TO THE LEASE AGREEMENT FOR  
HOBBLE CREEK GOLF COURSE RESTAURANT**

This First Amendment to the Lease Agreement for Hobbble Creek Golf Course Restaurant is entered into this \_\_\_ day of October, 2021, by and between Springville City, a municipal corporation organized and existing under the laws of the State of Utah (the "City"), and The Sand Trap LLC, a Utah Limited Liability Company (the "Tenant"). This First Amendment is to revise the parties' Lease Agreement for Hobbble Creek Golf Course Restaurant, dated April 15, 2020.

**NOW THEREFORE**, the parties mutually agree to amend the parties' Lease Agreement as follows:

1. Section 1 of the Lease Agreement is hereby eliminated in its entirety and replaced with the following:
  1. **Leased Premises.** The City does hereby lease to the Tenant the Restaurant, which includes the real property that is east of the Restaurant entrance (the "Leased Premises"), including the kitchen, snack bar, and banquet area. The total square footage of the Leased Premises is approximately forty-five hundred (4,500) square feet. The outside balcony area, entrance, lobby, bathrooms and association rooms of the Clubhouse will be jointly used by the City and the Tenant. The City may use the banquet area for City functions by giving a 30-day notice to the Tenant or such shorter period of time that is agreed to by the Tenant.
  2. All other terms of the Lease Agreement shall remain the same and in full force and effect.

**In Witness Whereof**, the parties hereto have executed this First Amendment to the Lease Agreement for Hobbble Creek Golf Course Restaurant on the date indicated above.

SPRINGVILLE CITY

\_\_\_\_\_  
Bruce Riddle, Finance Director

ATTEST:

\_\_\_\_\_  
Kim Crane, City Recorder

THE SAND TRAP, LLC

\_\_\_\_\_  
Brent Simons, President



## STAFF REPORT

**DATE:** October 29, 2021

**TO:** Honorable Mayor and City Council

**FROM:** Bradley D. Stapley, P.E., Director of Public Works

**SUBJECT:** CONSIDERATION OF A RESOLUTION INDICATING SPRINGVILLE CITY'S INTENT TO DEFER PAYMENT OF THE CITY'S ALLOTMENT OF UTAH LAKE DRAINAGE BASIN WATER, BONNEVILLE UNIT, CENTRAL UTAH PROJECT - SECTION 202(a)(1) - CENTRAL UTAH PROJECT COMPLETION ACT (CUPCA).

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### **RECOMMENDED MOTIONS**

Motion to approve Springville City's intent to defer payment of the City's allotment of Utah Lake Drainage Basin Water, Bonneville Unit, Central Utah Project - Section 202(a)(1) - Central Utah Project Completion Act (CUPCA).

### **SUMMARY OF ISSUES/FOCUS OF ACTION**

Springville City currently has rights to an annual allotment 6,501 acre-feet of Utah Lake Drainage Basin Water (ULS water) through the Southern Utah Valley Municipal Water Association (SUVMWA). As of this date, the City has not yet called for use of this ULS water.

With the construction completion of the Bonneville Unit of the Central Utah Project, those entities that have allotted water must begin payment for said water beginning in 2022, unless a deferment request is submitted to the Central Utah Water Conservancy District (CUWCD) through SUVMWA.

Deferment can be up to ten (10) years. The resolution before you is a request to defer repayment for up to ten (10) years as allowed by the attached Petition [see **2. Terms of Payment (a) (3)**].

### **BACKGROUND**

Springville City is one of ten (10) municipalities in south Utah County that make up SUVMWA.

On March 15, 2005, SUVMWA entered into an agreement with CUWCD, petitioning CUWCD for a perpetual annual allotment of 30,000 acre-feet of Utah Lake Drainage Basin Water Delivery System (ULS) water for use by the 10 member cities.

Springville City, through SUVMWA currently has an unused allotment of 6,501 acre-feet of ULS water.

The annual payment for Springville's allotted ULS water is scheduled to begin April 1, 2022.

Springville City, through SUVMWA's agreement with CUWCD, can defer payment of the 6,501 acre-feet for up to ten (10) years under the authority of the Water Supply Act of 1958 (72 Stat. 320; 43 U.S.C. §390b).

## DISCUSSION

The City currently does not need its allotment of ULS water, but this need may change within the next ten years. If the City chooses to defer payment at this time, the City can still change its mind and request delivery for some or all of its allotted water within the ten-year deferment time.

As little as 100 acre-feet can be requested for delivery at any time within the 10-year deferral period, as long as a six (6) month notice is given to SUVMWA and CUWCD. When water is requested for delivery, the annual payment *for that requested water* begins immediately upon delivery.

## FISCAL IMPACT

The deferment of payment shortens the payback period from fifty (50) to no less than forty (40) years, depending on when Springville begins using their allotted ULS water.

If Springville chooses *not* to defer payment at this time, the current annual cost to Springville at a rate of approximately \$180/acre-foot for the 6,501 acre-feet of ULS water would be \$1.17M per year.

Sincerely,

**BRADLEY D. STAPLEY**  
Public Works Director  
bstapley@springville.org  
801.489.2711  
springville.org



## RESOLUTION #2021-XX

**A RESOLUTION INDICATING SPRINGVILLE CITY'S INTENT TO DEFER PAYMENT OF THE CITY'S ALLOTMENT OF UTAH LAKE DRAINAGE BASIN WATER, BONNEVILLE UNIT, CENTRAL UTAH PROJECT - SECTION 202(a)(1) - CENTRAL UTAH PROJECT COMPLETION ACT (CUPCA).**

WHEREAS, the Springville General Plan, Section 7, Community Facilities & Services has a goal to, *"Provide functionally effective community facilities and services to support a safe, healthy, and vibrant community life;"* and

WHEREAS, the Springville General Plan's Goals, Objectives, and Strategies, Objective 4 is to *"Provide a process for planning and constructing capital improvements that meet the current and future needs of Springville City;"* and

WHEREAS, the Springville General Plan's Goals, Objectives, and Strategies, Objective 5 is to *"Provide a water system that is safe, economical, and meets the needs of Springville City now and in the future;"* and

WHEREAS, Springville City is one of ten (10) municipalities in south Utah County that make up the South Utah Valley Municipal Water Association (SUVMWA); and

WHEREAS, on March 15, 2005, SUVMWA entered into an agreement with the Central Utah Water Conservancy District (CUWCD) petitioning CUWCD for a perpetual annual allotment of 30,000 acre feet of Utah Lake Drainage Basin Water Delivery System (ULS) water for use by the 10 member cities; and

WHEREAS, Springville City, through SUVMWA currently has an allotment of 6,501 acre-feet of ULS water; and

WHEREAS, payment for Springville's said ULS water is scheduled to begin April 1, 2022, and;

WHEREAS, Springville City, through SUVMWA's agreement with CUWCD, can defer payment of the 6,501 acre-feet for up to ten (10) years under the authority of the Water Supply Act of 1958 (72 Stat. 320; 43 U.S.C. §390b).

NOW, THEREFORE, BE IT RESOLVED by the City Council of Springville, Utah that:

**SECTION 1:** Springville City chooses to, under the ULS Repayment Contract, defer repayment for the 6,501 acre-feet of ULS water for up to ten (10) years, and authorizes the Director of Public Works to issue a notice to SUVMWA stating such.

**SECTION 2:** This resolution shall become effective immediately upon its execution.

END OF RESOULUTON

Passed and adopted this 2<sup>nd</sup> day of November 2021.

\_\_\_\_\_  
Richard J. Child, Mayor

Attest:

\_\_\_\_\_  
Kim Crane, City Recorder

**PETITION  
OF SOUTH UTAH VALLEY MUNICIPAL WATER ASSOCIATION  
TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR THE ALLOTMENT OF WATER FOR  
MUNICIPAL AND INDUSTRIAL USE**

**THIS PETITION** ("Petition"), is made this 15<sup>th</sup> day of March, 2005, pursuant to Utah Code Annotated §17A-2-1414 and Federal Reclamation Law, Act of June 17, 1902, as amended and supplemented, among the CENTRAL UTAH WATER CONSERVANCY DISTRICT, a water conservancy district organized and existing under the laws of the State of Utah, with its principal place of business at Orem, Utah ("CUWCD"); the SOUTH UTAH VALLEY MUNICIPAL WATER ASSOCIATION, ("SUVMWA") an organization created under authority of The Interlocal Cooperation Act, Utah Code Ann. §11-13-1 *et. seq.*, comprised of several cities in south Utah County, all of which are political subdivisions of the State of Utah, with SUVMWA's principal place of business in Spanish Fork, Utah. The municipalities involved in SUVMWA are Springville, Mapleton, Spanish Fork, Salem, Woodland Hills, Elk Ridge, Payson, Santaquin, Genola and Goshen, (referred to as "Member Municipalities."), with each of the Member Municipalities signing this Petition as a confirming party; and, the UNITED STATES OF AMERICA, ("United States") acting through the Secretary of the Department of Interior ("Secretary") or the Secretary's duly authorized representative.

**WITNESSETH:**

WHEREAS, the United States of America, acting through the Bureau of Reclamation, has constructed many features of the Bonneville Unit ("Project"), as a part of the Central Utah Project (Initial Phase), a participating project of the Colorado River Storage Project; and

WHEREAS, the United States of America, acting through the Secretary, and CUWCD are constructing the remaining features of the Project for the purpose of supplying water for irrigation, municipal, domestic, industrial, and other purposes to CUWCD for use by its petitioners and contract holders; and

WHEREAS, the United States, acting through the Bureau of Reclamation, and CUWCD entered into Repayment Contract No. 14-06-400-4286, dated December 28, 1965, as supplemented and amended, and particularly the supplement of November 26, 1985 (collectively, the "1965 Repayment Contract"); and

WHEREAS, the United States and CUWCD have investigated, planned, and propose to construct the Utah Lake Drainage Basin Water Delivery System of the Bonneville Unit of the Central Utah Project ("ULS") for the storage, diversion, and distribution of waters of the Colorado River and the Bonneville Basin drainage areas for municipal and industrial ("M&I") and other Project purposes, and have complied with the National Environmental Policy Act of 1969 ("NEPA") in regards to same; and

WHEREAS, the United States desires to make available to CUWCD the remaining Project M&I water supply developed by the ULS of approximately 60,000 acre-feet, ("ULS Project Water"); and

WHEREAS, said ULS Project Water is available to CUWCD from the United States under Repayment Contract No. 04-WC-40-120 ("ULS Repayment Contract"), entered into between CUWCD and the United States for this water supply; and

WHEREAS, pursuant to the ULS Repayment Contract, CUWCD has the right to market and allot the ULS Project Water and to use Bonneville Unit features ("Project Works"), which

include ULS features, to deliver ULS Project Water for use by CUWCD's petitioners and contract holders; and

WHEREAS, SUVMWA has authority to petition CUWCD for ULS Project Water to provide water for M&I secondary use; and

WHEREAS, it is the purpose of this Petition for CUWCD to market and allot a portion of the ULS Project Water to SUVMWA on the terms and conditions herein provided; and

WHEREAS, Section 1.2.1.2.5 of the Utah Lake Drainage Basin Water Delivery System Final Environmental Impact Statement imposes the following requirements for contracts executed with CUWCD relating to the ULS:

“... the repayment contracts and water petitions listed in Tables 1-35 and 1-37 will include provisions requiring the water users to: 1) comply with the State of Utah’s water conservation goals consisting of a 12.5 percent reduction in per capita water use by 2020 and a 25 percent reduction in per capita water use by 2050, using 2000 water use as a comparison basis; 2) annual reporting of actual per capita water use; and 3) appropriate penalties if the conservation goals are not met”; and

WHEREAS it is the intent of the Parties to implement this requirement through the ULS Repayment Contract and this Petition with the understanding that this conservation obligation applies to all M&I water developed by the Bonneville Unit of the Central Utah Project (“Project Water”), including the ULS Project Water utilized for secondary municipal irrigation use.

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, it is mutually agreed between the parties hereto as follows:

**1. Petition for ULS Project Water:**

(a) SUVMWA hereby petitions CUWCD for a perpetual annual allotment of 30,000 acre feet of ULS Project Water, which water supply is made available in accordance with the Utah Lake Drainage Basin Water Delivery System Final Environmental Impact Statement (“ULS FEIS”) and the 2004 Supplement to the 1988 Definite Plan Report for the Bonneville Unit,



Central Utah Project ("2004 DPR"). As provided herein, SUVMWA shall have the perpetual right to beneficially use the same.

(b) SUVMWA also petitions for a perpetual allocation of any remaining supplies of ULS Project Water that are not otherwise covered by other petitions, or that may become available for petition in the future, in accordance with the same terms and conditions set forth in this Petition.

(c) ULS Project Water will be made available to CUWCD after receipt of one or more block notices ("Block Notice(s)") from the United States as provided for in the ULS Repayment Contract. Upon CUWCD's receipt of a Block Notice(s), the ULS Project Water provided under that Block Notice(s) will be made available to SUVMWA by CUWCD through one or more CUWCD allotment notices ("Allotment Notice(s)"), which Allotment Notice(s) shall be issued to SUVMWA beginning in the year ULS Project Water is first made available to CUWCD.

(d) CUWCD will not allot ULS Project Water in South Utah County to any other similarly situated municipality or political subdivision on terms more advantageous than provided under this Petition.

## **2. Terms of Payments**

SUVMWA agrees to pay CUWCD annually for the following separate costs in the manner and at the rates hereinafter provided, in conformance with the following:

(a) ULS Project Water Development Costs

(1) Under terms of the ULS Repayment Contract, CUWCD has acquired the right to use and market the ULS Project Water developed by construction of the ULS. CUWCD is required to pay the United States all Project costs allocated to the ULS M&I water supply

(including interest during construction) less the non-Federal cost share and pre-authorization investigation costs, whether such water is used or not, over a 50-year repayment period as provided for in the ULS Repayment Contract. The repayment period for water provided under each Block Notice(s) will begin when the Project Works necessary to deliver that block of ULS Project Water have been constructed and the United States has issued the Block Notice(s) to CUWCD. When CUWCD receives the Block Notice(s) from the United States, CUWCD will issue SUVMWA an Allotment Notice(s), and SUVMWA will be required to begin paying CUWCD for that portion of the ULS Project Water provided under the Block Notice(s) and allotted herein. SUVMWA's payment obligation to CUWCD for each block of ULS Project Water will include interest charged at the same rate the United States charges CUWCD (3.222 percent) and will provide for a 50-year repayment period. Except to the extent the annual payment is deferred as provided by paragraph 2(a)(3) of this Petition, SUVMWA shall make its annual payment to CUWCD each year, regardless of whether ULS Project Water is used or not by SUVMWA and/or its Member Municipalities.

(2) The repayment obligation for each block of ULS Project Water, including interest, will be specified in each Block Notice(s). It will also be specified in each corresponding Allotment Notice(s).

(3) CUWCD and its petitioners have the right under the ULS Repayment Contract to request a deferment of up to ten (10) years from the United States under the authority of the Water Supply Act of 1958 (72 Stat. 320; 43 U.S.C. §390b) ("Water Supply Act") of all or a portion of its repayment obligation to the United States as covered in a Block Notice(s) as described herein. No less than six months prior to the date when water will first be available under the initial Block Notice(s) or, under any subsequent Block Notice(s), SUVMWA may

request in writing a deferment from the United States under the Water Supply Act, as authorized by the ULS Repayment Contract. The United States agrees that such deferment will be granted, provided that the terms and conditions of the Water Supply Act have been met. This means that should SUVMWA desire to begin taking and paying for all or part of its ULS Project Water up to ten years after the date the block of ULS Project Water is first available, it will not be entitled to receive and/or use the deferred amount of water nor will it be required to pay for the deferred amount of water during the deferment period. No interest on the repayment for the deferred amount of water will accrue during the deferment period; however, at the end of the authorized deferral period, the annual payment for the ULS Project Water will be higher since SUVMWA will be required to pay for the deferred amount of water over a shorter amortization period.

(4) The repayment amount described herein is estimated to be \$293.32 per acre-foot per year based on estimated construction and interest during construction costs. All construction costs and the allocation of those costs, cited herein, are estimates based on the Draft 2004 DPR. The cost estimates and cost allocation are subject to change based on actual construction costs and interim and final allocations of project costs. The amount reflecting actual construction costs available as of the date the Block Notice(s) is issued will be specified in the Block Notice(s) and in the Allotment Notice(s). SUVMWA will pay to CUWCD initially an amount equal to 66 percent (66%) of CUWCD's repayment obligation to the United States for the allotted ULS Project Water, which includes principal and interest. CUWCD will initially pay thirty-four percent (34%) of said repayment obligation through its Ad Valorem tax revenues and miscellaneous revenues for the ULS Project Water allotted herein. CUWCD reserves the right to modify or eliminate this subsidy at anytime, upon giving SUVMWA at least one-year's prior written notice. Any decrease in the percentage amount paid by CUWCD towards said repayment

obligation, will result in an offsetting increase in the percentage of CUWCD'S repayment obligation to be paid by SUVMWA.

(5) As set forth in the ULS Repayment Contract, each Block Notice(s) will be re-examined periodically by the United States, at intervals no longer than five (5) years after water is first made available, to determine whether during the preceding period changes have occurred to justify the amendment of the Block Notice(s), and if so, the United States shall amend the Block Notice(s) and payment schedules to reflect such changes. CUWCD thus reserves the right to amend any Allotment Notice(s) to conform to any amended Block Notice(s). For example, a change in the allocation of ULS Project Water development costs may result in an amended Block Notice(s) being issued to CUWCD that changes CUWCD's repayment obligation to the United States. CUWCD would then issue an amended Allotment Notice(s) to SUVMWA to reflect the changes to the repayment obligation that are applicable to SUVMWA. Each Allotment Notice(s) and any amendments thereto issued pursuant to this Petition shall become a part of this Petition.

(6) Pursuant to section 210 of the Central Utah Project Completion Act, Titles II through VI of the Act of October 30, 1992 (Public Law 102-575), as amended by the Acts of October 2, 1996, and December 19, 2002 ("CUPCA"), the United States allows CUWCD to prepay all or a portion of its repayment obligations under the ULS Repayment Contract. Any prepayment that CUWCD may choose to make to the United States will not change SUVMWA's payment obligation to CUWCD under this Petition, which payments must be made on an annual basis throughout the repayment period. CUWCD agrees to consider in good faith any request received from SUVMWA to allow SUVMWA to prepay all or some portion of its payment obligation to CUWCD.

(a) SUVMWA and the United States understand that CUWCD may wish to issue bonds to facilitate such prepayment, the interest on which is excluded from gross income from federal income tax purposes with respect to the ULS Project Water, and that the use of and control over the ULS Project Water may be relevant to determining whether such bonds can be issued.

(b) Subject to rights reserved to the United States in Repayment Contract No. Contract No. 04-WC-40-120 ("Repayment Contract") between CUWCD and the United States, and applicable federal law and regulation, the United States agrees that upon the repayment or prepayment of CUWCD's repayment obligations under a Block Notice issued under the terms of the Repayment Contract, the contractual rights of the United States under this petition shall terminate, except the rights of the United States to enforce compliance with the water conservation requirements of Paragraph 8 of this Petition.

(7) Payments required herein from SUVMWA for ULS Project Water shall be paid by SUVMWA to CUWCD annually during the repayment period specified in the Allotment Notice(s). Each payment must be made within 30 days of the date of billing. Such payment shall be made on all ULS Project Water under Allotment Notice(s) regardless of whether all or any portion of the ULS Project Water allotted from CUWCD is used by SUVMWA.

(b) Operation, Maintenance and Replacement ("OM&R") Costs of Project Works.

(1) CUWCD shall operate, maintain, and replace the Project Works. CUWCD will convey and deliver the ULS Project Water allotted herein to SUVMWA in accordance with the ULS FEIS, the 2004 DPR and this Petition. SUVMWA shall pay its fair and equitable share

of annual OM&R costs as determined by CUWCD, following an opportunity for review and comment by SUVMWA, in a manner approved by CUWCD's Board of Trustees that will make a fair and reasonable allocation of costs among all similarly situated Petitioners. OM&R costs are computed based on ULS Project Water under allotment.

(2) The OM&R costs for ULS Project Water shall be computed annually based on a water year from November 1 through October 31. These costs shall be billed to SUVMWA, and SUVMWA shall pay to CUWCD the amount so billed within 30 days from the date the billing from CUWCD is received by SUVMWA. The OM&R payments provided for herein shall be paid regardless of whether all or any portion of the ULS Project Water is used by SUVMWA.

(3) In the event SUVMWA disputes the amount of billed OM&R costs, SUVMWA shall promptly pay any undisputed amount. The disputed amount shall be retained by SUVMWA. The issue regarding payment of the amount in dispute shall be referred to the United States for decision, which decision shall be binding on SUVMWA and CUWCD. Any remaining amount finally determined by the United States to be due shall be paid to CUWCD by SUVMWA within 30 days of receipt of written notice of such final determination.

(c) Payments to OM&R Reserve Fund Accounts.

(1) The 1965 Repayment Contract requires CUWCD to maintain a replacement reserve fund account and an emergency reserve fund account for operation, maintenance and replacement ("OM&R") of Project Works, and CUWCD requires the maintenance of a CUWCD OM&R reserve fund account. SUVMWA shall pay to CUWCD a pro-rata share, based on SUVMWA's relative percentage hereunder of the total quantity of ULS

Project Water under the Block Notice(s), of CUWCD's obligation to maintain said fund accounts as may reasonably be modified in rate or amount by action of CUWCD's Board of Trustees.

(2) The amount specified shall be billed to SUVMWA at the same time and in the same manner as the annual OM&R assessment. SUVMWA shall pay to CUWCD the amount so billed within 30 days from the date the billing from CUWCD is received by SUVMWA. The OM&R reserve fund account payments provided for herein shall be paid regardless of whether all or any portion of the ULS Project Water is used by SUVMWA.

(3) In the event SUVMWA disputes the amount of billed reserve costs, SUVMWA shall promptly pay any undisputed amount. The disputed amount shall be retained by SUVMWA. The issue regarding payment of the amount in dispute shall be referred to the United States for decision, which decision shall be binding on SUVMWA and CUWCD. Any remaining amount finally determined by the United States to be due shall be paid by SUVMWA to CUWCD within 30 days of receipt of written notice of such final determination.

(d) Obligations Not Considered Debt.

It is intended that the financial obligations of SUVMWA in Paragraphs 2(a), (b), and (c), hereof, shall not constitute or give rise to a general obligation or debt of SUVMWA or its Member Municipalities, nor shall it constitute or give rise to a loan of its or their credit within the meaning of any constitutional or statutory limitation, nor constitute or give rise to a charge against SUVMWA or any of its Member Municipalities' general credit or taxing powers. Accordingly, amounts due and payable hereunder shall be payable from its water system revenues or from its other legally available funds by SUVMWA.

(e) Cost Reference Point

As a cost reference point, it is estimated for a 50 year repayment period that SUVMWA will be required to pay an annual cost per acre-foot of ULS Project Water (under paragraph 2 herein) based on the estimates contained in the 2004 DPR using 2002 dollars as follows:

(1)	66% of ULS Project Water Development Costs <sup>1</sup> :	\$193.59
(2)	OM&R Costs	\$ 7.21
(3)	Payments to OM&R Reserve Funds	<u>\$ 1.20</u>
Total estimated initial cost per acre-foot of Project		
Water - sum of (1), (2), and (3)		\$202.00

**3. Delivery of ULS Project Water by CUWCD**

(a) ULS Project Water allotted herein is to be made available to SUVMWA from Strawberry Reservoir at delivery points located at various turnouts along the ULS pipelines. All deliveries will be measured through measuring devices located at Project Works.

(b) SUVMWA shall bear a proportionate share of all ULS Project Water conveyance losses based upon its percentage share of the total quantity of water delivered from said measurement point at Strawberry Reservoir to the secondary points of delivery to SUVMWA. The location of the turnouts to SUVMWA shall be mutually agreed upon by the parties, and shall be consistent with the ULS FEIS and the 2004 DPR, or as otherwise agreed to subject to appropriate NEPA compliance.

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<sup>1</sup> CUWCD will initially pay the remaining 34% or \$99.76 of the Project Water Development repayment cost of \$293.59 per acre foot.



(c) CUWCD shall provide proper measuring devices at each point of delivery to SUVMWA from the Project Works. SUVMWA shall provide any other proper measuring devices within its distribution system.

(d) No liability shall accrue against CUWCD, or the United States, or any of their officers, agents or employees, for any damages, direct or indirect, sustained by SUVMWA and/or persons acting by, through or under SUVMWA in the event of shortages of ULS Project Water, or CUWCD's inability to deliver ULS Project Water to SUVMWA, not resulting from CUWCD's negligence, or shortages caused by drought, hostile diversion, prior or superior claims, or other similar causes not within the control of CUWCD.

**4. Perpetual Nature of Delivery.**

The ULS Project Water allotment is made in perpetuity from the time it is committed to SUVMWA under Allotment Notice(s) pursuant to the Block Notice(s).

**5. Use and Delivery of ULS Project Water by SUVMWA**

(a) SUVMWA and its Member Municipalities shall use the ULS Project Water available to SUVMWA under Allotment Notice(s) only as secondary M&I water for municipal irrigation use in accordance with the ULS FEIS and the 2004 DPR unless otherwise agreed to by the United States and CUWCD. Any such new agreement for use of the ULS Project Water may require additional NEPA compliance.

(b) Subject to the approval of CUWCD and the United States, ULS Project Water may be utilized by SUVMWA by change application or exchange application under Utah law filed by the United States or by SUVMWA upon receipt of prior written consent of the United States and CUWCD. Any such consent may require additional NEPA compliance.

(c) It shall be SUVMWA's responsibility to provide the works and make the necessary arrangements, including any carriage agreements, or approval of any change or exchange applications from the Division of Water Rights, to convey SUVMWA's ULS Project Water from the points of delivery as described herein to places of delivery to SUVMWA's customers. SUVMWA shall construct, operate, maintain and replace, without cost to CUWCD or the United States, any works or facilities used for exchange, storage facilities and water distribution systems and their appurtenant facilities necessary to convey or exchange the ULS Project Water from the points of delivery to the place or places of use for secondary municipal irrigation.

**6. Return Flows**

It is estimated that approximately 9,660 acre feet of water will flow to Utah Lake as direct return flows from secondary M&I use within the Member Municipalities of SUVMWA. To the extent possible, maintenance of historic inflows to Utah Lake is important to Bonneville Unit operations to protect the ability of the CUWCD to exchange water to Jordanelle Reservoir. Accordingly, return flows to Utah Lake from use of ULS Project Water under this Petition will only be available for recapture and recycling by SUVMWA and/or its Member Municipalities with the express written consent of the CUWCD and the United States. The return flows generally will be reused for Bonneville Unit purposes in Utah Lake to maintain Utah Lake levels and to help satisfy prior water rights as required to allow the exchange of water to Jordanelle Reservoir. The parties acknowledge that the United States, pursuant to the ULS Repayment Contract, has reserved for Project Purposes all of the waste, seepage, and return flow water derived from ULS Project Water delivered pursuant to this Petition.

**7. Sales of ULS Project Water Restricted**

SUVMWA shall not market or deliver the ULS Project Water allotted herein or any part thereof, outside of the boundaries of SUVMWA's service area, unless approved by CUWCD and the United States. Any such approval may require additional NEPA compliance.

**8. Compliance with Water Conservation Requirements**

(a) SUVMWA will comply with the State's water conservation goals of reducing per capita water use within SUVMWA's service area by 12.5 percent by the year 2020, and by 25 percent by the year 2050 ("Conservation Goals").

(b) Commencing in the year 2005 and continuing thereafter until 2050, SUVMWA agrees to report annually to CUWCD its average annual per capita water use within SUVMWA's service area. The Annual Report shall be submitted to CUWCD on or before May 1 of each year to enable CUWCD to file its Annual Report with the Director, Utah Division of Water Resources and the Secretary's authorized representative(s) on or before June 1 of each year. Using the per capita water use data from the year 2000 as the base year for comparison, SUVMWA's Annual Report will include updated graphs showing average per capita water use throughout its service area. Each graph will include a plotted line ("Target Line") showing the required annual conservation savings necessary to achieve the goal of 12.5 percent reduction by 2020 and 25 percent reduction by 2050, actual yearly per capita use data points, and a linear regression of those data points ("Actual Progress Line"). The annual data points for the Actual Progress Line will begin in 2000 and extend annually one year at a time as data becomes available through 2050. The regression line is intended to compensate for year to year variations in climatic and economic conditions that affect per capita water use. The Annual Report shall be prepared in a format that is acceptable to the Secretary and shall be available for public review. SUVMWA

will certify in its Annual Report to CUWCD the extent to which it has made annual progress towards achieving the required Conservation Goals.

(c) The Annual Report shall identify SUVMWA's annual progress towards meeting the Conservation Goals and by what amount.

(d) In the event SUVMWA fails to annually certify or cannot annually certify to the CUWCD in its Annual Report that it has made the required annual progress towards meeting the Conservation Goals, then CUWCD shall implement the following corrective measures:

(1) Before the end of the year following any year in which SUVMWA did not or could not certify that the required annual progress has been made towards meeting the Conservation Goals, CUWCD shall surcharge SUVMWA for substantial non-compliance with the annual per capita water use reduction.

(2) The surcharge for the first year of substantial non-compliance shall be five percent (5%) of the SUVMWA's annual repayment obligation for all Project Water then available to SUVMWA under Allotment Notices, less any Project Water that has been turned back by SUVMWA to CUWCD and the Secretary under §207 of CUPCA.

(3) The surcharge for the second consecutive year of substantial non-compliance shall be ten percent (10%) of SUVMWA's annual repayment obligation for all Project Water then available to SUVMWA under Allotment Notices, less any Project Water that has been turned back by SUVMWA to CUWCD and the Secretary under §207 of CUPCA.

(4) The surcharge for the third consecutive year of substantial non-compliance, and any subsequent consecutive years of substantial non-compliance, shall be fifteen percent (15%) of SUVMWA's annual repayment obligation for all Project Water then available

to SUVMWA under CUWCD Allotment Notices, less any Project Water that has been turned back by SUVMWA to CUWCD and the Secretary under §207 of CUPCA.

(5) If CUWCD determines that compliance has been accomplished by SUVMWA within 12 months of the determination of substantial non-compliance, CUWCD shall refund 100 percent (100%) of the collected surcharge, unless the collected surcharge has been expended on water conservation projects as provided in paragraphs (f) and (g) hereof.

(6) The right to impose this surcharge is hereby expressly reserved by CUWCD in this Petition for ULS Water, and SUVMWA hereby agrees that any surcharge so levied by CUWCD shall be paid in addition to the annual repayment obligation of the petitioner as set forth in the individual Allotment Notice(s). The surcharge shall be due and payable at the same time and manner as Petitioner's annual repayment contract payment is due.

(e) For purposes of this Agreement, a determination of annual progress will be made by CUWCD by comparing the Actual Progress Line to the Target Line. The first year of comparison will be 2005. Thereafter, the comparison will be made each year through the year 2050. Annual progress will be certified by CUWCD when the end of the Actual Progress Line for the year of comparison is at or below the Target Line. CUWCD will determine that substantial non-compliance has occurred in a year in which the end of the Actual Progress Line for the year of comparison is above the Target Line. Penalties for substantial non-compliance are described in Paragraph 8(d) above.

(f) The collected surcharge from SUVMWA will be deposited into a segregated interest-bearing account (Conservation Account) that will be maintained and managed by CUWCD. Surcharges collected and deposited to the Conservation Account, together with accrued interest thereon, will be used by CUWCD to help fund water conservation projects

developed under Section 207 of CUPCA by SUVMWA within its service area to substantially comply with the annual reduction of per capita water use.

(g) Water conservation projects to be developed under Section 207 of CUPCA aimed at reducing the per capita water use within SUVMWA's service area may include, but are not hereby limited to, construction of new water-saving delivery and storage facilities; payment of incentives for removal of traditional lawns and groundcover and their replacement with water-wise landscaping; development of staged, conservation-incentive billing; funding of education programs, etc.

(1) Determinations on the particular programs to be funded from the Conservation Account and the manner in which such account is administered shall be made by CUWCD's Board of Trustees ("Trustees") and the Secretary's authorized representative(s).

(2) The decision of the Trustees shall be subject to the approval of the Secretary prior to disbursement of any funds from the Conservation Account. Any funds not disbursed in any single year shall be carried over in the Conservation Account for use in subsequent years.

(3) In any event, all funds in the Conservation Account must be disbursed by the end of 2055. At that time, the Conservation Account shall be discontinued and the Trustees shall no longer have responsibility for the administration thereof.

## **9. Section 207 Water Conservation Contracts**

Pursuant to Section 207(b)(4) of CUPCA, all ULS Project Water saved through the implementation of a conservation measure approved by the United States may be retained by SUVMWA for its own use or disposition. SUVMWA may, in its sole discretion, make available to CUWCD water equivalent to the water saved, which CUWCD may make available to the

United States, to be used for instream flows in addition to the stream flow requirements established by Section 303 of CUPCA. If such saved ULS Project Water is made available to the United States, the United States shall reduce the annual contractual repayment obligation of CUWCD for any such ULS Project Water equal to the ULS Project Water repayment obligation for delivered water, including operation and maintenance expenses, for water saved for instream flows. CUWCD shall credit or rebate to SUVMWA its proportionate share of CUWCD's repayment savings for reductions in deliveries of ULS Project Water as a result of this provision.

#### **10. Water Sales Contracts**

SUVMWA shall allocate the ULS Project Water to those individual Member Municipalities that comprise SUVMWA who desire to use of ULS Project Water on such terms and conditions as SUVMWA and its Member Municipalities agree upon. In allocating the ULS Project Water, SUVMWA may provide for the reallocation of ULS Project Water among the various Member Municipalities in the event one such member requires more or less water than it initially allocated to it. Each Member Municipality, as a condition to the CUWCD's acceptance of this Petition, has adopted the ordinance attached hereto authorizing each Member Municipality to sign this Petition to secure its performance under the Water Sales Contracts to SUVMWA and SUVMWA's obligations to the CUWCD under this Petition. The Member Municipalities may apportion the obligation created by this Petition among them in the same proportion as the quantity of ULS Project Water allocated to them by SUVMWA. If the amount of ULS Project Water allocated is adjusted among the Member Municipalities, as provided herein, the proportionate share of the obligation to be paid by each Member Municipality through SUVMWA shall be similarly adjusted among them. Copies of all allocation agreements shall be kept on file with the CUWCD and SUVMWA.

**11. Quantity of Water Delivered**

(a) Subject to CUWCD's operating criteria, ULS Project Water shall be released from Strawberry Reservoir; provided, however, that any ULS Project Water remaining in storage at midnight on October 31 of each year shall revert to CUWCD.

(b) In the event of shortage, deliveries of the ULS Project Water allotted hereunder shall be reduced in proportion to the total ULS Project Water supply available for M&I use, as determined by CUWCD. Payments to CUWCD provided herein shall not be reduced because of any such shortage.

(c) It is acknowledged that the sale and delivery of ULS Project Water is subject to the terms and conditions of the Agreement of February 27, 1980, by and among the United States, the State of Utah, and CUWCD relating to the maintenance of minimum stream flows at locations within the Duchesne and Strawberry River drainages and the September 13, 1990, Amendment to Agreement (both collectively referred to herein as the "Instream Flow Agreement"). The Instream Flow Agreement provides that in the event of shortages, the shortages will be shared on a pro-rata basis between the water committed for instream flows and that portion of the ULS Project Water committed for transmountain diversion for irrigation use. Water for M&I uses shall have a higher priority than either irrigation water or minimum stream flow water; provided, however, that this priority shall not apply to Bonneville Unit irrigation water developed by the Project converted to M&I use as authorized in the 1965 Repayment Contract.

**12. Collection of Fees and Charges**

SUVMWA will levy and collect all necessary fees, charges, and assessments from its member municipalities in sufficient amounts to pay to CUWCD all separate costs required by



Paragraph 2 herein ("Petition Payments"). SUVMWA shall pay to CUWCD the full amount of the Petition Payments regardless of whether SUVMWA collects the full amount of its annual fees, charges, and assessments from its Member Municipalities.

**13. Refusal of Water in Case of Default**

No ULS Project Water shall be delivered to SUVMWA if it is in arrears for more than 30 days in the payment to CUWCD of any payment required by this Petition. Deliveries shall resume upon payment in full of any such arrearage and any interest and penalties imposed by this Petition. Funds received to cure this arrearage shall be first applied by CUWCD to payment of accrued interest, then to payment of any penalties, and then towards the reduction of principal.

**14. Modification of Petition**

(a) If SUVMWA determines that the quantity of ULS Project Water petitioned for is in excess of SUVMWA's needs and that other water users within CUWCD have a need for this ULS Project Water, CUWCD, with the approval of SUVMWA and the United States, may modify this Petition by reducing the total number of acre-feet of ULS Project Water allotted to SUVMWA and by making a corresponding reduction in SUVMWA's payment obligations.

(b) If SUVMWA notifies CUWCD that it no longer has a need for any of the ULS Project Water, CUWCD, in its sole discretion, may terminate this Petition, which termination is subject to the approval of the United States. In the event of termination, SUVMWA shall be relieved of any future obligation under this Petition, but termination shall not relieve SUVMWA of its obligation to pay CUWCD any past due charges under paragraph 2 of this Petition.

(c) If CUWCD cannot locate another petitioner acceptable to CUWCD for this ULS Project Water, or if the United States will not consent to the termination of this Petition, this Petition shall remain in full force and effect.

**15. Delinquency Charges**

Every payment required under this Petition which shall remain unpaid after it shall have become due and payable shall be subject to interest in the amount of one percent (1%) of the delinquent amount per month from the date of delinquency until such time as the delinquent amount and all accrued interest has been paid in full; provided, however, that no interest shall be charged to or paid by SUVMWA unless such delinquency continues for more than thirty (30) days.

**16. Petition Subject to the ULS Repayment Contract**

This Petition is expressly made subject to the terms and conditions of the ULS Repayment Contract, Contract No. 04-WC-40-120, between CUWCD and the United States.

**17. Equal Employment Opportunity**

As required by the ULS Repayment Contract, during the performance of this contract, SUVMWA agrees as follows:

(a) SUVMWA will not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, or national origin. SUVMWA will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, disability, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. SUVMWA agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the United States setting forth the provisions of this nondiscrimination clause.

(b) SUVMWA will, in all solicitations or advertisements for employees placed by or on behalf of SUVMWA; state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, disability, or national origin.

(c) SUVMWA will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the United States, advising the labor union or workers' representative of SUVMWA's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) SUVMWA will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) SUVMWA will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Secretary and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of SUVMWA's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and SUVMWA may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

**18. Compliance with Laws**

SUVMWA shall, within its legal authority, comply fully with all applicable federal laws, orders and regulations, and the laws of the State of Utah, all as administered by appropriate authorities, concerning the pollution of streams, reservoirs, ground water, or water courses with respect to thermal pollution or the discharge of refuse, garbage, sewage effluent, industrial waste, oil, mine tailings, mineral salts or other pollutants. SUVMWA shall similarly comply with all applicable federal laws, orders and regulations, and the laws of the State of Utah, all as administered by appropriate authorities, concerning the pollution of air with respect to radioactive materials or other pollutants.

**19. Rule Making Authority**

SUVMWA and CUWCD reserve the right to adopt rules and regulations, and to exercise their full statutory powers, including specifically the right to amend their rates, rules and their regulations in the future, and the right to exercise their statutory powers, as they now exist or are amended or enacted in the future, and it is expressly agreed that SUVMWA and CUWCD, by signing this Petition, have not surrendered any of their rights in this regard.

**20. Subject To Construction of Facilities and Appropriation of Funds**

This Petition is subject to the United States and CUWCD constructing facilities essential for the delivery of water committed hereby and to water being available under the Bonneville Unit water rights. The expenditure of any money, or the performance of any work by the United States and or CUWCD, which may require appropriations of money by Congress, or the allotment of funds, shall be contingent upon such appropriations or allotments being made. The failure of Congress to so appropriate funds, or the absence of any allotment of funds, shall not relieve SUVMWA or its Member Municipalities from any obligations under Allotment Notice(s)

given under this Petition for ULS Project Water already being delivered, and no liability shall accrue to the United States or CUWCD in case such funds are not appropriated or allotted and ULS Project Water is not delivered.

**21. Water Conservancy Act of Utah**

This Petition shall be subject to the Water Conservancy Act of Utah, Title 17A, Chapter 2, Section 1401 *et seq.* Utah Code Annotated, as it may be amended from time to time; the rules and regulations of the Board of Trustees of CUWCD as adopted from time to time; and, the ULS Repayment Contract and the 1965 Repayment Contract as amended and supplemented; provided that such amendments, rules, regulations and contracts shall not impair SUVMWA's rights, duties and obligations under this Petition.

**22. Federal Law**

This Petition is subject to all applicable Federal laws, particularly the Federal Reclamation Law, Act of June 17, 1902, (32 Stat. 388), and acts amendatory thereof and supplementary thereto.

**23. Termination of Petition**

CUWCD may terminate this Petition by written notice to SUVMWA if SUVMWA is in arrears more than 12 months in any payments owed to CUWCD under Paragraph 2 of this Petition. Notwithstanding the foregoing, neither CUWCD nor SUVMWA shall have the right to terminate this Petition without the express approval of the United States, which approval shall not be unreasonably withheld.

**24. Assignment Limited - Successors and Assigns Obligated**

The provisions of this Petition shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Petition by SUVMWA, or any part or interest therein, shall be valid until approved in writing by CUWCD and the United States.

**25. Notices**

Any notice, demand, or request authorized or required by this contract shall be deemed to have been given to the United States when mailed, postage prepaid, or delivered to the Program Director, Central Utah Project Completion Act Office, Department of Interior, 302 East 1860 South, Provo, Utah 84606; to CUWCD when mailed, postage prepaid, or delivered to the General Manager, Central Utah Water Conservancy District, 355 West University Parkway, Orem, Utah 84058; and to SUVMWA when mailed, postage prepaid, or delivered to the Chairman, South Utah Valley Municipal Water Association, P.O. Box 412, Spanish Fork, Utah 84660. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

**26. Officials Not to Benefit**

No Member of or Delegate to the Congress, Resident Commissioner, or official of CUWCD and/or SUVMWA shall benefit from this contract other than as a water user or landowner in the same manner as other water users or landowners.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first written above.

**CENTRAL UTAH WATER  
CONSERVANCY DISTRICT**

By: *E. J. Hoke*  
President, Board of Trustees

ATTEST:

*Hon. A. Christensen*  
Secretary

**UNITED STATES OF AMERICA  
DEPARTMENT OF INTERIOR**

By: *Ronald Johnston*  
Ronald Johnston, Program Director

APPROVED:

*Christopher B. Rich*  
Office of the Regional Solicitor  
Christopher B. Rich, Esq.

**SOUTH UTAH VALLEY MUNICIPAL WATER ASSOCIATION**

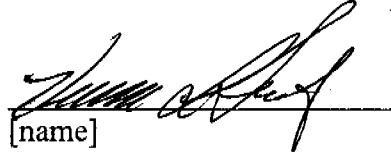
By: *Dale R. Wills*  
[name] Dale R. Wills  
Its: President

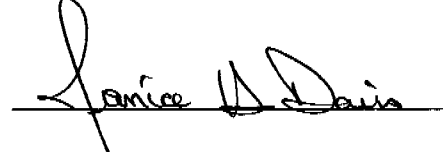
Attest: *Mary Lynn Bjorn*  
By: [name]  
Its: Recording Secretary

Elk Ridge Town

SEAL

Attest: City Recorder


  
[name]  
Mayor

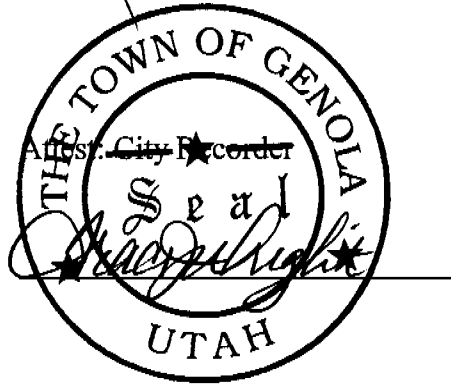
  
Lanice D Davis

Genola Town

SEAL

Attest: City Recorder

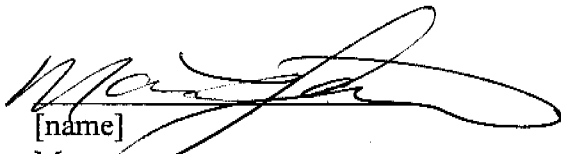
  
[name]  
Mayor

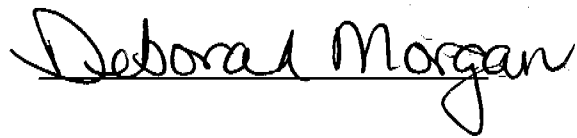


Goshen Town

SEAL

Attest: City Recorder

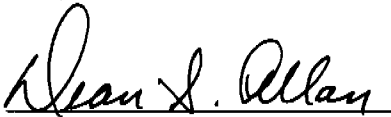
  
[name]  
Mayor

  
Deborah Morgan

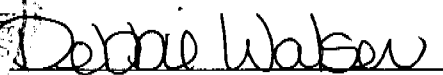
Mapleton City

SEAL

Attest: City Recorder

  
[name]  
Mayor




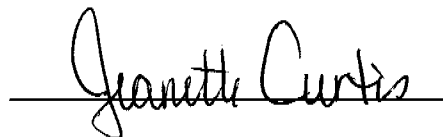
  
Debbie Watson

Payson City



Attest: City Recorder

  
[name]  
Mayor

  
Janette Curtis

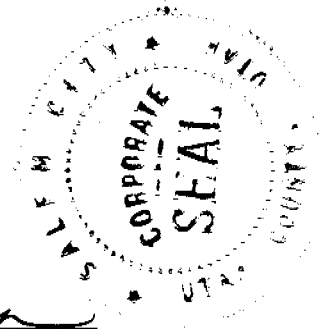


Salem City SEAL

*Dandy Abrahamson*  
[name]  
Mayor

Attest: City Recorder

*Jeff Nul*

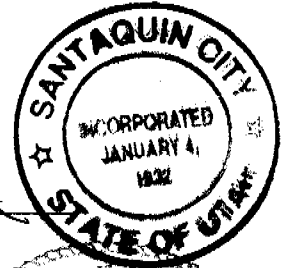


Santaquin City SEAL

*Paul Scott*  
[name]  
Mayor

Attest: City Recorder

*Stewart*



Spanish Fork City SEAL

*Paul R. Barney*  
[name]  
Mayor

Attest: City Recorder

*Kent R. Clark*



Springville City SEAL

*[Signature]*  
[name]  
Mayor

Attest: City Recorder

*Jo Evans*

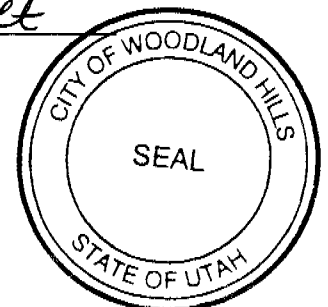


Woodland Hills Town SEAL

*Noby M. Harding*  
[name]  
Mayor

Attest: City Recorder

*Brenda Gruet*



**RESOLUTION**

Be it and it is hereby resolved that the Governing Authority of the South Utah Valley Municipal Water Association has approved that certain Petition to the Central Utah Water Conservancy the District for an allotment of water for municipal and industrial use, designated *Petition of South Utah Valley Municipal Water Association to the Central Utah Water Conservancy District for the Allotment of Water for Municipal and Industrial Use*, and hereby authorizes its officers to execute said Petition on its behalf.

**CERTIFICATE**

I Gaylynn B. Jensen, Secretary of the South Utah Valley Municipal Water Association do hereby certify that the foregoing is a full, true, and correct copy of the resolution passed by the Governing Authority of the South Utah Valley Municipal Water Association at a meeting held on the 9 day of September, 2004. I further certify that at said meeting 9 Governing Authority Members were present, that 9 Governing Authority Members voted in favor of said resolution and that 0 Governing Authority Members voted against said resolution. I further certify that the total number of Governing Authority Members of South Utah Valley Municipal Water Association is 10.

Dated this 23 day of September, 2004.

Gaylynn B. Jensen  
Secretary

ACKNOWLEDGMENT

STATE OF UTAH )

:SS

COUNTY OF UTAH )

On the \_\_\_\_\_ day of \_\_\_\_\_, 2004, personally appeared before me \_\_\_\_\_ and \_\_\_\_\_, who being by me duly sworn, did say that \_\_\_\_\_ is the Secretary and Chairman of South Utah Valley Municipal Water Association, and that the aforesaid Petition to the Central Utah Water Conservancy the District was signed on behalf of said the Association by authority of a resolution of its Governing Authority at a regular meeting of said Governing Authority, and at which a quorum of the Governing Authority was in attendance, and the said \_\_\_\_\_ and the said \_\_\_\_\_ acknowledged to me that said the South Utah Valley Municipal Water Association executed the same.

My Commission Expires:

\_\_\_\_\_

Notary Public

Residing at \_\_\_\_\_

NOT  
NEEDED

**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of Elk Ridge (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.


Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 14 day of Sept, 2004.

  
\_\_\_\_\_  
MAYOR

[SEAL]

  
\_\_\_\_\_  
ATTEST: CITY RECORDER

**CERTIFICATE**

STATE OF UTAH                    )

)

COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of Elk Ridge. I further certify, according to the records of the City of Elk Ridge in my official position and upon my own knowledge and belief, that:

(1) the City of Elk Ridge ("City") is a duly organized and existing municipality under the provisions of the State of Utah; the legislative powers of the City are by law vested in a City Council composed of 5 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on Sept 14, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to

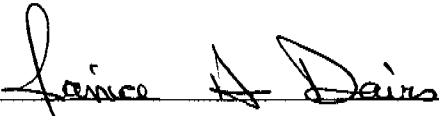
motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, Sept 20, 2004.

  
\_\_\_\_\_  
CITY RECORDER

[SEAL]

**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of GOSHEN (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

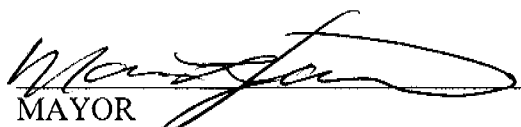
Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 14 day of SEPTEMBER 2004.

  
MAYOR

  
ATTEST: CITY RECORDER

[SEAL]



**CERTIFICATE**

STATE OF UTAH            )  
                                          )  
COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of GOSHEN. I further certify, according to the records of the City of GOSHEN in my official position and upon my own knowledge and belief, that:

(1) the City of GOSHEN ("City") is a duly organized and existing municipality under the provisions of the STATE OF UTAH; the legislative powers of the City are by law vested in a City Council composed of 4 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on SEPTEMBER 14, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to



motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, SEPTEMBER 20, 2004.

Deborah Morgan  
CITY RECORDER

[SEAL]

**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of PAYSON (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 1 day of SEPTEMBER, 2004.

Bernell G. Evans  
MAYOR

Jeanette Curtis  
ATTEST: CITY RECORDER



## CERTIFICATE

STATE OF UTAH                    )

)

COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of PAYSON. I further certify, according to the records of the City of PAYSON in my official position and upon my own knowledge and belief, that:

(1) the City of PAYSON ("City") is a duly organized and existing municipality under the provisions of the STATE OF UTAH; the legislative powers of the City are by law vested in a City Council composed of 5 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on SEPTEMBER 1, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to

motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, SEPTEMBER 20, 2004.

  
\_\_\_\_\_  
CITY RECORDER



**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of Woodland Hills (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

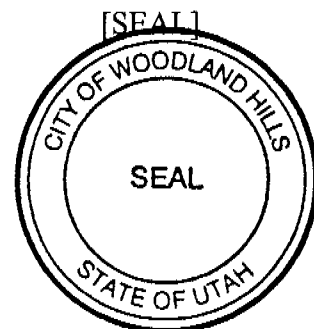
(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 22 day of Sept., 2004.

Koby M. Gaudin  
MAYOR

Brenda Truett  
ATTEST: CITY RECORDER



## CERTIFICATE

STATE OF UTAH                    )

)

COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of Woodland Hills. I further certify, according to the records of the City of Woodland Hills in my official position and upon my own knowledge and belief, that:

(1) the City of Woodland Hills ("City") is a duly organized and existing municipality under the provisions of the State of Utah; the legislative powers of the City are by law vested in a City Council composed of 4 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on Sept 22, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to

motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

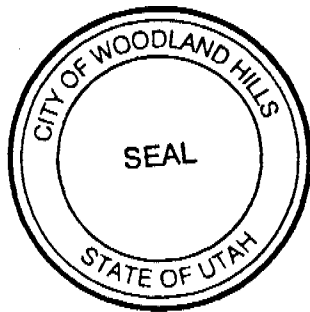
(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, Sept. 23, 2004.

Brenda Truett

CITY RECORDER

[SEAL]



**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of Salem (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 1 day of Sept., 2004.

[SEAL]

\_\_\_\_\_  
MAYOR

*Jeffrey Huber*  
\_\_\_\_\_  
ATTEST: CITY RECORDER





## CERTIFICATE

STATE OF UTAH                    )

)

COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of Salern. I further certify, according to the records of the City of Salern in my official position and upon my own knowledge and belief, that:

(1) the City of Salern ("City") is a duly organized and existing municipality under the provisions of the State of Utah; the legislative powers of the City are by law vested in a City Council composed of 5 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on September 1, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to

motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, September 21, 2004.

  
CITY RECORDER

[SEAL]



**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of Spanish Fork (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

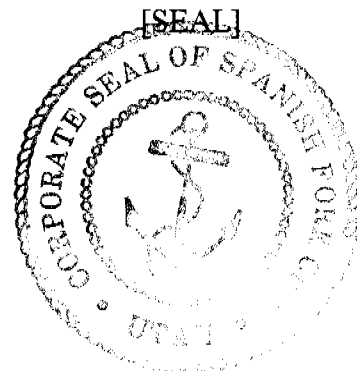
(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 7 day of Sept, 2004.

Dale B. Boney  
MAYOR

Rent R. Clark  
ATTEST: CITY RECORDER



**CERTIFICATE**

STATE OF UTAH            )  
                                          )  
COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of Spanish Fork. I further certify, according to the records of the City of Spanish Fork in my official position and upon my own knowledge and belief, that:

(1) the City of Spanish Fork ("City") is a duly organized and existing municipality under the provisions of the State of Utah; the legislative powers of the City are by law vested in a City Council composed of 5 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on Sept 7, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to

motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

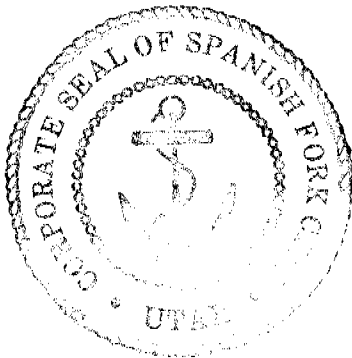
(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, Sept. 21, 2004.

Kent R. Clark

CITY RECORDER

[SEAL]



**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of Springville (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 7 day of Sept, 2004.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
ATTEST: CITY RECORDER

[SEAL]



## CERTIFICATE

STATE OF UTAH                    )

)

COUNTY OF UTAH)

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of Springville. I further certify, according to the records of the City of Springville in my official position and upon my own knowledge and belief, that:

(1) the City of Springville ("City") is a duly organized and existing municipality under the provisions of the State of Utah; the legislative powers of the City are by law vested in a City Council composed of 5 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on Sept 7, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to

motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, Sept 21, 2004.



[SEAL]

*J. Evans*  
\_\_\_\_\_  
CITY RECORDER



**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of Mapleton (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 14 day of Sept., 2004.

Klean S. Allan  
MAYOR

Dobbie Watson  
ATTEST: CITY RECORDER



## CERTIFICATE

STATE OF UTAH                    )

)

COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of Mapleton. I further certify, according to the records of the City of Mapleton in my official position and upon my own knowledge and belief, that:

(1) the City of Mapleton ("City") is a duly organized and existing municipality under the provisions of the State of Utah; the legislative powers of the City are by law vested in a City Council composed of 5 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on Sept. 7, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to

motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, Sept. 23, 2004.

Debbie Walsen

CITY RECORDER

[SEAL]



**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of Santaquin (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

Section 2. Miscellaneous: Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

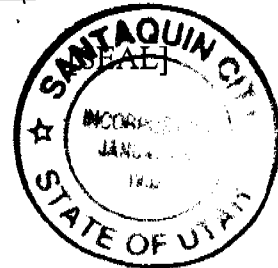
(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 22 day of Sept, 2004.

A. Robert A. Hill  
MAYOR

Suzanne M. Th  
ATTEST: CITY RECORDER



**CERTIFICATE**

STATE OF UTAH                    )

)

COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City <sup>Manager</sup> Recorder of the City of Santaquin. I further certify, according to the records of the City of Santaquin in my official position and upon my own knowledge and belief, that:

(1) the City of Santaquin ("City") is a duly organized and existing municipality under the provisions of the State of Utah; the legislative powers of the City are by law vested in a City Council composed of 5 members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in <sup>Special</sup> regular public session on Sept 23, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to

motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

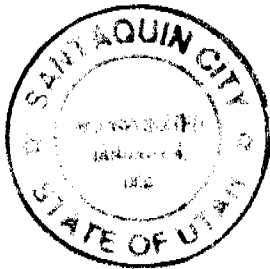
**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, Sept 23, 2004.



CITY RECORDER

City Manager

[SEAL]



**AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY  
OF PETITION TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT  
FOR ALLOTMENT OF WATER FOR MUNICIPAL AND INDUSTRIAL USE**

WHEREAS, City of Genola (the "City"), a member Municipality of the South Utah Valley Municipal Water Association, ("Association"), desires to Petition the Central Utah Water Conservancy District ("District"), individually and collectively through the Association, for an Allotment of Water for Municipal and Industrial Use to provide a needed water supply for the inhabitants of the City, in accordance with U. C. A. §17A-2-1414 of the Utah Water Conservancy District Act, as amended; and

WHEREAS, the City Council ("Council") has determined that it is necessary, desirable and in the best interests of the City to authorize the execution and delivery of the Petition by the City and the Association and the taking of other necessary actions in connection therewith;

NOW, THEREFORE, BE IT ORDAINED by the Council of City as follows:

Section 1. Execution, Delivery and Filing of the Petition. The Petition, in substantially the form attached hereto, is hereby authorized and approved and the Mayor is hereby authorized, empowered and directed to execute and deliver the Petition on behalf of the City, and that the City is bound thereby, and that the Association is hereby expressly authorized to execute the Petition on behalf of the Association and its Member Municipalities. The City Recorder is hereby authorized, empowered and directed to countersign and affix the corporate seal of the City to the Petition and to attest such seal, the execution thereof to constitute conclusive evidence of such approval. Promptly upon its execution, the Petition shall be filed in the official records of the City as required by Section 11-13-10, Utah Code Annotated 1953, as amended and shall be published and posted as required by law.

Section 2. Miscellaneous; Effective Date.

(a) All previous acts and ordinance in conflict with this ordinance or any part hereof are hereby repealed to the extent of such conflict.

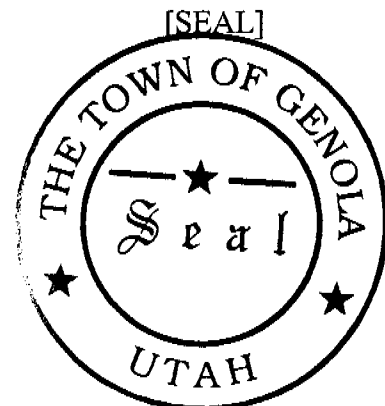
(b) In case any provision in this ordinance shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This ordinance shall take effect immediately upon its adoption, approval, publication and posting.

ADOPTED AND APPROVED this 22<sup>nd</sup> day of Sept., 2004.

W. Neil Brown  
MAYOR

Craci Bogdan  
ATTEST: CITY RECORDER



## CERTIFICATE

STATE OF UTAH                    )

)

COUNTY OF UTAH )

I, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of the City of Genola. I further certify, according to the records of the City of Genola in my official position and upon my own knowledge and belief, that:

(1) the City of Genola ("City") is a duly organized and existing municipality under the provisions of the State of Utah; the legislative powers of the City are by law vested in a City Council composed of four members ("Council"); and neither the corporate existence of the City, nor the titles of the members of the Council or the officers of the City are being contested;

(2) the Council met in regular public session on Sept 22, 2004, (the "Meeting"), to consider and act upon the items listed on the Notice of Public Meeting attached as EXHIBIT A hereto (the "Notice"), which included, among other things, consideration of the Ordinance attached hereto (the "Ordinance");

(3) the Meeting was held at the regular meeting place of the Council within the boundaries of the City, as set forth in the Notice of Annual Meeting Schedule for 2004 which had been posted and provided in accordance with Section 52-4-6(1), Utah Code Annotated 1953, as amended;

(4) in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, not less than 24 hours' public notice of the agenda, date, time and place of the Meeting was given by the posting of the Notice at the principal office of the Council and by providing a copy of the Notice to a newspaper of general circulation within the geographic jurisdiction of the City or to a local media correspondent;

(5) a quorum of the Council was present and acting throughout the Meeting; during the Meeting, the Ordinance was introduced in written form and, pursuant to



motion duly made and seconded, was adopted and approved by a vote of at least a majority of the members of the Council present and voting at the Meeting;

(6) The Ordinance was signed by the Mayor and was sealed and the seal attested by the undersigned as Secretary of the Council, and the Ordinance, its exhibits, and the minutes of the Meeting are recorded in the official records of the City.

(7) The Petition has been approved by an attorney duly authorized by the City as being in proper form and compatible with the laws of the State of Utah; and a true, correct and complete copy of the Petition has been filed in the office records of the City in compliance with law; and,

(8) All conditions, acts and things required by law to exist, to have happened and to be performed by the City preliminary to and in connection with the execution and delivery of the Petition exist, have happened and have been performed.

**IN WITNESS WHEREOF**, I have subscribed my official signature and impressed or imprinted hereon the official seal of the City this day, Sept - 24, 2004.

  
CITY RECORDER





## STAFF REPORT

**DATE:** October 25, 2021  
**TO:** Honorable Mayor and City Council  
**FROM:** Bruce Riddle, Finance Director  
**SUBJECT:** WATER & SEWER REVENUE AND REFUNDING BONDS  
PARAMETERS RESOLUTION

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### RECOMMENDED MOTION

The Finance Department recommends adopting Resolution \_\_\_\_\_ authorizing the issuance of up to \$13,000,000 Water and Sewer Revenue and Refunding Bonds, Series 2021 of Springville City, Utah; and providing for related matters.

### SUMMARY OF ISSUES/FOCUS OF ACTION

Adoption of this resolution authorizes the Designated Officers of the City (the City Administrator, Finance Director or Mayor) to take advantage of current bond market conditions and proceed with issuing (a) refunding bonds associated with the 2008 Water & Sewer Revenue bonds that were issued for system improvements and (b) Water Revenue bonds (new money) for the construction of a water tank.

### BACKGROUND

In 2008 the City of Springville issued Water and Sewer Revenue Bonds in the amount of \$15,135,000 for the purpose of constructing a waste water treatment plant and making a number of system improvements to the water system. To date the proceeds of the bonds have been spent in their entirety for their intended purposes. The Series 2008 bonds were amended in 2013 to an average coupon of 2.80%; a call date of February 1, 2021 at par; and a final maturity of February 2028.

The FY2021 Adopted Budget included the assumption that new debt of \$5,000,000 would be issued for the construction of a new water tank.

### DISCUSSION

With the call date of February 1, 2021 reached, staff has been working with the City's financial advisors, John Crandall and Elizabeth Read of Stifel Financial (previously George K. Baum and Company), to explore opportunities to take advantage of the unusually low interest rates currently available in the bond market. The intent of this

bond issuance is to combine the Series 20028 refunding with the Water Revenue Bond (new money) issue to realize efficiencies in the issuing process and save additional bond issuance costs.

The City's financial advisor recommends issuing bonds through a public offering. Current market conditions are such that, the City should be able to expect net interest rates below 2%. At these rates, the refunding would generate net present value (NPV) savings of approximately \$470,000 and very low rates for the new-money portion of the issuance for the 20-year amortization of the bonds.

### **ALTERNATIVES**

At its option, the City Council could consider any of the following alternatives:

- Do nothing and continue servicing the existing bonds. This would necessitate finding a different funding source for the water tank.
- Wait for different market conditions. Rates appear to be rising; delaying issuance is not recommended
- Proceed with the refunding and not issue new debt for the water tank, which would require finding a new funding source.

### **FISCAL IMPACT**

The refunding bonds should produce savings of approximately \$470,000 over the remaining life of the bonds. The new-money bonds will subject the City to an addition \$5,000,000 in debt and annual debt service of approximately \$305,000 per year for their 20-year amortization. This debt service has been planned for in the Water Department's 20-year plan.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE ISSUANCE AND THE SALE OF NOT TO EXCEED \$13,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE BONDS

\*\*\*            \*\*\*            \*\*\*

Whereas, Springville City, Utah (the “City”) is a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah; and

Whereas, the City considers it necessary and desirable and for the benefit of the City and the users of the System (as hereinafter defined) to issue water and sewer revenue bonds as hereinafter provided for the purpose of (a) financing the cost of acquisition, construction and completion of improvements to the water system of the City (collectively, the “Project”) and (b) refunding of the City’s Water and Sewer Revenue Refunding Bonds, Series 2008 (the “Refunded Bonds”).

Whereas, pursuant to and in accordance with the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Utah Code”) and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code (collectively, the “Act”), the General Indenture of Trust, dated as of October 1, 1998 (the “General Indenture”), between the City and U.S. Bank National Association, as trustee (the “Trustee”), as amended and supplemented (the copy of which is attached hereto as *Exhibit A*), and one or more Supplemental Indentures of Trust (the “Supplemental Indenture” and, together with the General Indenture, the “Indenture”), between the City and the Trustee (the form of which is attached hereto as *Exhibit B*), the City has determined that it is in the best interest of the City to (a) issue not more than \$13,000,000 Water and Sewer Revenue and Refunding Bonds in one or more series (the “Bonds”) pursuant to this Resolution and the Indenture to provide funds for the purpose of (i) paying a portion of the costs of the Project, (ii) refunding the Refunded Bonds, (iii) funding a debt service reserve fund, if necessary, and (iv) paying costs of issuance relating to the issuance, sale and delivery of the Bonds and (b) to cause the proceeds of the sale of the Bonds to be applied in accordance with the Indenture; and

Whereas, the City is authorized by the Act to enter into the Indenture and to issue the Bonds; and

WHEREAS, in the opinion of the City, it is in the best interests of the City that (a) the City Administrator (or, in the event of the absence or incapacity of the City Administrator, the Finance Director, or in the event of the absence or incapacity of both the City Administrator and the Finance Director, the Mayor (collectively, the “Designated Officer”)) be authorized to (i) determine whether to pursue a competitive sale, negotiated sale or private purchase for the sale of the Bonds, (ii) if a private purchase sale is pursued, select a purchaser for the Bonds, (iii) if a competitive sale is pursued, accept or reject the bids received for the Bonds pursuant to the PARITY<sup>®</sup> electronic bid submission system and determine the best bid received that conforms to the parameters,

deadlines and procedures set forth in the notice of sale prepared in connection with the advertisement for sale of the Bonds, (iv) if a negotiated sale is pursued, select an underwriter for the Bonds, and (v) approve the final principal amount, maturity amounts, interest rates, dates of maturity and other terms and provisions relating to the Bonds and the Bonds and to execute each Certificate of Determination, if necessary, containing such terms and provisions and (b) the Mayor be authorized to execute the Official Statement with respect to the Bonds; and

Whereas, Sections 11-14-316 and 11-27-4 of the Utah Code provides for the publication of a Notice of Bonds to be Issued and the City Council of the City (the "City Council") desires to publish such a Notice of Bonds to be Issued at this time in compliance with said section with respect to said Bonds;

WHEREAS, Section 11-14-318 of the Utah Code requires that a public hearing be held to receive input from the public with respect to the issuance of the Bonds and the potential economic impact that the Project will have on the private sector after giving notice of such public hearing as provided by law, and the City desires to cause the publication of such a notice; and

Whereas the expenditures relating to the Project (the "*Expenditures*") (i) have been paid from the City's Water Fund (the "*Fund*") within sixty days prior to the passage of this Resolution or (ii) will be paid from the Fund on or after the passage of this Resolution;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Springville City, Utah, as follows:

*Section 1. Issuance of Bonds.* (a) In accordance with and subject to the terms, conditions and limitations established by the Act and in the Indenture and for the purposes set forth herein, there is hereby authorized and directed the execution, issuance, sale and delivery of the Bonds in one or more series in the aggregate principal amount not to exceed \$13,000,000. The Bonds shall be dated as of the date of the initial delivery thereof. The Bonds shall be in authorized denominations, shall be payable, and shall be executed and delivered all as provided in the Indenture. The Bonds shall be subject to redemption prior to maturity as provided in the Indenture.

The Bonds shall mature in the years and in the principal amounts, and shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) from the dated date, payable semiannually each year, and at the rates per annum and commencing on the dates, all as provided in the Certificate of Determination, a form of which is attached hereto as *Exhibit C* (the "*Certificate of Determination*") or the Purchase Contract (defined below). The Bonds shall be issued in authorized denominations and shall be executed and payable as provided in the Indenture.

(b) There is hereby delegated to the Designated Officer, subject to the limitations contained in this Resolution, the power to determine and effectuate the following with respect to the Bonds and the Designated Officer is hereby authorized to make such determinations and effectuations:

- (i) the aggregate principal amount of the Bonds; *provided* that the aggregate principal amount of all series of the Bonds shall not exceed \$13,000,000;
- (ii) the maturity date or dates and principal amount of each maturity of the Bonds to be issued; *provided, however*, that the final maturity of each series of Bonds shall not be later than twenty-one years from their date or dates;
- (iii) the interest rate or rates of the Bonds, *provided, however*, that the interest rate or rates to be borne by any Bond shall not exceed 5.00% per annum;
- (iv) the sale of the Bonds to the purchaser of the Bonds (the “*Purchaser*”) and the purchase price to be paid by the Purchaser for the Bonds; *provided, however*, that the discount from par of the Bonds shall not exceed 2.00% (expressed as a percentage of the principal amount);
- (v) the Bonds, if any, to be retired from mandatory sinking fund redemption payments and the dates and the amounts thereof;
- (vi) the optional redemption date of the Bonds, if any;
- (vii) the use and deposit of the proceeds of the Bonds;
- (viii) the maturity dates and amounts, if any, of the Refunded Bonds to be refunded by the Bonds;
- (ix) the amount, use and deposit of any funds of the City legally available to provide for the refunding of the Refunded Bonds (including monies held by the City for payment of debt service on the Refunded Bonds); and
- (x) any other provisions deemed advisable by the Designated Officer not materially in conflict with the provisions of this Resolution.

The City expects to issue the Bonds through one or more competitive sales. However, there is hereby delegated to the Designated Officer the authority to determine the method of sale for each series of Bonds. If a negotiated sale or private purchase is pursued for a series of Bonds, the Designated Officer is authorized to select the Purchaser or underwriter and to obtain such information as he or she deems necessary to make such determinations as provided above.

If a competitive sale is pursued for a series of Bonds, immediately following the date and time specified in the Official Notice of Bond Sale attached to the Official Statement for the receipt of bids for the purchase of the Bonds, the Designated Officer shall obtain such information as he or she deems necessary to make such determinations as provided above and to determine the bid of the responsible bidder that results in the lowest effective interest rate to the Issuer (the “*Best Bidder*”). Thereupon, the Designated Officer shall make such determinations as provided above, shall award the bid to the Best Bidder and shall execute the Certificate of Determination containing such terms and provisions of the Bonds, which execution shall be conclusive evidence of the

awarding of such bid to the Best Bidder and the action or determination of the Designated Officer as to the matters stated therein. The provisions of the Certificate of Determination shall be deemed to be incorporated in Article II hereof. If the Designated Officer determines that it is in the best interest of the Issuer and the District, the Designated Officer may (a) waive any irregularity or informality in any bid or in the electronic bidding process; and (b) reject any and all bids for the Bonds.

In the event the method of sale selected by the Designated Officer for a series of Bonds is a negotiated sale or private purchase, a Purchase Contract (the "*Purchase Contract*"), in substantially the form attached hereto as *Exhibit F* and containing substantially the terms and provisions set forth therein, is hereby authorized and approved. To evidence the acceptance of each Purchase Contract, the President is hereby authorized and directed to execute and deliver, and the City Recorder to attest, countersign and seal each Purchase Contract, in substantially the form attached hereto as *Exhibit F*, with such insertions, deletions, changes, omissions and variations as the Mayor may deem appropriate (such approval of the Mayor of any such changes shall be conclusively established by the execution of each Purchase Contract).

(c) Each series of Bonds shall be subject to redemption prior to maturity as provided in the Indenture.

(d) The form of the Bonds set forth in the Supplemental Indenture, subject to appropriate insertion and revision in order to comply with the provisions of the Indenture, is hereby approved.

(e) The Bonds shall be special obligations of the City, payable from and secured by a pledge and assignment of the Net Revenues (as defined in the Indenture) derived by the City from the operation of its System (as defined in the Indenture) for the distribution of water, and certain funds established under the Indenture, subject to the application of the Net Revenues upon the terms and conditions set forth in the Indenture. The Bonds shall not be obligations of the State of Utah or any other political subdivision thereof, other than the City, and neither the faith and credit nor the taxing or appropriation power of the State of Utah or any political subdivision thereof, including the City, is pledged to the payment of the Bonds. The Bonds shall not constitute general obligations of the City or any other entity or body, municipal, state or otherwise.

*Section 2. Approval of General Indenture and Approval and Execution of Supplemental Indenture.* The General Indenture and the Supplemental Indenture, in substantially the forms attached hereto as *Exhibits A* and *B*, respectively, are hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Supplemental Indenture on behalf of the City, and the City Recorder is hereby authorized, empowered and directed to attest such execution and to countersign, and to affix the seal of the City to the Supplemental Indenture, with such changes to the Supplemental Indenture from the forms attached hereto as are approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval. The provisions of the General Indenture and the Supplemental Indenture, as executed and delivered, are hereby incorporated in and made a part of this resolution. The General Indenture and the Supplemental Indenture shall constitute a "system of registration" for all purposes of the Registered Public Obligations Act of Utah.

*Section 3. Approval of Continuing Disclosure Undertaking.* A Continuing Disclosure Undertaking relating to each series of Bonds (the “*Continuing Disclosure Undertaking*”), in substantially the form attached hereto as *Exhibit D* is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver each Continuing Disclosure Undertaking on behalf of the City, and the City Recorder is hereby authorized, empowered and directed to affix the seal of the City and to attest such seal, with such changes to each Continuing Disclosure Undertaking from the form attached hereto as are approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

*Section 4. Approval of Official Statement.* (a) An Official Statement of the City is hereby authorized in substantially the form presented at this meeting and in the form attached hereto as *Exhibit E* (the “*Official Statement*”), with such changes, omissions, insertions and revisions as the Mayor shall deem advisable, including the completion thereof with the information established at the time of the sale of the Bonds by the Designated Officer and set forth in the Certificate of Determination. The Mayor shall sign and deliver the Official Statement to the Purchaser for distribution to prospective purchasers of the Bonds and other interested persons. The approval of the Mayor of any such changes, omissions, insertions and revisions shall be conclusively established by the Mayor’s execution of the Official Statement.

(b) The use and distribution of an Official Statement in preliminary form (the “*Preliminary Official Statement*”), in substantially the form presented at this meeting and in the form attached hereto as *Exhibit E*, is hereby authorized and approved, with such changes, omissions, insertions and revisions as the Finance Manager shall deem advisable. The Mayor, the City Recorder and the Finance Manager are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to deem final the Preliminary Official Statement within the meaning and for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion thereof with the information established at the time of each series of Bonds. The Mayor, the City Recorder and the Finance Manager are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Bonds, and any actions taken thereby for purposes of deeming each Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission are hereby authorized, ratified and confirmed.

*Section 5. Other Certificates and Documents Required to Evidence Compliance with Federal Tax Laws.* Each of the Mayor and the City Recorder is hereby authorized and directed to execute such other certificates and documents as are required to evidence compliance with the federal laws relating to the tax-exempt status of interest on the Bonds.

*Section 6. Other Actions With Respect to the Bonds.* The officers and employees of the City shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the Act to carry out the issuance of the Bonds including, without limitation, the execution and delivery of any documents required to be delivered in connection with the sale and delivery of the Bonds. If (a) the Mayor or (b) the City Recorder shall be unavailable to execute or attest and



countersign, respectively, the Bonds or the other documents that they are hereby authorized to execute, attest and countersign the same may be executed, or attested and countersigned, respectively, (i) by the Mayor pro tempore or (ii) by any Deputy City Recorder.

*Section 7. Notice of Bonds to be Issued.* In accordance with the provisions of Sections 11-14-316 and 11-27-4 of the Utah Code, the City Recorder shall cause the “Notice of Bonds to be Issued,” in substantially the form attached hereto as *Exhibit G*, to be published one time in *The Daily Herald*, a newspaper of general circulation in the City, and shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in her office for public examination during the regular business hours of the City until at least thirty (30) days from and after the date of publication thereof.

For a period of thirty (30) days from and after publication of the Notice of Bonds to be Issued, any person in interest shall have the right to contest the legality of this Resolution or the Bonds hereby authorized or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Resolution or the Bonds or any provisions made for the security and payment of the Bonds for any cause.

*Section 8. Public Hearing.* (a) In satisfaction of the requirements of Section 11-14-318 of the Local Government Bonding Act, a public hearing shall be held by the City to receive input from the public with respect to the issuance by the City of the Bonds for the purposes set forth in Section 1 hereof and the potential economic impact of the Project on the private sector.

(b) The City Recorder shall cause the “Notice of Public Hearing,” in substantially the form attached hereto as *Exhibit H*, to be published (a) once each week for two consecutive weeks in *The Daily Herald*, a newspaper of general circulation in the City, with the first publication being at least 14 days prior to the date set for the public hearing and (b) on the Utah Public Notice Website no less than 14 days before the public hearing described in this Section.

*Section 9. Reimbursement.* For the purpose of satisfying certain requirements under the Internal Revenue Code of 1986, the City reasonably expects to reimburse the Expenditures with the proceeds of the Bonds to be issued in the maximum principal amount of \$13,000,000.

*Section 10. Resolution Irrepealable.* Following the execution and delivery of the Indenture, this resolution shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, cancelled, and discharged.

*Section 11. Severability.* If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

*Section 12. Effective Date.* This resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the City Council of Springville City, Utah, this November 2, 2021.

SPRINGVILLE CITY, UTAH

By \_\_\_\_\_  
Mayor

[SEAL]

ATTEST AND COUNTERSIGN:

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

**EXHIBIT A**

[GENERAL INDENTURE OF TRUST]

**EXHIBIT B**

[FORM OF SUPPLEMENTAL INDENTURE]

**EXHIBIT C**

[FORM OF CERTIFICATE OF DETERMINATION]

**EXHIBIT D**

[FORM OF CONTINUING DISCLOSURE UNDERTAKING]

**EXHIBIT E**

[FORM OF OFFICIAL STATEMENT]

**EXHIBIT F**

[FORM OF PURCHASE CONTRACT]



## EXHIBIT G

### NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of Sections 11-14-316 and 11-27-4 of the Utah Code Annotated 1953, as amended, that on November 2, 2021, the City Council of Springville City, Utah (the “City”), adopted a resolution (the “Resolution”) in which it authorized and approved the issuance of the City’s water and sewer revenue bonds in one or more series (the “Bonds”) in an aggregate principal amount of not to exceed Thirteen Million Dollars, to mature in not more than twenty-one years from their date or dates, to bear interest at a rate or rates not to exceed five percent per annum, and to be sold at a discount from par of not to exceed two percent. The purchaser or purchasers will be required to make a good faith deposit in connection with its agreement to purchase the Bonds.

The Bonds are to be issued and sold by the City pursuant to (1) the Resolution, (2) a General Indenture of Trust (the “General Indenture”) between the City and U.S. Bank National Association (the “Trustee”), and (3) a Supplemental Indenture of Trust (the “Supplemental Indenture”) between the City and the Trustee, supplementing the General Indenture. The Supplemental Indenture will be executed and delivered at a future date or dates prior to the issuance of the Bonds in substantially the form attached to the Resolution, with such changes thereto as shall be approved by the City, *provided* that the principal amount, interest rate or rates, maturity or maturities and discount will not exceed the maximums set forth above.

The Bonds are to be issued for the purpose of (a) financing the costs of the acquisition, construction and completion of improvements to the water system of the City, (b) refunding, if economically desirable in the City’s judgment, all or a portion of the City’s currently outstanding Water and Sewer Revenue Refunding Bonds, Series 2008 (the “Refunded Bonds”)(c) funding reserves, if necessary, and (d) paying certain costs relating to the issuance of the Bonds, all as set forth in the Resolution, the General Indenture and the Supplemental Indentures. The aggregate principal amount of the Bonds, if any, issued for the purpose of refunding the Refunded Bonds may exceed the aggregate principal amount of the Refunded Bonds. The City reserves the right to issue Bonds for the purpose described in clause (a) without issuing the Bonds for the purpose described in clause (b).

The Bonds shall be payable from and secured by the revenues of the City’s water system and certain other funds, as more particularly described in the Indenture.

The City currently has \$6,820,000 bonds currently outstanding that are secured by the Net Revenues. More detailed information relating to the City’s outstanding bonds can be found in the City’s most recent Comprehensive Annual Financial Report that is available on the Office of the Utah State Auditor’s website ([www.sao.state.ut.us](http://www.sao.state.ut.us)). The estimated total cost to the City of the proposed Bonds that will be used to finance the costs of the Project, if the Bonds are held until maturity and based on estimated interest rates currently in effect, is \$21,101,620.

A copy of the Resolution (including a copy of the General Indenture and a draft of a Supplemental Indenture) is on file in the office of the City Recorder, located at 110 South Main Street, in Springville City, Utah, where it may be examined during regular business hours of the City Recorder from 8:00 A.M. to 5:00 P.M. Said Resolution (including a copy of the General Indenture and draft of a Supplemental Indenture) shall be so available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

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

DATED November 2, 2021.

SPRINGVILLE CITY, UTAH

## EXHIBIT H

### NOTICE OF PUBLIC HEARING — SPRINGVILLE CITY, UTAH

PUBLIC NOTICE IS HEREBY GIVEN that the City Council (the “*Council*”) of Springville City, Utah (the “*City*”), shall hold a public hearing to receive input from the public with respect to the issuance of its Water and Sewer Revenue Bonds (the “*Bonds*”) to finance all or a portion of the cost of acquiring and constructing certain improvements (the “*Project*”) to the City’s water system (the “*System*”) and the potential economic impact that the Project will have on the private sector, pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “*Act*”).

#### PURPOSE FOR ISSUING BONDS

The City intends to issue the Bonds for the purpose of (1) financing all or a portion of the costs of the acquisition, construction and improvement of the Project, (2) funding any necessary reserves and contingencies in connection with the Bonds, and (3) paying the costs incurred in connection with the issuance and sale of the Bonds.

#### MAXIMUM PRINCIPAL AMOUNT OF THE BONDS

The City intends to issue the Bonds that will be used to finance the costs of the Project in an aggregate principal amount not exceeding Thirteen Million Dollars.

#### WATER AND SEWER REVENUES PROPOSED TO BE PLEDGED

The City proposes to pledge to the payment of the Bonds the net revenues from the System (the “*Net Revenues*”).

#### TIME, PLACE AND LOCATION OF PUBLIC HEARING

The City will hold and conduct a public hearing during a public meeting that is to begin at 7:00 p.m. on November 16, 2021. The public hearing will be held at 110 South Main Street, in Springville City, Utah. All members of the public are invited to attend and participate in the public hearing. Prior to the public hearing, written comments may be submitted to the City, to the attention of the City Recorder, 110 South Main Street, Springville City, Utah 84663.

DATED November 2, 2021.

SPRINGVILLE CITY, UTAH

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 23, 2021**

**NEW ISSUE—Book Entry Only**

**RATINGS:**

S&P “\_\_\_”;

See “BOND RATINGS” herein

*In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the Series 2021 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2021 Bonds. See “TAX TREATMENT” herein for a more complete discussion.*

**\$5,000,000\***  
**SPRINGVILLE CITY, UTAH**  
**WATER AND SEWER REVENUE BONDS**  
**SERIES 2021**

DATED: Date of Original Issuance

DUE: November 1, as shown below

The Series 2021 Bonds dated the date of delivery thereof, are issuable by the City as fully-registered bonds and, when initially issued, will be in book-entry form only, registered in the name of Cede & Co., as nominee for DTC. DTC will act as securities depository for the Series 2021 Bonds.

Principal of and interest on the Series 2021 Bonds (interest payable May 1 and November 1 of each year, commencing May 1, 2022) are payable by U.S. Bank National Association, as Trustee, to the registered owners thereof, initially DTC. See “THE SERIES 2021 BONDS — General” herein.

The Series 2021 Bonds are subject to redemption prior to maturity as described more fully under the heading “THE SERIES 2021 BONDS — Redemption Provisions” herein.

The principal of and interest on the Series 2021 Bonds are payable solely from and secured solely by a pledge and assignment of the Net Revenues derived by the City from its water system and other funds pledged under the Indenture on a parity basis with additional bonds that have been or may be issued by the City pursuant to the provisions of the Indenture. See “SECURITY FOR THE SERIES 2021 BONDS — Pledge of the Indenture” herein.

The Series 2021 Bonds are not an obligation of the State of Utah or any political subdivision thereof, other than the City, and neither the faith and credit nor the taxing power of the State of Utah, or any political subdivision thereof, including the City, is pledged for the payment of the Series 2021 Bonds. The Series 2021 Bonds do not constitute general obligations of the City or any other entity or body, municipal, state or otherwise.

\_\_\_\_\_  
See inside cover for Maturity Schedules  
\_\_\_\_\_

The Series 2021 Bonds will be awarded pursuant to competitive bidding to be held via the PARITY® electronic bid submission system on \_\_\_\_\_, 2021, as set forth in the Official Notice of Bond Sale (dated \_\_\_\_\_, 2021).

**Stifel, Nicolaus & Company, Incorporated, is acting as Municipal Advisor.**

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.*

This OFFICIAL STATEMENT is dated \_\_\_\_\_, 2021, and the information contained herein speaks only as of that date.

The anticipated date of delivery is \_\_\_\_\_, 2021.

\_\_\_\_\_  
\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction

# MATURITY SCHEDULE

**\$5,000,000\***  
**WATER AND SEWER REVENUE BONDS**  
**SERIES 2021**

Maturity (November 1)	CUSIP	Principal Amount*	Interest Rate	Yield
2022		\$		
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				

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\* Preliminary; subject to change.

**\$5,000,000\***  
**SPRINGVILLE CITY, UTAH**  
**WATER AND SEWER REVENUE BONDS**  
**SERIES 2021**

Springville City, Utah  
153 North 100 East  
Springville, Utah 84043

MAYOR AND CITY COUNCIL

Mark Johnson..... Mayor  
Paige Albrecht..... Councilmember  
Chris Condie ..... Councilmember  
Paul Hancock ..... Councilmember  
Johnny Revill ..... Councilmember  
Mike Southwick..... Councilmember

ADMINISTRATION

Jason Walker..... City Administrator  
Dean Lundell..... Finance Director  
Marilyn Banasky..... City Recorder  
Alyson Alger..... Treasurer  
Dave Norman ..... Public Works Director  
Ryan Wood ..... City Attorney

TRUSTEE, PAYING AGENT & REGISTRAR

U.S. Bank National Association  
170 South Main Street, Suite 200  
Salt Lake City, Utah 84101  
(801) 534-6051

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated  
15 West South Temple, Suite 1090  
Salt Lake City, Utah 84101  
(385) 799-7231

BOND AND DISCLOSURE COUNSEL

Farnsworth Johnson PLLC  
180 North University Avenue, Suite 260  
Provo, Utah 84601  
(801) 510-6303

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\* Preliminary; subject to change.

No dealer, salesperson or any other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in the Official Statement, in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City or in any other information contained herein, since the date thereof.

The information set forth herein has been obtained from the City, The Depository Trust Company and other sources that are believed to be reliable, but the accuracy or completeness of the information is not guaranteed by and is not to be construed as a representation by the Underwriter.

*This Official Statement contains “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.*

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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**OFFICIAL STATEMENT RELATING TO**  
**SPRINGVILLE CITY, UTAH**  
**\$5,000,000\***  
**WATER AND SEWER REVENUE BONDS**  
**SERIES 2021**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, contains information concerning: (a) Springville City, Utah (the “*City*”), a municipal corporation and a political subdivision of the State of Utah (the “*State*”), and the City’s water and sewer system (the “*System*”); (b) the \$5,000,000\* aggregate principal amount of the City’s Water and Sewer Revenue Bonds, Series 2021 (the “*Series 2021 Bonds*”), the proceeds of which are being used (i) to provide financing for certain improvements and extensions to the System, consisting \_\_\_\_\_, including related improvements (collectively, the “*Series 2021 Project*”) and (ii) to pay certain expenses incident to the issuance of the Series 2021 Bonds; and (c) the General Indenture of Trust dated as of October 1, 1998 (the “*General Indenture*”), and as supplemented by the Supplemental Trust Indenture, dated as of December 1, 2021 (the “*Series 2021 Supplemental Indenture*”), each between the City and U.S. Bank National Association, as Trustee (the “*Trustee*”), which provide for the issuance of Water and Sewer Revenue bonds and security therefor. The General Indenture, the Series 2021 Supplemental Indenture and any subsequent Supplemental Indentures executed pursuant to the General Indenture are sometimes hereinafter referred to collectively as the “*Indenture*.” The Series 2021 Bonds and any other outstanding parity bonds heretofore or hereafter issued pursuant to the General Indenture are referred to hereinafter as the “*Bonds*.”

AUTHORITY

The Series 2021 Bonds are being issued pursuant to the Indenture and the Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, and other applicable provisions of law.

SECURITY AND SOURCE OF PAYMENT

The Series 2021 Bonds are payable solely from and secured solely by a pledge and assignment of the Net Revenues derived by the City from the System. The Series 2021 Bonds will be issued on parity with any other Bonds. The Series 2021 Bonds are the first series of Bonds issued under the Indenture.

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\* Preliminary; subject to change.

## BASIC DOCUMENTS

All references herein to the Indenture are qualified in their entirety by reference to such document and references herein to the Series 2021 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the Indenture, copies of which may be obtained during the initial offering period from the City Treasurer and the Financial Advisor (as hereinafter defined). Descriptions of the Indenture and the Series 2021 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. Capitalized terms used and not otherwise defined herein have the meanings set forth in APPENDIX B — “DEFINITIONS” or in the Indenture.

### **PURPOSE OF THE SERIES 2021 BONDS**

The Series 2021 Bonds are being issued by the City for the purpose of providing financing for a portion of the Series 2021 Project. The Series 2021 Project consists of \_\_\_\_\_, including related improvements. Proceeds from the sale of the Series 2021 Bonds will also be used to pay costs of issuance of the Series 2021 Bonds. The costs of the Series 2021 Project that are in excess of the Series 2021 Bond proceeds will be paid by the City from other available funds. See “SOURCES AND USES OF FUNDS” below.

## SOURCES AND USES OF FUNDS

The estimated sources of funds to be received from the sale of the Series 2021 Bonds and the uses of such funds are shown in the following schedule:

### SOURCES OF FUNDS:

Principal Amount of Series 2021 Bonds .....	\$5,000,000*
Net Original Issue Premium on the Series 2021 Bonds .....	_____
Total Sources of Funds.....	\$_____

### USES OF FUNDS:

Deposit to Series 2021 Project Account .....	\$
Costs of Issuance* .....	_____
Total Uses of Funds.....	\$_____

\* Includes financial advisor fees, Underwriter's discount, legal fees, rating agency fees, Trustee fees and printing and other miscellaneous costs of issuance.

## THE SERIES 2021 BONDS

### GENERAL

The Series 2021 Bonds will be dated the date of delivery thereof and will bear interest from that date (calculated on the basis of a 360-day year consisting of twelve 30-day months), payable semiannually on May 1 and November 1 of each year, commencing May 1, 2022. The Series 2021 Bonds will mature on the dates and in the amounts and will bear interest at the rates set forth on the inside cover page of this Official Statement.

The Series 2021 Bonds are issuable as fully-registered bonds, without coupons, and when initially issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, which will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued in the denomination of \$5,000 or any integral multiple thereof. So long as the book-entry only system is in effect, purchases of beneficial ownership interests in the Series 2021 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. See APPENDIX F.

U. S. Bank National Association, Springville City, Utah, is the Trustee, Registrar and Paying Agent for the Series 2021 Bonds under the Indenture.

\* Preliminary; subject to change.

## REDEMPTION PROVISIONS

The Series 2021 Bonds maturing on or after November 1, \_\_\_\_\_, are subject to redemption at the option of the City on November 1, \_\_\_\_\_ (the “*First Redemption Date*”), and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as will be selected by the City, upon notice given as provided in the Resolution and described below, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, plus accrued interest thereon to the redemption date. Series 2021 Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

If at the time of mailing of the notice of optional redemption there has not been deposited with the Trustee moneys sufficient to redeem all Series 2021 Bonds called for redemption, which moneys are or will be available for redemption of Series 2021 Bonds, such notice may state that such redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Series 2021 Bonds to be redeemed, and that if such money has not been so received said notice is of no force and effect, and the City is not required to redeem such Series 2021 Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee will, as soon as possible after the redemption date, give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

## NOTICE OF REDEMPTION

Notice of redemption will be given by first class mail, not less than 30 nor more than 45 days prior to the redemption date, to the registered owner of a Series 2021 Bond, at such owner’s address as it appears on the bond registration books of the Trustee or at such address as it may have filed with the Trustee for that purpose. Each notice of redemption will state the redemption date, the place of redemption, the source of the funds to be used for such redemption, the principal amount and, if less than all of the Series 2021 Bonds of like maturity are to be redeemed, the distinctive numbers of the Series 2021 Bonds to be redeemed, and will also state that the interest on the Series 2021 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on said date there will become due and payable on each of such Series 2021 Bonds the Redemption Price thereof and interest accrued thereon to the redemption date.

## TRANSFER OF THE SERIES 2021 BONDS

In the event that the book-entry only system has been terminated, any Series 2021 Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of the Indenture, by the person in whose name it is registered, in person or by such person’s duly authorized attorney, upon surrender of such Series 2021 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Series 2021 Bond or Bonds is surrendered for transfer, the Trustee will authenticate and deliver a new fully-registered Series 2021 Bond or Bonds duly executed by the City for like aggregate principal amount. The Trustee will require the payment by the

Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

#### EXCHANGE OF THE SERIES 2021 BONDS

In the event that the book-entry only system has been terminated, any Series 2021 Bond may be exchanged at the principal corporate trust operations office of the Trustee for a like aggregate principal amount of Series 2021 Bonds of the same series and maturity of authorized denominations. The Trustee will require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No such exchange will be required to be made during the 15 days preceding each interest payment date.

#### PAYMENT OF THE SERIES 2021 BONDS

The principal of, and premium, if any, and interest on, the Series 2021 Bonds is payable in lawful money of the United States of America. In the event that the book-entry only system has been terminated, principal of and premium, if any, on the Series 2021 Bonds when due will be payable at the principal corporate trust operations office of the Trustee, or of its successor as Paying Agent for the Series 2021 Bonds. In the event that the book-entry only system has been terminated, payment of interest on the Series 2021 Bonds will be paid by check or draft mailed to the registered owner of record as of the close of business on the Record Date at such owner's address as it appears on the registration books of the Trustee or at such other address as is furnished in writing by such registered owner to the Trustee prior to the Record Date.

### **SECURITY FOR THE SERIES 2021 BONDS**

#### PLEDGE OF THE INDENTURE

The Series 2021 Bonds and all other Bonds issued under the General Indenture will be secured equally and ratably by the Net Revenues and funds pledged therefor pursuant to the General Indenture. The Series 2021 Bonds are special obligations of the City, payable exclusively from the Revenues, moneys, securities and funds pledged therefor in the Indenture, after the payment from such Revenues of Operation and Maintenance Costs of the System. "*Revenues*" means all revenues, connection fees, income, rents and receipts derived by the City from or attributable to the System, including the proceeds of any insurance covering business interruption loss and all interest, profits or other income derived from the investment of any moneys held pursuant to the Indenture and required to be paid into the Revenue Fund. Revenues do not include proceeds received on insurance resulting from casualty damage to assets of the System or the proceeds of sale of bonds, notes or other obligations issued for System purposes. "*Net Revenues*" means, for any period, the Revenues for such period less the Operation and Maintenance Costs (as defined in APPENDIX B). In the case of an Event of Default under the Indenture, the Series 2021 Bonds are not subject to acceleration.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED AS SECURITY FOR THE SERIES 2021 BONDS, AND THE SERIES 2021 BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OF THE CITY OR OF ANY OTHER ENTITY OR BODY, MUNICIPAL, STATE OR OTHERWISE. THE INDENTURE DOES NOT MORTGAGE OR OTHERWISE PLEDGE ANY SYSTEM PROPERTIES.

#### FLOW OF FUNDS

The Revenues are to be deposited by the City in the Revenue Fund. On or before the last Business Day of each month, after the payment of unpaid Operation and Maintenance Costs then due, the City will transfer from the Revenue Fund, to the extent of money available therein, and deposit into the following Fund and Accounts the amounts set forth below:

(a) in the Principal and Interest Fund for credit to the Bond Service Account, the amount, if any, required so that the balance therein meets the Debt Service requirements on any outstanding Bonds (provided that if there are not sufficient moneys in the Revenue Fund to satisfy the requirements of this provision (a) with respect to all Series Subaccounts in the Bond Service Account, all moneys available for distribution among such Series Subaccounts will be deposited into the Bond Service Account and distributed pro rata based on the amount of the deficiencies to the deficient Series Subaccounts in the Bond Service Account, and provided further, there shall be allowances for amounts transferred from the Construction Fund to pay capitalized interest); and

(b) in the Principal and Interest Fund for credit to the Debt Service Reserve Account, such amounts as are required by the General Indenture and any Supplemental Indenture for each Series of Bonds (provided that if there are not sufficient moneys in the Revenue Fund to satisfy the requirements of this provision (b) all moneys available for distribution among the Series Subaccounts in the Debt Service Reserve Account will be deposited into the Debt Service Reserve Account and distributed pro rata based on the amount of deficiencies to the deficient Series Subaccounts in the Debt Service Reserve Account).

Notwithstanding the foregoing, no deposits will be required into the Principal and Interest Fund so long as there is held in the Principal and Interest Fund an amount sufficient to pay in full all outstanding Bonds in accordance with their terms.

Amounts remaining in the Revenue Fund at the end of each month after payment of the amounts set forth above may be applied by the City, free and clear of the lien of the Indenture, to any lawful purpose of the City. It has been the City Council's practice to keep such amounts for use within the System.

#### RATE COVENANT

The City covenants in the General Indenture that for so long as any Bonds remain outstanding the City will establish and collect rates and charges for System services that, together with other available income from the System, are reasonably expected to produce Net Revenues

for the forthcoming Fiscal Year (i) equal to at least (a) 1.25 times the Aggregate Debt Service for such forthcoming Fiscal Year on all Bonds outstanding and (b) the Repayment Obligations, if any, that are due and payable during the forthcoming Fiscal Year and (ii) sufficient to fund the Debt Service Reserve Account at the times, rates and in the manner specified in the General Indenture. See “HISTORICAL AND PROJECTED SUMMARY OF REVENUES AND EXPENSES” herein.

#### OUTSTANDING PARITY BONDS

The 2021 Bonds and the hereinafter described Outstanding Parity Bonds previously issued by the City will be equally and ratably secured under the Indenture. The following bonds of the City are currently outstanding under the Indenture: \$15,135,000 Water and Sewer Revenue Bonds, Series 2008, currently outstanding in the aggregate principal amount of [\$6,820,000] (the “*Series 2008 Bonds*” and, together with the Series 2021 Bonds, the “*Outstanding Bonds*”).

#### ADDITIONAL BONDS

Additional Bonds may be issued under the General Indenture by the City only upon the satisfaction of various conditions specified therein. The amount of Additional Bonds that may be issued under the General Indenture is not limited by law or the General Indenture.

In connection with the issuance of Additional Bonds to finance the construction of a Project, the City is required to file, among other things, the following documents with the Trustee:

- (a) a copy of the Supplemental Indenture relating to such Additional Bonds;
- (b) a certificate of the City to the effect that, upon the delivery of the Additional Bonds, the City will not be in default in the performance of any of the covenants, conditions, agreements, terms or provisions of the Indenture;
- (c) a certificate of the City setting forth the then estimated completion date and the then estimated cost of construction of the Project being financed by the Additional Bonds;
- (d) either:
  - (i) a certificate of the City to be either for the City’s most recent Fiscal Year or for any Year during the most recent eighteen (18) months showing that the Net Revenues for such period would not be less than (A) 125% of the Aggregate Debt Service with respect to all Bonds to be outstanding at any time during the Year next following the issuance of the Additional Bonds, (B) 100% of the Repayment Obligations due and payable at any time during the Fiscal Year next following the issuance of the Additional Bonds, and (C) 100% of the amounts, if any, then required to be deposited into the Debt Service Reserve Account during the Fiscal Year next following the issuance of the Additional Bonds (collectively, the “*Rate Covenant Requirement*”); or
  - (ii) (A)(I) an Accountant’s Certificate, (II) an Engineer’s Certificate or (III) any combination of (I) and (II) setting forth the Estimated Net Revenues (assuming the



completion of the Project on its then estimated completion date) for whichever of the following periods shall extend until the latest date: (1) if the Supplemental Indenture authorizing the Additional Bonds requires that interest on the Additional Bonds be capitalized until a certain date in accordance with the Indenture, for each of the two Fiscal Years succeeding such date, or (2) if the Supplemental Indenture authorizing the Additional Bonds does not require that interest on the Additional Bonds be capitalized, for the then current Fiscal Year and each succeeding Fiscal Year to and including the third Fiscal Year succeeding the date of issuance of the Additional Bonds; and

(B) a certificate of the City showing the Aggregate Debt Service for each of the Fiscal Years set forth in the certificate or certificates described in subparagraph (A) above and showing that the Estimated Net Revenues as shown in such certificate or certificates for each of such Fiscal Years are not less than the Rate Covenant Requirement for each of such Fiscal Years after the issuance of the Additional Bonds.

In connection with the issuance of Additional Bonds to refund all or a part of the outstanding Bonds of one or more series, the City is required to deliver to the Trustee:

(a) a certificate of the City stating that the issuance of such Additional Bonds complies with the requirements of the Indenture and either (i) a Certificate of the City setting forth the Aggregate Debt Service for each Fiscal Year to and including the Fiscal Year in which occurs the latest maturity of the Bonds to be refunded or the Additional Bonds, whichever is later, (A) with respect to the Bonds to be refunded and (B) with respect to the Additional Bonds, and stating that the Aggregate Debt Service for any Fiscal Year set forth pursuant to clause (B) is no greater than 100% of the Aggregate Debt Service for any Fiscal Year set forth pursuant to clause (A); or (ii) an Accountant's Certificate (A) setting forth for the latest Fiscal Year preceding the delivery of the Additional Bonds for which Fiscal Year an audited financial report is available, the Net Revenues for such period, and (B) showing that such Net Revenues for such year would not be less than the Rate Covenant Requirement (for each Fiscal Year to and including the Fiscal Year in which occurs the latest maturity of the Additional Bonds).

(b) irrevocable instructions to the Trustee to give notice of redemption of all of the Bonds to be refunded on the redemption date or dates specified in such instructions;

(c) if the Bonds to be refunded are not by their terms subject to redemption within the next 60 days, irrevocable instructions to the Trustee to mail notice to the holders of the Bonds being refunded pursuant to the Indenture;

(d) either (i) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, or (ii) Investment Securities in such principal amounts, of such maturities and bearing such interest as shall be sufficient together with the moneys, if any, deposited at the same time, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the Bonds to be refunded on and prior to the redemption date or maturity date thereof as the case may be; and

(e) if the Additional Bonds to be issued are Cross-over Refunding Bonds, the Supplemental Indenture providing for the issuance of the Additional Bonds shall, in addition to all other requirements of paragraphs (a), (b), (c) and (d), provide:

(i) that until the Cross-over Date neither principal of nor interest on the Cross-over Refunding Bonds shall be payable from or secured by a pledge of the Revenues, but shall be payable solely from the escrow provided for under the Utah Refunding Bond Act; and

(ii) there shall be filed with the Trustee an Accountant's Certificate demonstrating the sufficiency of the moneys and investments in the escrow provided for under the Utah Refunding Bond Act to pay principal of and interest on the Cross-over Refunding Bonds to the Cross-over Date (which Cross-over Date may, at the option of the City, be extended as provided in the Supplemental Indenture providing for the issuance of the Cross-over Refunding Bonds, but only upon filing a revised Accountant's Certificate which demonstrates that the moneys and investments then in the escrow will be sufficient to pay principal of and interest on the Cross-over Refunding Bonds to the extended Cross-over Date).

## **THE SYSTEM**

### **GENERAL**

The City owns and operates a culinary water system and sewer system, which consists of certain water rights and sources, storage facilities, transmission and distribution pipelines, and pumping stations, sewer lines, and sewage treatment plant (collectively the "*System*").

### **WATER SUPPLY**

The City generally obtains the majority of its culinary water supply from water wells owned by the City. The following table sets forth the amount of water obtained from each source for the calendar years shown below:

CULINARY WELLS

CULINARY WELLS      FLOW RATE (GPM)

TOTALS

[In addition, the City purchases \_\_\_\_\_ % of its culinary water from \_\_\_\_\_ pursuant to the CUWCD Agreement, CUWCD agrees to sell and deliver and the City agrees to purchase each year the amounts of water set forth below (minimum amount).]

PURCHASED WATER

<u>FISCAL YEAR</u>	<u>MINIMUM AMOUNT (ACRE FEET)</u>	<u>WATER PURCHASED (ACRE FEE)</u>	<u>COST OF PURCHASE WATER</u>
2020			\$
2019			
2018			
2017			
2016			

WATER STORAGE FACILITIES

The System currently includes the following water storage facilities, which provide a total storage capacity of \_\_\_\_\_ gallons:

<u>STORAGE FACILITY</u>	<u>CAPACITY (GALLONS)</u>
-------------------------	---------------------------

TOTAL

CUSTOMERS AND WATER USAGE

The following table sets forth the total number of residential, commercial and industrial culinary water connections for the fiscal years ended June 30, 2016 through 2020.

<u>FISCAL YEAR</u>	<u>CULINARY RESIDENTIAL CONNECTIONS</u>	<u>PERCENT CULINARY RESIDENTIAL INCREASE</u>	<u>CULINARY COMMERCIAL CONNECTIONS</u>	<u>PERCENT CULINARY COMMERCIAL INCREASE</u>	<u>PRESSURIZED IRRIGATION CONNECTIONS</u>	<u>PERCENT PRESSURIZED IRRIGATION INCREASE</u>
2020		%		%		%
2019						
2018						
2017						
2016						

The following table sets forth the amount of annual water used by the City’s ten largest water customers for potable water during the fiscal year ended June 30, 2020, and the percentage of total System water use and total Revenues represented by such use. There are large discrepancies due to the variance in number and size of meters for each customer and the presence of meters which are billed for consumption only.

LARGEST WATER CUSTOMERS

CUSTOMER *	WATER USE (THOUSAND GALLONS)	PERCENT OF SYSTEM WATER USE %
TOTAL*		%

\* Totals may not add due to rounding.

*Unaccounted Water Consumption.* Unaccounted culinary water totaled \_\_\_\_\_ gallons ( \_\_\_\_\_ % of total water consumption) in fiscal year 2020.

The following table shows the peak demand for System water for the calendar years shown below. Peak demand is calculated by dividing total water usage for July (the month in which demand is highest) by 31 days.

YEAR	PEAK DEMAND (THOUSAND GALLONS)
2020	
2019	
2018	
2017	

WASTEWATER SYSTEM RATES AND CHARGES

The following tables set forth the water fees approved by the City Council.

SEWER RATES

<u>Customer Type</u>	<u>Fee</u>
Residential Customers	
Base Monthly Fee	\$20.94
Charge per 1,000 gallons of sewer discharged	1.40
Industrial Customers	
Bases Monthly Fee	\$20.95
Charge per 1,000 of gallons of sewer discharged	1.56

WATER SYSTEM RATES AND CHARGES

The following tables set forth the water fees approved by the City Council.

WATER RATES

<u>Customer Type</u>	<u>Fee</u>
Residential Customers	
Base Monthly Fee (0-5,000)	\$13.33
5,001-12,000	0.97
12,001-20,000	1.28
20,001-40,000	1.59
40,001-60,000	1.90
60,001-100,000	2.15
100,001-150,000	2.92
150,001-200,000	3.33
Over 200,000	4.10
Commercial Customers	
Bases Monthly Fee	\$14.50

Charge per 1,000 of gallons of usage per month	1.32
---------------------------------------------------	------

Industrial Customers

Base monthly fee	\$14.50
------------------	---------

Charge per 1,000 of gallons of usage per month	1.53
---------------------------------------------------	------

## PLANNED CAPITAL IMPROVEMENTS

Within the next five years the City plans to construct \_\_\_\_\_.

## ENVIRONMENTAL MATTERS

The System is in compliance with the provisions of all environmental laws and regulations applicable to its operations, including, but not limited to, the Federal Safe Drinking Water Act, the Utah Safe Drinking Water Act, and laws and regulations applicable to disposal of solid and hazardous waste. The System also is in compliance with all environmental, health and safety laws and regulations applicable to the use and disposal of chemicals used by the System to make water drinkable.

## FINANCIAL AND OPERATING INFORMATION REGARDING THE SYSTEM

The following tables set forth actual coverage of historical debt service and projected coverage of debt service. The projected coverage is based, in part, upon assumptions regarding the size and timing of rate and charges adjustments and issuance of additional debt obligations, which are subject to change. There can be no assurance that the projected results will actually be achieved.



## HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Operational Revenues											
Water	3,964,587	4,248,189	4,655,641	4,712,119	5,394,460						
Sewer	4,001,400	3,561,192	4,150,242	4,279,080	4,603,445						
Total Operational Revenues	7,965,987	7,809,381	8,805,883	8,991,199	9,997,905						
Operational Expenses											
Water	3,024,948	3,561,192	3,464,971	3,665,679	3,824,205						
Sewer	2,769,862	2,792,192	2,729,454	3,020,814	3,031,406						
Total Operational Expenses	5,794,810	6,353,384	6,194,425	6,686,493	6,855,611						
Non-Operational Revenues & Expenses											
Water	1,183,581	326,440	351,265	459,154	596,841						
Sewer	(82,305)	(12,739)	62,761	129,548	245,789						
Total Revenue Available For Debt Service	4,974,639	3,688,415	4,958,175	5,154,844	6,256,828						
Debt Service	1,208,655	1,192,240	1,211,281	1,193,993	1,076,121						
Debt Service Coverage	4.12	3.09	4.09	4.32	5.81						

### FIVE-YEAR FINANCIAL SUMMARIES

*Three-Year Financial Summaries.* The following summaries of financial information for the System (both culinary water and pressurized irrigation) were extracted from the City's audited general purpose financial statements for the fiscal years ended June 30, 2020, 2019, 2018, 2017 and 2016. The summaries are unaudited.

**SPRINGVILLE CITY, UTAH**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**WATER**

(fiscal year ended June 30)

	2020	2019	2018	2017	2016
<b>Operating Revenues:</b>					
Charges for Services	\$5,211,844	\$4,603,609	\$4,567,664	4,153,980	\$3,921,106
Connection fees	151,287	73,650	82,389	68,295	30,743
Miscellaneous Revenues	<u>31,329</u>	<u>34,860</u>	<u>5,588</u>	<u>25,914</u>	<u>12,738</u>
<b>Total Operating revenues</b>	<u>5,394,460</u>	<u>4,712,119</u>	<u>4,655,641</u>	<u>4,248,189</u>	<u>3,964,587</u>
<b>Operating expenses:</b>					
Salaries and benefits	1,036,839	1,040,575	931,351	962,263	866,524
Administrative	1,678,585	1,531,647	1,486,496	1,565,287	1,334,524
Depreciation	<u>1,108,781</u>	<u>1,093,457</u>	<u>1,047,124</u>	<u>1,033,642</u>	<u>823,900</u>
<b>Total operating expenses</b>	<u>3,824,205</u>	<u>3,665,679</u>	<u>3,464,971</u>	<u>3,561,192</u>	<u>3,024,948</u>
 Operating Income (Loss)					
	<u>1,570,255</u>	<u>1,046,440</u>	<u>1,190,670</u>	<u>686,997</u>	<u>939,639</u>
 <b>Non-operating revenues (expenses)</b>					
Impact fees	561,905	406,706	351,090	382,839	284,267
Intergovernmental	-	-	-	-	960,561
Interest Income	80,760	103,834	57,488	1,225	726
Interest Expense	(45,824)	(50,386)	(57,313)	(57,624)	(61,973)
Gain on Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total non-operating revenues (expenses)</b>	<u>596,841</u>	<u>459,154</u>	<u>351,265</u>	<u>326,440</u>	<u>1,183,581</u>
 Income before contributions and transfers					
	2,167,096	1,505,594	1,541,935	1,013,437	2,123,220
 Capital contributions	<u>865,830</u>	273,050	1,034,330	269,534	345,350
 Transfers from (to) other funds (net)	<u>(317,422)</u>	<u>(302,435)</u>	<u>(284,965)</u>	<u>(260,733)</u>	<u>(243,028)</u>
 <b>Change in net position</b>	2,715,504	1,476,209	2,291,300	1,033,238	2,225,542
 <b>Net position – beginning</b>	<u>38,112,758</u>	<u>36,636,549</u>	<u>34,345,249</u>	<u>33,323,011</u>	<u>31,097,469</u>
<b>Net position – ending</b>	<u>\$40,828,262</u>	<u>\$38,112,758</u>	<u>\$36,636,549</u>	<u>\$34,345,249</u>	<u>\$33,323,011</u>

**SPRINGVILLE CITY, UTAH**  
**STATEMENT OF NET POSITION**  
**WATER**  
(as of June 30)

	2020	2019	2018	2017	2016
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$4,566,968	\$4,796,197	\$4,575,711	\$3,563,687	\$74,939
Accounts receivable	671,160	376,089	492,532	463,069	496,316
Due from other funds	-	-	-	-	1,986,167
Inventory					
	<u>340,728</u>	<u>384,512</u>	<u>106,980</u>	<u>-</u>	<u>-</u>
Total current assets	<u>5,578,856</u>	<u>5,556,798</u>	<u>5,175,223</u>	<u>4,026,756</u>	<u>2,557,422</u>
Noncurrent assets:					
Restricted cash and cash equivalents	110,194	155,462	120,627	114,541	95,580
Land	201,267	201,267	201,267	201,267	201,267
Water share	1,374,919	1,374,919	1,374,919	1,374,919	1,374,919
Construction in progress	1,976,570	1,807,166	589,159	236,703	1,094,965
Buildings	399,906	399,906	399,906	399,906	399,906
Improvements other than building	49,344,581	45,531,902	44,603,050	42,926,388	41,626,048
Machinery and equipment	221,546	221,546	465,690	465,690	444,712
Accumulated depreciation	(15,864,202)	(14,755,421)	(13,925,048)	(12,877,924)	(11,844,282)
Total non-current assets	<u>37,764,781</u>	<u>34,936,747</u>	<u>33,831,734</u>	<u>32,841,944</u>	<u>33,393,115</u>
<b>Total assets</b>	<u>43,343,637</u>	<u>40,493,545</u>	<u>39,006,957</u>	<u>36,868,700</u>	<u>35,950,537</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	<u>96,716</u>	<u>204,871</u>	<u>204,928</u>	<u>162,711</u>	<u>1,069</u>
<b>Total deferred outflows of resources</b>	<u>96,716</u>	<u>204,871</u>	<u>204,928</u>	<u>204,928</u>	<u>1,069</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	607,167	310,412	165,381	143,302	156,711
Accrued liabilities	22,156	17,608	14,839	16,195	-
Deposits	19,050	26,500	20,670	16,200	17,000
Accrued interest payable	17,943	19,915	21,840	23,707	25,527
Compensated absences	37,003	31,693	26,350	26,917	50,067
Bonds payable	<u>174,000</u>	<u>169,000</u>	<u>165,000</u>	<u>160,000</u>	<u>156,000</u>
Total current liabilities	<u>877,319</u>	<u>575,128</u>	<u>414,080</u>	<u>386,321</u>	<u>405,305</u>
Noncurrent liabilities:					
Compensated absences	37,003	31,693	26,349	26,918	-
Bonds payable	1,364,000	1,538,000	1,707,000	1,872,000	2,005,000
Net pension liability	<u>216,212</u>	<u>419,253</u>	<u>241,904</u>	<u>373,252</u>	<u>340,355</u>
Total noncurrent liabilities	<u>1,617,215</u>	<u>1,988,253</u>	<u>1,975,253</u>	<u>2,272,170</u>	<u>2,345,355</u>
Total liabilities	<u>2,494,534</u>	<u>2,564,074</u>	<u>2,389,333</u>	<u>2,658,491</u>	<u>2,750,660</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	<u>117,557</u>	<u>21,584</u>	<u>186,003</u>	<u>64,349</u>	<u>46,869</u>
<b>NET POSITION</b>					
Net investment in capital assets	36,116,587	33,074,285	31,836,943	30,694,949	31,136,535
Restricted for debt service	91,144	128,962	99,957	98,341	95,580
Unrestricted	<u>4,620,531</u>	<u>4,909,511</u>	<u>4,699,649</u>	<u>3,551,959</u>	<u>2,090,896</u>
<b>Total net position</b>	<u>\$40,828,262</u>	<u>\$38,112,758</u>	<u>\$36,636,549</u>	<u>\$34,345,249</u>	<u>\$33,323,011</u>

**SPRINGVILLE CITY, UTAH**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**SEWER**

	2020	2019	2018	2017	2016
<b>Operating Revenues:</b>					
Charges for Services	4,578,643	\$4,274,594	\$4,141,442	\$4,045,545	3,995,079
Miscellaneous Revenues	<u>24,802</u>	<u>4,486</u>	<u>8,800</u>	<u>11,229</u>	<u>6,321</u>
<b>Total Operating revenues</b>	<u>4,603,445</u>	<u>4,279,080</u>	<u>4,150,242</u>	<u>4,056,774</u>	<u>4,001,400</u>
<b>Operating expenses:</b>					
Salaries and benefits	1,036,839	867,829	767,888	769,068	697,589
Administrative	1,678,585	1,243,999	1,075,999	1,138,049	1,193,987
Depreciation	<u>1,108,781</u>	<u>908,986</u>	<u>885,567</u>	<u>885,075</u>	<u>878,286</u>
<b>Total operating expenses</b>	<u>3,824,205</u>	<u>3,020,814</u>	<u>2,729,454</u>	<u>2,792,192</u>	<u>2,769,862</u>
 Operating Income (Loss)					
	<u>1,572,039</u>	<u>1,258,266</u>	<u>1,420,788</u>	<u>1,264,582</u>	<u>1,231,538</u>
 <b>Non-operating revenues (expenses)</b>					
Impact fees	332,302	234,847	259,467	238,475	206,816
Interest Income	98,784	103,308	51,262	2,402	1,561
Interest Expense	(185,297)	(208,607)	(247,968)	253,616)	(290,682)
Gain on Sale of Capital Assets	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total non-operating revenues (expenses)</b>	<u>596,841</u>	<u>129,548</u>	<u>62,761</u>	<u>(12,739)</u>	<u>(82,305)</u>
 Income before contributions and transfers					
	1,817,828	1,387,814	1,483,549	1,251,843	1,149,233
 Capital contributions					
	<u>572,908</u>	<u>213,342</u>	<u>740,074</u>	<u>96,240</u>	345,350
 Transfers from (to) other funds (net)					
	<u>(225,990)</u>	<u>(216,205)</u>	<u>(189,098)</u>	<u>(184,654)</u>	<u>(236,370)</u>
 <b>Change in net position</b>	2,164,746	1,384,951	2,034,525	1,163,429	990,083
 <b>Net position – beginning</b>	<u>20,831,764</u>	<u>19,446,813</u>	<u>17,412,288</u>	<u>16,248,859</u>	<u>15,258,776</u>
<b>Net position – ending</b>	<u>\$22,996,510</u>	<u>\$20,831,764</u>	<u>\$19,446,813</u>	<u>\$17,412,288</u>	<u>\$16,248,859</u>

**SPRINGVILLE CITY, UTAH**  
**STATEMENT OF NET POSITION**  
**SEWER**  
(as of June 30)

	2020	2019	2018	2017	2016
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$6,126,506	\$5,171,479	\$3,994,716	\$2,875,234	\$118,734
Accounts receivable	494,969	399,131	413,129	408,779	369,180
Due from other fun	-	-	-	-	1,858,827
Inventory	-	-	-	-	-
Total current assets	<u>6,621,475</u>	<u>5,570,610</u>	<u>4,407,845</u>	<u>3,284,013</u>	<u>2,346,741</u>
Noncurrent assets:					
Restricted cash and cash equivalents	364,577	332,489	585,893	586,101	478,224
Land	40,860	40,860	40,860	40,860	40,860
Construction in progress	197,951	233,479	18,093	127,537	-
Improvements other than building	39,043,546	37,917,656	37,464,343	36,501,031	36,404,792
Machinery and equipment	714,060	603,195	922,433	719,506	719,506
Accumulated depreciation	(17,398,115)	(16,566,339)	(15,976,590)	(15,112,376)	(14,227,302)
Total non-current assets	<u>22,962,879</u>	<u>22,561,340</u>	<u>23,056,704</u>	<u>22,863,030</u>	<u>23,416,952</u>
<b>Total assets</b>	<u>29,584,354</u>	<u>28,131,950</u>	<u>27,464,549</u>	<u>26,147,043</u>	<u>25,763,693</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	<u>84,967</u>	<u>166,884</u>	<u>166,926</u>	<u>162,711</u>	<u>137,887</u>
<b>Total deferred outflows of resources</b>	<u>84,967</u>	<u>166,884</u>	<u>166,926</u>	<u>162,711</u>	<u>137,887</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	88,853	96,989	57,963	7,402	29,232
Accrued liabilities	16,716	13,440	10,290	12,850	-
Accrued interest payable	71,773	79,660	89,423	98,876	108,050
Compensated absences	33,566	44,776	39,621	38,608	103,380
Bonds payable	<u>696,000</u>	<u>676,000</u>	<u>770,000</u>	<u>746,000</u>	<u>725,000</u>
Total current liabilities	<u>905,908</u>	<u>910,865</u>	<u>967,297</u>	<u>903,736</u>	<u>965,662</u>
Noncurrent liabilities:					
Compensated absences	32,567	44,776	39,621	38,608	-
Bonds payable	5,456,000	6,152,000	6,828,000	746,000	8,371,000
Net pension liability	<u>183,718</u>	<u>337,501</u>	<u>204,658</u>	<u>304,619</u>	<u>277,804</u>
Total noncurrent liabilities	<u>5,672,285</u>	<u>6,534,277</u>	<u>7,072,279</u>	<u>7,941,227</u>	<u>8,648,804</u>
Total liabilities	<u>6,578,193</u>	<u>7,445,132</u>	<u>8,039,576</u>	<u>8,844,963</u>	<u>9,614,466</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	<u>94,618</u>	<u>21,928</u>	<u>145,086</u>	<u>52,503</u>	<u>38,255</u>
<b>NET POSITION</b>					
Net investment in capital assets	16,446,302	15,400,851	14,871,139	13,932,558	13,841,856
Restricted for debt service	364,577	332,489	585,893	586,101	478,224
Unrestricted	<u>6,185,631</u>	<u>5,098,424</u>	<u>3,989,781</u>	<u>2,893,629</u>	<u>1,928,779</u>
<b>Total net position</b>	<u>\$22,996,510</u>	<u>\$20,831,764</u>	<u>\$19,446,813</u>	<u>\$17,412,288</u>	<u>\$16,248,859</u>

## THE CITY

The following paragraphs in this section contain information with respect to the City. For additional information regarding the City, see “Appendix A — General Purpose Financial Statements of the City for the Fiscal Year Ended June 30, 2020” and “Appendix C —Economic and Demographic Information with Respect to Springville City and Utah County” hereto.

### GENERAL INFORMATION

The City was incorporated in 1852 and is located in Utah County, in the center of Utah Valley, approximately six miles south of Provo City and approximately 50 miles south of Salt Lake City. The City’s estimated 2018 population was 33,104.

### FORM OF GOVERNMENT

Utah statutes detail the functions to be performed by State municipalities. Title 10, Utah Code Annotated, 1953, as amended, generally sets out laws to provide for the incorporation, organization, and classification of cities and towns in proportion to population. The City is organized under general law and governed by a council (with five seats elected to four-year terms) and mayor.

The current members of the City Council, the Mayor and the City administration have the following respective terms in office:

OFFICE	PERSON	YEARS OF SERVICE	EXPIRATION OF TERM
Mayor.....	Richard J. Child	4	January 2022
Councilmember.....	Liz Crandall	2	January 2024
Councilmember.....	Patrick Monney	2	January 2024
Councilmember.....	Michael Snelson	3	January 2022
Councilmember.....	Matt Packard	2	January 2024
Councilmember.....	Craig Jensen	4	January 2022
City Administrator .....	Troy K. Fitzgerald	23	Appointed
City Attorney .....	John A. Penrod	13	Appointed
City Recorder .....	Kim Crane	23	Appointed
Finance Director .....	Bruce Riddle	11	Appointed
Treasurer .....	Heather Penni	2	Appointed

### FUND STRUCTURE; ACCOUNTING BASIS

The accounts of the City are organized on the basis of funds or groups of accounts, each of which is considered to be a separate accounting entity. The operations of each fund or account

group are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures or expenses. The various funds are grouped by type in the combined financial statements.

Revenues and expenditures are recognized using the modified accrual basis of accounting in all governmental funds. Revenues are recognized in the accounting period in which they become both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues on cost-reimbursement grants are accrued when the related expenditures are incurred.

In proprietary funds, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

#### BUDGET AND APPROPRIATION PROCESS

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Utah Cities (the "*Fiscal Procedures Act*"). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the general fund, special revenue funds, debt service funds and capital improvement funds. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures.

On or before the first regular meeting of the City Council of the City in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for the fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer may revise the budget requests submitted by the heads of City departments, but must file these submissions with the City Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the revenue from non-property tax sources available for each fund and the revenue from general property taxes required by each fund. The tentative budget is then tentatively adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearing on the tentative budget. After public notice and hearing, the tentative budget is adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budget.

Prior to June 22 in each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund in excess of the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, in order to increase the budget total of any fund, public notice and hearing must be provided. Intra- and inter-department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act.

The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax year.

#### EMPLOYEE WORKFORCE AND RETIREMENT SYSTEM

The City currently employs approximately 184 full time employees and approximately 300 part-time employees for a total employment of approximately 484 employees. The City is a member of the Utah State Retirement System and participates in a deferred compensation plan. See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019—Notes to the Financial Statements—Note 8: “Retirement Plans” and Note J: “Deferred Compensation Plans” herein. The City does not provide any other post-employment benefits to retirees.

#### RISK MANAGEMENT

The City provides for its general liability risks through the Utah Local Government Trust. Property insurance is provided by individual policies of insurance. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the City provides.

#### INVESTMENT OF FUNDS

*The State Money Management Act.* The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the “*Money Management Act*”), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U. S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the “*Money Management Council*”) to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all of the provisions of the Money Management Act for all City operating funds.

*The Utah Public Treasurers’ Investment Fund.* A significant portion of City funds may be invested in the Utah Public Treasurers Investment Fund (“*PTIF*”). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.



All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor.

*Moreton Asset Management.* The City also has a significant portion of its funds invested with Moreton Asset Management ("*Moreton*"). All funds invested with Moreton are in full compliance with the Money Management Act. Moreton's investment representatives are registered with the State of Utah as Certified Investment Advisers. Representatives must be registered in order to invest public funds. Securities invested via Moreton include: certificates of deposit, commercial paper, short term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government.

The information in this section concerning the current status of the PTIF and Moreton investments has been obtained from sources the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

#### **FINANCIAL INFORMATION REGARDING THE CITY**

The audited financial statements of the City for Fiscal Year 2020 are included herewith as APPENDIX A. The summaries contained herein were extracted from the City's audited general purpose financial statements for the fiscal years ended June 30, 2016 through June 30, 2020. The following information is presented for general informational purposes only and is not indicative of revenues available for payment of the Series 2021 Bonds. The Series 2021 Bonds are payable solely from the sources indicated under "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein. The summaries presented below should therefore be read in conjunction with the audited financial statements in APPENDIX A.

**SPRINGVILLE CITY CORPORATION, UTAH**  
**STATEMENT OF NET POSITION**  
**FISCAL YEARS ENDED JUNE 30, 2016 THROUGH 2020**

	2020	2019	2018	2017	2016
<b>ASSETS</b>					
Cash and Cash Equivalents	51,934,827	43,471,743	38,770,784	29,672,249	28,865,923
Receivables:					
Accounts, net	4,137,570	2,904,050	3,317,513	3,235,568	8,531,67
Property taxes	4,156,213	4,213,057	4,005,681	3,900,300	3,954,221
Other taxes	2,464,397	2,919,474	1,776,902	1,821,083	-
Prepays	4,180	4,733	2,805	319,825	76,627
Inventory	1,435,897	1,286,678	896,792	567,967	584
Internal Balances	-	-	-	-	-
Restricted cash and cash equivalents	8,433,140	8,487,311	8,467,206	16,078,321	21,691,954
Equity investment in joint venture	2,302,250	2,146,574	2,007,803	7,476,810	7,255,156
Net pension asset			38,641	8,480	19,260
Capital assets					
Non depreciable	35,234,338	33,722,655	51,280,332	35,946,900	26,678,930
Depreciable assets, net of depreciation	<u>178,423,868</u>	<u>173,553,168</u>	<u>151,045,726</u>	<u>149,461,077</u>	<u>147,657,233</u>
Total Assets	<u>288,582,826</u>	<u>272,709,443</u>	<u>261,610,185</u>	<u>248,488,580</u>	<u>241,393,288</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	16,311	32,625	48,939	65,253	-
Deferred outflows related to pensions	<u>1,773,898</u>	<u>3,674,535</u>	<u>3,675,530</u>	<u>3,577,824</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,790,209</u>	<u>3,707,160</u>	<u>3,724,469</u>	<u>3,643,077</u>	<u>3,125,424</u>
<b>LIABILITIES</b>					
Accounts payable	2,883,789	3,451,084	4,214,321	3,849,575	5,460,047
Accrued liabilities	596,349	453,844	448,015	463,136	50,000
Accrued interest payable	176,740	232,603	276,214	289,183	-
Developer and customer deposits	1,808,880	1,566,272	1,741,859	1,497,621	-
Unearned revenue	190,272	190,272	190,272	190,272	406,509
Noncurrent liabilities:					
Due within one year	3,250,075	3,117,748	3,149,382	3,080,888	3,412,510
Due in more than one year	26,210,505	28,630,744	31,095,718	33,677,062	42,242,579
Net pension liability	<u>3,916,520</u>	<u>7,484,603</u>	<u>4,392,251</u>	<u>6,709,323</u>	<u>2,147,613</u>
Total Liabilities	<u>39,033,130</u>	<u>45,127,170</u>	<u>45,508,032</u>	<u>49,757,060</u>	<u>51,571,645</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - property taxes*	4,123,765	4,036,049	3,953,825	3,844,220	-
Deferred inflows related to pensions*	<u>2,116,661</u>	<u>430,103</u>	<u>3,297,014</u>	<u>1,150,961</u>	<u>-</u>
Total deferred inflows of resources	<u>6,240,426</u>	<u>4,466,152</u>	<u>7,250,839</u>	<u>4,995,181</u>	<u>4,743,687</u>
<b>NET POSITION</b>					
Net investment in capital assets	185,625,829	176,855,450	169,346,162	157,508,355	136,874,293
Restricted for:					
Debt service	598,935	627,525	2,485,336	2,209,000	661,338
Impact fees	6,462,792	4,344,771	3,156,050		-
				2,974,080	
Perpetual care	1,404,789	1,310,897	-	-	4,724,611
Capital projects	1,698,200	1,488,023	981,336	1,137,981	14,421,483
Grants and other projects	2,102	8,819	-	-	-
Unrestricted	<u>49,306,832</u>	<u>42,187,796</u>	<u>36,606,899</u>	<u>33,550,000</u>	<u>31,521,655</u>
Total Net Position	<u>245,099,479</u>	<u>226,823,281</u>	<u>212,575,783</u>	<u>197,379,416</u>	<u>188,203,380</u>

**SPRINGVILLE CITY CORPORATION, UTAH**  
**BALANCE SHEET — GOVERNMENTAL FUNDS**  
**FISCAL YEARS ENDED JUNE 30, 2016 THROUGH 2020**

	FISCAL YEAR ENDED JUNE 30				
	2020	2019	2018	2017	2016
<b>ASSETS</b>					
Cash and Cash Equivalents	\$13,715,528	\$ 11,758,325	\$ 11,199,811	\$ 5,145,170	\$ 23,216,300
Receivables:					
Property taxes	4,156,213	4,213,057	4,005,681	3,900,300	3,954,221
Other taxes and grants	2,464,397	2,919,474	1,776,902	1,821,083	271,710
Special assessment	7,717	10,241	10,241	15,977	293,038
Other, net	431,818	452,540	463,489	281,919	1,034,498
Due from other funds	345	2,869	2,869	124,107	1,749,133
Inventory	21,078	18,332	-	-	584
Prepays	4,180	4,733	2,805	319,825	76,627
Investment in joint venture	-	-	-	-	100,777
Restricted cash and cash equivalents	<u>6,627,711</u>	<u>5,047,866</u>	<u>5,589,407</u>	<u>13,493,095</u>	<u>20,979,780</u>
Total Assets	<u>\$ 27,428,987</u>	<u>\$ 24,427,437</u>	<u>\$ 23,060,205</u>	<u>\$ 25,233,473</u>	<u>\$ 51,676,688</u>
<b>LIABILITIES</b>					
Accounts payable	328,223	464,614	732,414	1,483,631	1,430,087
Accrued liabilities	447,615	336,566	355,061	349,543	50,000
Due to other funds	345	2,869	2,869	124,107	21,613,811
Developer and customer deposits	1,232,186	1,021,928	1,192,717	957,466	1,175,994
Unearned revenue	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>341,237</u>
Total liabilities	<u>2,133,369</u>	<u>2,373,902</u>	<u>2,408,061</u>	<u>3,039,747</u>	<u>24,611,129</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>4,123,765</u>	<u>4,036,049</u>	<u>3,953,825</u>	<u>3,844,220</u>	<u>3,899,199</u>
<b>FUND BALANCES</b>					
Nonspendable	1,430,047	1,333,962	1,207,805	1,524,924	1,218,164
Restricted:					
Debt service	143,214	166,074	165,679	163,929	87,534
Museum donations	2,102	8,819	6,513	-	-
B & C roads	1,698,200	1,488,023	981,336	1,137,981	1,044,965
Impact fees	3,064,840	1,911,121	3,156,050	2,974,080	2,333,971
Joint venture	-	-	-	-	100,777
Construction	-	-	-	-	14,421,483
Build America Bonds Subsidy	-	-	-	-	137,659
Assigned:					
Capital projects	6,317,784	6,109,074	5,141,779	7,595,996	-
Community improvements	1,600,084	1,830,808	1,314,611	515,344	398,929
Unassigned	<u>6,915,582</u>	<u>5,169,605</u>	<u>4,724,906</u>	<u>4,437,252</u>	<u>3,422,858</u>
Total fund balances	<u>21,171,853</u>	<u>18,017,486</u>	<u>16,698,319</u>	<u>18,349,506</u>	<u>23,166,340</u>
Total liabilities, deferred inflows of					
Resources and fund balances	<u>\$ 27,428,987</u>	<u>\$ 24,427,437</u>	<u>\$ 23,060,205</u>	<u>\$ 25,233,473</u>	<u>\$ 51,676,668</u>

(Source: Information is taken from the City's audited financial statements.)

**DEBT STRUCTURE OF THE CITY**

**General Obligation Bond Debt**

SERIES	PURPOSE	ORIGINAL AMOUNT	FINAL MATURITY DATE	CURRENT BALANCE OUTSTANDING
2020	Refunding	\$ 5,060,000	May 1, 2031	\$ _____
2016	Aquatics/Activities Center	10,785,000	May 1, 2036	_____
TOTAL .....				\$ _____

**Water and Sewer Revenue Bond Debt**

SERIES	PURPOSE	ORIGINAL AMOUNT	FINAL MATURITY DATE	CURRENT BALANCE OUTSTANDING
2021	System Improvements	\$5,000,000*	November 1, _____	\$5,000,000*
2008	Refunding	\$ 15,135,000	February 1, 2028	\$ <u>7,690,000</u>
TOTAL .....				\$ <u>7,690,000</u>

**Lease Revenue Bonds<sup>1</sup>**

SERIES	PURPOSE	ORIGINAL AMOUNT	FINAL MATURITY DATE	CURRENT BALANCE OUTSTANDING
2008	City Hall	\$ 6,110,000	October 15, 2030	\$ <u>3,990,000</u>
TOTAL .....				\$ <u>3,990,000</u>

<sup>1</sup> These bonds were issued by the City's Municipal Building Authority.

**NO DEFAULTED OBLIGATIONS**

The City has never failed to pay principal of or interest on any of its financial obligations when due.

**OTHER FINANCIAL CONSIDERATIONS**

The City has never failed to pay principal of or interest on any of its financial obligations when due.

\* Preliminary; subject to change.

## **FINANCIAL ADVISOR**

The City has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this Official Statement and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

## **INDEPENDENT AUDITORS**

The financial statements for the year ended June 30, 2020, included in this Official Statement, have been audited by HBME, LLC, independent auditors, as set forth in its report in APPENDIX A to this Official Statement.

## **LITIGATION**

It is a condition of closing that the City execute a certificate to the effect that to the best of its knowledge, after due inquiry, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which is pending or threatened, challenging the creation, organization or existence of the City, the titles of its officers to their respective offices, or directly or indirectly contesting or affecting the proceedings or the authority by which the Bonds are issued, the legality of the purpose for which the Bonds are issued or the validity of the Bonds or the issuance thereof or the security therefor.

## **CONTINUING DISCLOSURE**

The City will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the MSRB pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission (the “*SEC*”) under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of Undertaking attached as APPENDIX B.

There have been no instances in the previous five years in which the City has failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule, except that a January 2017 rating upgrade from Fitch Ratings on the Refunded Bonds was not timely posted. The City has taken steps to remedy this discrepancy. See “APPENDIX B — FORM OF CONTINUING DISCLOSURE UNDERTAKING — Consequences of Failure of the Issuer to

Provide Information.” A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of the Rule.

### **APPROVAL OF LEGAL PROCEEDINGS**

The authorization and issuance of the Bonds are subject to the approval of Farnsworth Johnson PLLC, Bond Counsel to the City. Certain legal matters will be passed upon for the City by John A. Penrod, City Attorney. The approving opinion of Bond Counsel will be delivered with the Bonds in substantially the form set forth in APPENDIX C of this Official Statement and will be made available upon request from the contact persons as indicated under “INTRODUCTION — Contact Persons.”

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

### **TAX MATTERS**

#### **FEDERAL INCOME TAXATION**

In the opinion of Farnsworth Johnson PLLC (“*Bond Counsel*”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “*Code*”). In the further opinion of Bond Counsel, interest on the Series 2021 Bonds is not a specific preference item for purposes of the federal individual alternative minimum taxes. Bond Counsel expects to deliver an opinion at the time of issuance of the Series 2021 Bonds substantially in the form set forth in “APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL” hereto.

To the extent the issue price of any maturity of the Series 2021 Bonds is less than the amount to be paid at maturity of such Series 2021 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2021 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2021 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the

Series 2021 Bonds is the first price at which a substantial amount of such maturity of the Series 2021 Bonds is sold to the public (excluding Series 2021 Bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2021 Bonds accrues daily over the term to maturity of such Series 2021 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2021 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2021 Bonds. Beneficial Owners of the Series 2021 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2021 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2021 Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2021 Bonds is sold to the public.

Series 2021 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("*Premium Series 2021 Bonds*") will be treated as having amortizable Series 2021 Bond premium. No deduction is allowable for the amortizable Series 2021 Bond premium in the case of Series 2021 Bonds, like the Premium Series 2021 Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Series 2021 Bond, will be reduced by the amount of amortizable Series 2021 Bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Series 2021 Bonds should consult their own tax advisors with respect to the proper treatment of amortizable Series 2021 Bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2021 Bonds. The City has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the Series 2021 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2021 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2021 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2021 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2021 Bonds.

Although Bond Counsel is of the opinion that interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2021 Bonds may otherwise affect a Beneficial Owner's federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the Series 2021 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2021 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("*IRS*") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2021 Bonds ends with the issuance of the Series 2021 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the Beneficial Owners regarding the tax-exempt status of the Series 2021 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the Beneficial Owners) other than the City and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Series 2021 Bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2021 Bonds for audit, or the course or result of such audit, or an audit of Series 2021 Bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2021 Bonds, and may cause the City or the Beneficial Owners to incur significant expense.

#### UTAH INCOME TAXATION

In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the Series 2021 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Series 2021 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.



## **BOND RATINGS**

As of the date of this Official Statement, the Bonds have been rated “\_\_\_\_\_” by S&P Global Ratings.

Any explanation of the significance of the ratings may only be obtained from the rating service furnishing the same. There is no assurance that the ratings given will be maintained for any period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

## **MISCELLANEOUS**

All quotations from and summaries and explanations of the Utah statutes, court decisions and the Indenture, which are contained herein, do not purport to be complete, and reference is made to said statutes, court decisions and the Indenture for full and complete statements of their respective provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this Official Statement and should be read in conjunction with the foregoing material.

This Preliminary Official Statement is in form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement and its distribution and use have been duly authorized by the City.

SPRINGVILLE CITY, UTAH

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**APPENDIX A**

**GENERAL PURPOSE FINANCIAL STATEMENTS OF THE CITY FOR  
THE FISCAL YEAR ENDED JUNE 30, 2020**

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## APPENDIX B

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE AND DEFINITION OF CERTAIN TERMS

The following summary is a brief outline of certain provisions contained in the Indenture and is not to be considered as a full statement thereof. Reference should be made to the Indenture, including the Series 2021 Supplemental Indenture, for full details of all the terms of the Bonds, the security provisions appertaining thereto, the application of the Revenues derived from the System, and the definition of any terms used but not defined in this Official Statement.

#### DEFINITIONS

For purposes of this summary, the following terms have the meanings described below:

*“Account’s Certificate”* means a certificate signed by a Qualified Public Accountant.

*“Accrued Debt Service”* means, as of any date of calculation, the amount of Debt Service that has accrued with respect to any series of Bonds and any related Security Instrument Repayment Obligations, calculating the Debt Service that has accrued with respect to each series of Bonds and any related Security Instrument Repayment Obligations as an amount equal to the sum of (a) the interest on the Bonds of such series and on any related Security Instrument Repayment Obligations that has accrued and is unpaid and that will have accrued by the end of the then-current calendar month, and (b) that portion of all principal installments payable within the 12-month period following the date of calculation for the Bonds of such series (other than subordinated Bond Anticipation Notes) and on any related Security Instrument Repayment Obligations that would have accrued, if deemed to accrue in the same manner as interest accrues, by the end of the then current calendar month.

*“Act”* means the Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, and, to the extent applicable, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Chapter 27 of Title 11, Utah Code Annotated 1953, as amended, and all laws amendatory thereof or supplemental thereto.

*“Aggregate Debt Service”* means, as of any date of calculation and with respect to any period, the sum of the amounts of Debt Service for (a) all series of Bonds then outstanding and (b) any Repayment Obligations then outstanding.

*“Average Annual Debt Service”* means, as of the date of calculation and for the Series 2021 Bonds, the total of the Debt Service for such Series 2021 Bonds as computed for each Fiscal Year during which any of the Series 2021 Bonds are outstanding, divided by the number of such Fiscal Years.

*“Bond Anticipation Notes”* means Bonds issued by the City pursuant to the Indenture in advance of the permanent financing of the City for a Project pursuant to the provisions of the Act.

“*Bond Service Account*” means the Bond Service Account in the Principal and Interest Fund established in the Indenture.

“*Bondholder*” or “*Holder*”, or any similar term, means the owner of any Bond or Bonds. In the case of a fully-registered Bond, Bondholder means the registered owner of such Bond.

“*Bonds*” means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time outstanding pursuant to the Indenture.

“*City*” means Springville City, Utah, a municipal corporation and political subdivision of the State, and its successors and assigns.

“*Code*” means the Internal Revenue Code of 1986, as amended and supplemented from time to time. Each reference to a section of the Code is deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section which are applicable to tax-exempt Bonds.

“*Construction Fund*” means the fund by that name established in the Indenture.

“*Council*” means the City Council of the City, or any other governing body of the City hereafter provided for pursuant to law.

“*Cross-over Date*” means with respect to Cross-over Refunding Bonds the date on which the principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“*Cross-over Refunded Bonds*” means Bonds refunded by Cross-over Refunding Bonds.

“*Cross-over Refunding Bonds*” means Bonds issued for the purpose of refunding Bonds if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“*Debt Service*” means for any particular Fiscal Year and for any series of Bonds and any Repayment Obligations an amount equal to the sum of (1) all interest (net of any interest subsidy with respect to Bonds paid or payable to or for the account of the City by any governmental body or agency and net of any amount deposited with the Trustee to pay interest on a series of construction Bonds to accrue up to 12 months following the estimated completion date and available to pay interest on Bonds) payable during such Fiscal Year on such Bonds then outstanding and such Repayment Obligations then outstanding, plus (2) the principal installments payable during such Fiscal Year on (i) such Bonds outstanding (other than subordinated Bond Anticipation Notes), calculated on the assumption that Bonds outstanding on the day of calculation cease to be outstanding by reason of, but only by reason of, payment either upon maturity or application of any sinking fund installments required by the Indenture, and (ii) such Repayment

Obligations then outstanding; *provided, however*, that there will be excluded from “*Debt Service*” (w) interest on Bonds (whether Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest is available to pay such interest, (x) principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow and such proceeds or the earnings thereon are required to be applied to pay such principal (subject to the possible use to pay the principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such principal, (3) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the City’s obligation to pay such Repayment Obligations, and (4) any termination payments with respect to an Interest Rate Swap.

“*Debt Service Reserve Account*” means the Debt Service Reserve Account in the Principal and Interest Fund established in Indenture.

“*Debt Service Reserve Requirement*” means, with respect to any Series Subaccount that has been established in the Debt Service Reserve Account, the amount specified in a Supplemental Indenture as being required to be on deposit in such Series Subaccount.

“*Engineer’s Certificate*” means a certificate or opinion signed by a Qualified Engineer.

“*Escrowed Interest*” means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code Annotated 1953, as amended, in connection with the issuance of Bonds or Cross-over Refunding Bonds secured by such Cross-over Refunding Bonds or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

“*Estimated Net Revenues*” means, for any Year, the estimated Net Revenues for such Year.

“*Fiscal Year*” means the annual accounting period of the City as from time to time in effect, initially a period commencing on July 1 of each calendar year and ending on the next succeeding June 30.

“*Fitch*” means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation no longer performs the functions of a securities rating agency, “*Fitch*” will be deemed to refer to another nationally recognized securities rating agency, if any, designated by the City.

“*Government Obligations*” means:

- (i) Direct obligations of or obligations guaranteed by the United States of America;
- (ii) Any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in clause (i) above; and

(iii) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (b) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) or clause (ii) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) or clause (ii) above, which have been deposited in such fund along with any cash on deposit in such fund is sufficient to pay interest when due, principal of and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate.

*“Investment Securities”* means any of the following securities, if and to the extent that the same are at the time legal for investment of City funds:

(i) any investment authorized from time to time by the provisions of the State Money Management Act, including without limitation the Public Treasurers’ Investment Fund;

(ii) The following investments fully insured by the Federal Deposit Insurance Corporation: (a) certificates of deposit, (b) savings accounts, (c) deposit accounts, or (d) depository receipts of banks, savings and loan associations and mutual savings banks;

(iii) Certificates of deposit properly secured at all times by collateral security consisting of Government Obligations;

(iv) Government Obligations;

(v) Bonds, debentures or notes or other evidence of indebtedness issued by any one or a combination of any of the following federal agencies: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer’s Home Administration; the Federal Housing Administration; the Maritime Administration; or the Public Housing Authority;



(vi) Repurchase agreements collateralized by Government Obligations or obligations described in clause (v) of this definition with any registered broker/dealer subject to Securities Investors' Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P Corporation, or any commercial bank with the above ratings, *provided*:

(a) a master repurchase agreement or specific written repurchase agreement governs the transaction,

(b) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (1) a Federal Reserve Bank, (2) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25,000,000, or (3) a bank approved in writing for such purpose by each Security Instrument issuer which at the time has a Security Instrument outstanding on which there is no payment default, and the Trustee has received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee,

(c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq. (or similar successor provision of law) in such securities is created for the benefit of the Trustee,

(d) the repurchase agreement has a term of 30 days or less, or the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business day of such valuation,

(e) the repurchase agreement matures at least ten days (or other appropriate liquidation period) prior to the date when liquidation is required, and

(f) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to at least 100%;

(vii) Money market funds rated AAA by Fitch or Aaa by Moody's or AAA by S&P, including such funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund;

(viii) Direct and general obligations of any state within the territorial United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, *provided* that at the time of their purchase under the Indenture, such obligations are rated in either of the two highest rating categories by a Rating Agency;

(ix) Commercial paper rated “first tier” by two ratings agencies, one of which must be Moody’s or S&P, and having a remaining term to maturity of 270 days or less;

(x) Refunded municipal obligations rated at the time of purchase in the highest rating category by a Rating Agency; and

(xi) Investment agreements permitted by the State Money Management Act.

“*Moody’s*” means Moody’s Investors Service Inc., its successors and assigns, and, if such corporation no longer performs the functions of a securities rating agency, “*Moody’s*” will be deemed to refer to another nationally recognized securities rating agency, if any, designated by the City.

“*Net Revenues*” means, for any period, the Revenues during such period less the Operation and Maintenance Costs during such period.

“*Operation and Maintenance Costs*” means all actual operation and maintenance costs related to the System incurred by the City in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period.

Such Operation and Maintenance Costs include, but are not limited to, amounts paid by the City for improvement, repair, replacement or for the acquisition of any item of equipment related to the System; for salaries and wages; employees’ health, hospitalization, pension and retirement expenses; fees for services, materials and supplies; rents; administrative and general expenses; insurance expenses; Trustee, Paying Agent, legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting and technical services; training of personnel; taxes, payments in lieu of taxes and other governmental charges (including franchise fees imposed by the City for the use of public streets and rights-of-way); fuel costs; payments for the purchase of water or the treatment or transmission of water for distribution in the System; payments for the treatment, transmission or disposal of sewerage; payments pursuant to any Resource Purchase Agreement; and any other current expenses or obligations required to be paid by the City under the provisions of the Indenture or by law, all to the extent properly allocable to the System.

Such Operation and Maintenance Costs do not include depreciation or obsolescence charges or reserves therefor, amortization of intangibles or other bookkeeping entries of a similar nature, interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the City, costs, or charges made therefor, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties.

“*Pledged Bonds*” means any Bonds that have been pledged or in which any interest has otherwise been granted to a Security Instrument issuer as collateral security for Security Instrument Repayment Obligations.

“*Principal and Interest Fund*” means the fund by that name established in the Indenture.

“*Project*” means the acquisition of additions, improvements and extensions to the public utility of the City comprising the System if and to the extent that the same is designated by the City as a Project in a Supplemental Indenture.

“*Qualified Engineer*” means (a) the Director or, if the Director is not an engineer, an engineer on staff in the Department or (b) any registered or licensed engineer or architect and engineer or firm of such engineers or architects and engineers generally recognized to be well qualified in engineering matters relating to construction and maintenance of municipal water, sewer and stormwater systems, appointed by the City.

“*Qualified Public Accountant*” means (a) the Finance Administrator of the Department or (b) any other certified public accountant or firm of such accountants appointed by the City.

“*Rebate Fund*” means any fund established with respect to a series of Bonds issued under the Indenture to provide for the payment of arbitrage rebate pursuant to the Code.

“*Record Date*” means, with respect to any interest payment date for any series of Bonds, the date specified as the Record Date in the Supplemental Indenture authorizing the issuance of such series of Bonds.

“*Redemption Price*” means, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to any Supplemental Indenture.

“*Renewal and Replacement Fund*” means the fund by that name established in the Indenture.

“*Renewal and Replacement Fund Reserve Requirement*” means the amount required to be on deposit in the Renewal and Replacement Fund which shall be an amount equal to such amount, if any, as may be required from time to time by a Supplemental Indenture.

“*Repayment Obligations*” means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

“*Reserve Instrument*” means an instrument or other device issued by a Reserve Instrument issuer to satisfy all or any portion of the Debt Service Reserve Requirement, if any, for a series of Bonds. The term “*Reserve Instrument*” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and other devices; *provided, however*, that no such device or instrument is a “*Reserve Instrument*” for purposes of the Indenture unless specifically so designated in the Supplemental Indenture authorizing the use of such device or instrument.

“*Reserve Instrument Agreement*” means any agreement entered into by the City and a Reserve Instrument issuer pursuant to a Supplemental Indenture and providing for the issuance by such Reserve Instrument issuer of a Reserve Instrument.

*“Reserve Instrument Costs”* means, with respect to any Reserve Instrument, any fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument issuer pursuant to a Reserve Instrument Agreement or the Supplemental Indenture authorizing the use of such Reserve Instrument. Such Reserve Instrument Agreement or Supplemental Indenture must specify any fees, premiums, expenses and costs constituting Reserve Instrument Costs.

*“Reserve Instrument Repayment Obligations”* means, as of any date of calculation and with respect to any Reserve Instrument, any outstanding amounts payable by the City under the Reserve Instrument Agreement or the Supplemental Indenture authorizing the use of such Reserve Instrument to repay the Reserve Instrument issuer for payments previously made by it pursuant to a Reserve Instrument. There is not included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs. Each Reserve Instrument Agreement or the Supplemental Indenture providing for the use of such Reserve Instrument must specify any amounts payable under it which, when outstanding, constitute Reserve Instrument Repayment Obligations and must specify the portions of any such amounts that are allocable as principal of and as interest on such Reserve Instrument Repayment Obligations.

*“Resource Purchase Agreement”* means any agreement (a) for the treatment, transmission or supply of water to or for the City or (b) for capacity in facilities for the treatment, transmission or supply of water to or for the City.

*“Revenue Fund”* means the fund by that name established in the Indenture.

*“Revenues”* means all revenues, connection fees, income, rents and receipts derived by the City from or attributable to the System including the proceeds of any insurance covering business interruption loss. *“Revenues”* also include all interest, profits or other income derived from the investment of any moneys held pursuant to the Indenture and required to be paid into the Revenue Fund and the proceeds of any interest subsidy with respect to the Bonds paid for or for the account of the City by any governmental body or agency. Revenues do not include: (i) proceeds received on insurance resulting from casualty damage to assets of the System; or (ii) the proceeds of sale of Bonds, notes or other obligations issued for System purposes.

*“S&P”* means Standard & Poor’s Credit Market Services, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if such corporation no longer performs the functions of a securities rating agency, *“S&P”* will be deemed to refer to another nationally recognized securities rating agency, if any, designated by the City.

*“Security Instrument”* means an instrument or other device issued by a Security Instrument issuer to pay, or to provide security or liquidity for, a series of Bonds. The term *“Security Instrument”* includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices; *provided, however*, that no such device or instrument is a *“Security Instrument”* for purposes of the Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

“*Security Instrument Agreement*” means any agreement entered into by the City and a Security Instrument issuer pursuant to a Supplemental Indenture providing for the issuance by such Security Instrument issuer of a Security Instrument.

“*Security Instrument Costs*” means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture must specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

“*Security Instrument Repayment Obligations*” means, as of any date of calculation and with respect to any Security Instrument, any outstanding amounts payable by the City under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument issuer for payments previously or concurrently made by the Security Instrument issuer pursuant to a Security Instrument. There is not included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs. Each Security Instrument Agreement or the Supplemental Indenture providing for the use of such Security Instrument must specify any amounts payable under it which, when outstanding, constitute Security Instrument Repayment Obligations and must specify the portions of any such amounts that are allocable as principal of and as interest on such Security Instrument Repayment Obligations.

“*Series Subaccount*” means the separate subaccount created for each series of Bonds in the Bond Service Account or in the Debt Service Reserve Account pursuant to the Indenture.

“*Supplemental Indenture*” means any indenture supplemental hereto or amendatory hereof that is in full force and effect and has been duly executed and delivered by the City and the Trustee in accordance with the provisions hereof.

“*System*” means the complete combined culinary and pressurized irrigation waterworks plant and system of the City, including all improvements, extensions, and additions thereto which may be made while any of the Bonds remain Outstanding, and including all property, real, personal and mixed, of every nature now or hereafter owned by the City and used or useful in the operation of its waterworks properties.

“*Tax Certificate*” means any agreement or certificate of the City that the City may execute in order to establish and maintain the excludability of interest on a Series of Bonds from gross income of the owners thereof for federal income tax purposes.

“*Trustee*” means U. S. Bank National Association, of Springville City, Utah, its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Indenture.

“*Variable Rate Bonds*” means, as of any date of calculation, Bonds the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible of a precise determination.

#### ESTABLISHMENT OF FUNDS AND ACCOUNTS

The following funds and accounts are established under the Indenture and held as follows:

- (i) Construction Fund, consisting of separate Project Accounts for each Project, to be held by the Trustee; and
- (ii) Principal and Interest Fund, to be held by the Trustee, consisting of:
  - (a) a Bond Service Account, in which the Trustee will establish a separate Series Subaccount for each series of Bonds, and
  - (b) a Debt Service Reserve Account, in which the Trustee will establish a separate Series Subaccount for each series of Bonds.
- (iii) Revenue Fund, to be held by the City; and
- (iv) Renewal and Replacement Fund, to be held by the City.

The City may, by Supplemental Indenture, establish one or more additional funds, account or subaccounts, including but not limited to, a Rebate Fund.

#### DEPOSIT OF PROCEEDS OF SALE OF BONDS

Simultaneously with the delivery of a series of Bonds, the proceeds of sale of such Bonds (except proceeds of refunding Bonds), including accrued interest, will be deposited in the Construction Fund and, to the extent permitted by law and the provisions of the Indenture, in any other Funds or such other funds or accounts as may be established by the Supplemental Indenture, in such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such series of Bonds.

#### PLEDGE OF NET REVENUES

The Bonds and the Repayment Obligations are special obligations of the City payable from and secured by the Revenues, moneys, securities and funds pledged therefor. There are pledged for the payment of principal, Redemption Price and interest on the Bonds and of Repayment Obligations in accordance with their terms and the provisions of the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, (1) the proceeds of sale of the Bonds, (2) the Revenues, and (3) the Construction Fund, Principal and Interest Fund, Renewal and Replacement Fund, Revenue Fund and any other Funds hereafter established or confirmed by the Indenture (except

for any Rebate Fund) and pledged for the payment of principal, Redemption Price and interest on the Bonds and of Repayment Obligations, including the investments, if any, thereof, subject to any required rebate of all or a portion of the earnings on such investments to the United States of America pursuant to the requirements of Section 148(f) of the Code.

The Revenues are pledged to the payment of the Bonds subject to the conditions that the Revenues are to be applied in the order of priority described under the caption “ALLOCATION OF REVENUES TO SPECIAL FUNDS,” below.

#### ALLOCATION OF REVENUES TO SPECIAL FUNDS

The Revenues are to be deposited by the City in the Revenue Fund, except as otherwise provided in the Indenture.

On or before the fourth Business Day prior to the end of each month, after the payment of unpaid Operations and Maintenance Costs then due, the City will transfer from the Revenue Fund, to the extent of moneys available therein, and deposit, in the following order:

- (i) {Reserved}, and
- (ii) into the following Funds and Accounts, the amounts set for the below:

- (a) In the Principal and Interest Fund:

- (1) for credit to the Bond Service Account, the amount, if any, required so that the balance in each of the Series Subaccounts in the Bond Service Account will equal the Accrued Debt Service on the series of Bonds and, to the extent required by the Supplemental Indenture creating such Series Subaccount, on any Security Instrument Obligations for which such Series Subaccount was established; *provided* that if there are not sufficient moneys to satisfy the requirements of this subsection (1) with respect to all Series Subaccounts in the Bond Service Account, all moneys available for distribution among such Series Subaccounts will be deposited into the Bond Service Account and distributed on a pro rata basis to the deficient Series Subaccounts in the Bond Service Account, such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency for each Series Subaccounts bears to the total deficiency for all Series Subaccounts; and *provided further*, that in the event and to the extent moneys have been deposited in any Project Account to pay interest on a series of Construction Bonds to accrue up to 12 months following the estimated completion date pursuant to the Indenture, such moneys will be transferred from the appropriate Project Account and deposited into the appropriate Series Subaccount in the Bond Service Account in an amount sufficient to cause the balance in such Series Subaccount to equal the interest component of Accrued Debt Service on the series of Bonds; and

(2) for credit to the Debt Service Reserve Account, without priority or preference as between subsections (A) or (B):

(A) if, after the issuance of a series of Bonds, an amount equal to the Debt Service Reserve Requirement is not on deposit in the Series Subaccount established in the Debt Service Reserve Account for such series of Bonds because sufficient moneys for that purpose were not required by a Supplemental Indenture to be deposited into the Debt Service Reserve Account pursuant to the provisions of the Indenture, such amount as is required by the Supplemental Indenture authorizing such series of Bonds, in not to exceed sixty (60) approximately equal monthly installments commencing not later than the business day immediately preceding the first interest payment date of such series of Bonds, computed as of the contemplated date of issuance of such series of Bonds, necessary to cause the balance in such Series Subaccount to equal the Debt Service Reserve Requirement;

(B) if moneys have ever been paid out of any Series Subaccount in the Debt Service Reserve Account to make up a deficiency in a Series Subaccount in the Bond Service Account or if for any other reason moneys in any Series Subaccount in the Debt Service Reserve Account have been removed and in either case if such moneys have not been replaced from any source, such amount as is necessary to cause either the amount so paid out of or removed from such Series Subaccount in the Debt Service Reserve Account to be replaced, or the amount to be on deposit in such Series Subaccount to be equal to the Debt Service Reserve Requirement attributable to the corresponding series of Bonds, whichever is less; and

(C) with respect to a series of Bonds for which a Debt Service Reserve Requirement has been established pursuant to a Supplemental Indenture and for which the Debt Service Reserve Requirement has been increased because of a decline in the amount by which Net Revenues exceeded Aggregate Debt Service, such amount, in monthly installments, as shall be required by the Supplemental Indenture authorizing such series of Bonds to cause the balance in such Series Subaccount to equal the Debt Service Reserve requirement then-existing for such series of Bonds;

*provided*, that if there are not sufficient moneys in the Revenue Fund to satisfy the requirements of this subsection (2), all moneys available for distribution among the Series Subaccounts in the Debt Service Reserve Account will be deposited into the Debt Service Reserve Account and



distributed pro rata based on the amount of the deficiencies to the deficient Series Subaccounts in the Debt Service Reserve Account.

(b) In the Renewal and Replacement Fund:

(1) if the Renewal and Replacement Fund Reserve Requirement is ever increased in accordance with the provisions of the Indenture, the amount specified in a written certificate of the City identifying a schedule of 60 approximately equal monthly deposits into the Renewal and Replacement Fund sufficient to cause the balance in the Renewal and Replacement Fund to equal the increased Renewal and Replacement Fund Reserve Requirement within no more than 60 months as required by the Indenture; and

(2) if moneys have ever been paid out of the Renewal and Replacement Fund and not have been replaced from any source, the amount of money necessary, in not to exceed 120 approximately equal monthly installments, to cause the amount so paid out of the Renewal and Replacement Fund to be replaced, or to cause to be on deposit in the Renewal and Replacement Fund an amount equal to the Renewal and Replacement Fund Reserve Requirement, whichever is less.

Notwithstanding the foregoing, no deposits are be required into the Principal and Interest Fund so long as there is held in the Principal and Interest Fund, excluding any Reserve Instrument Coverage, an amount sufficient to pay in full all outstanding Bonds and all outstanding Repayment Obligations in accordance with their terms.

Amounts remaining in the Revenue Fund at the end of each month after payment of the amounts required by the Indenture, as set forth above, may be applied by the City, free and clear of the lien of the Indenture, to any one or more of the following, to the extent permitted by law: (1) the purchase or redemption of any Bonds and payment of expenses in connection therewith; (2) payments of principal or redemption price of and interest on any bonds, including general obligation or junior lien revenue bonds of the City, issued to acquire improvements or extensions to the System; (3) payments into any Project Account or Accounts established in the Construction Fund for application to the purposes of such Accounts; (4) payments of the costs of capital improvements to the System; and (5) any other lawful purpose of the City.

All moneys earned as an investment of moneys in the Construction Fund will be retained therein. Net income earned on any moneys or investments in the Revenue Fund, the Bond Service Account, and the Renewal and Replacement Fund will be transferred to the Revenue Fund. Whenever a Series Subaccount in the Debt Service Reserve Account is in its full required amount, net income earned on moneys or investments in such Series Subaccount will be transferred to the Revenue Fund, but otherwise will be retained therein.

## OPERATION OF SPECIAL FUNDS

*Principal and Interest Fund; Bond Service Account.* Each Supplemental Indenture providing for the issuance of a series of Bonds will establish a separate Series Subaccount in the Bond Service Account for each such series of Bonds issued *provided, however*, that such a separate Series Subaccount need not be established in the Principal and Interest Fund for a series of Bonds if such series of Bonds is secured by Series Subaccount in the Debt Service Reserve Account that also secures one or more other series of Bonds (in which case the Supplemental Indenture may provide for the payment of principal and interest on such series of Bonds from the same Series Subaccount in the Principal and Interest Fund as the principal and interest on such other series of Bonds are payable from). There will be deposited into each Series Subaccount the amounts required to be so deposited pursuant to the Indenture. Any payments made by a Security Instrument issuer with respect to a series of Bonds will be deposited into the Series Subaccount in the Bond Service Account relating to such series of Bonds, subject to the provisions of the Supplemental Indenture authorizing the issuance of such series of Bonds.

The Trustee will pay out of the appropriate Series Subaccount in the Bond Service Account the amount required by the Indenture for payment of principal, Redemption Price and interest on the Bonds. The Trustee will also pay out of the appropriate Series Subaccount in the Bond Service Account to the Security Instrument issuer, if any, that has issued a Security Instrument with respect to such series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument issuer. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument issuer, a corresponding payment on the Security Instrument Repayment Obligation will be deemed to have been made (without requiring an additional payment by the City) and the Trustee will keep its records accordingly.

Amounts accumulated in any Series Subaccount in the Bond Service Account with respect to any sinking fund installment (together with amounts accumulated therein with respect to interest on the Bonds for which such sinking fund installment was established) will, if so directed by the City in a written request not less than 30 days before the due date of such sinking fund installment, be applied by the Trustee to (1) the purchase of Bonds of the series and maturity for which such sinking fund installment was established, (2) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (3) any combination of (1) and (2). All purchases of any Bonds described in this paragraph will be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases will be made in such manner as the City directs the Trustee. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed will be deemed to constitute part of the Bond Service Account until such sinking fund installment date for the purpose of calculating the amount of such Account. As soon as practicable after the 60th day preceding the due date of any such sinking fund installment, the Trustee will proceed to call for redemption on such due date, by giving notice as required by the Indenture, Bonds of the series and maturity for which such sinking fund installment was established (except in the case of Bonds maturing on a sinking fund installment date) in such amount as is necessary to complete the retirement of the unsatisfied balance of such sinking fund installment. The Trustee will pay out of the appropriate Series Subaccount in the Bond Service Account to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the

redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount will be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds will be paid by the City as an Operation and Maintenance Cost.

*Principal and Interest Fund; Debt Service Reserve Account.* Each Supplemental Indenture providing for the issuance of a series of Bonds may establish in the Debt Service Reserve Account a separate Series Subaccount for each such series of Bonds issued and will specify the Debt Service Reserve Requirement to be on deposit in such Series Subaccount.

If on the third business day prior to the end of any month, after the deposit of moneys required by subsection (a)(1) under the caption "ALLOCATION OF REVENUES TO SPECIAL FUNDS" the amount in any Series Subaccount in the Bond Service Account is less than the amount required to be in such Series Subaccount, the Trustee will (1) apply amounts from the corresponding Series Subaccount, if any, in the Debt Service Reserve Account to the extent necessary to make good the deficiency; and (2) to the extent that moneys and investments available in the corresponding Series Subaccount, if any, in the Debt Service Reserve Account are not sufficient to eliminate the deficiency in the Series Subaccount in the Bond Service Account and Reserve Instruments are in effect for the corresponding series of Bonds, immediately make a demand for payment on all such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof in the appropriate Series Subaccount in the Bond Service Account.

Whenever the moneys on deposit in a Series Subaccount in the Debt Service Reserve Account for a series of Bonds, including investment earnings and Reserve Instrument Coverage with respect thereto, exceed the Debt Service Reserve Requirement for such Series Subaccount, such excess will be transferred by the Trustee to the corresponding Series Subaccount in the Bond Service Account.

Whenever the amount in a Series Subaccount in the Debt Service Reserve Account, excluding any Reserve Instrument Coverage, together with the amount in the corresponding Series Subaccount in the Bond Service Account for a series of Bonds, is sufficient to pay in full all outstanding Bonds of such series and related Repayment Obligations in accordance with their terms, the funds on deposit in such Series Subaccount in the Debt Service Reserve Account will be transferred to the corresponding Series Subaccount in the Bond Service Account and no deposits are required to be made into such Series Subaccount in the Debt Service Reserve Account.

*Renewal and Replacement Fund.* The amounts in the Renewal and Replacement Fund may be applied from time to time by the City to the payment of extraordinary Operation and Maintenance Costs, and contingencies, including the prevention or correction or any unusual loss or damage to the System to the extent not covered by the proceeds of insurance or other moneys recoverable as a result thereof.

If on the third business day prior to the end of any month the amount in any Series Subaccount in the Bond Service Account is less than the amount required to be in such Series Subaccount and there is not on deposit in the corresponding Series Subaccount in the Debt Service

Reserve Account sufficient moneys to cure such deficiency, the Trustee will request that the City transfer from the Renewal and Replacement Fund and deposit into such Series Subaccount in the Bond Service Account and the amount necessary (or all the moneys in the Renewal and Replacement Fund, if less than the amount necessary) to make up such deficiency; *provided* that to the extent that such deficiencies occur in more than one Series Subaccount in the Bond Service Account and there are insufficient moneys available in the Renewal and Replacement Fund to make up such deficiencies, the amount transferred and deposited from the Renewal and Replacement Fund will be distributed on a pro rata basis to the deficient Series Subaccounts in the Bond Service Account based on the proportion that the total funds available to remedy the total deficiency bears to the deficiency for each series of Bonds.

At the end of each Fiscal Year any balance of moneys or Investment Securities in the Renewal and Replacement Fund in excess of the Renewal and Replacement Fund Reserve Requirement and not required to meet any deficiency in the Bond Service Account or needed for any of the purposes for which the Renewal and Replacement Fund was established, may be transferred by the City and deposited into the Revenue Fund.

Beginning in calendar year 2004 and in each third calendar year thereafter, a Qualified Engineer is to review the adequacy of the amount of the Renewal and Replacement Fund Reserve Requirement under then current operating conditions, and in light of then applicable replacement and maintenance costs of the major components of municipal water systems of comparable size and capacity to the System. Following such review, the Qualified Engineer may recommend an increase or decrease in the amount of the Renewal and Replacement Fund Reserve Requirement. The City agrees in the Indenture that, except as described below, it will within 60 days of the receipt of such recommendation take all necessary steps to comply therewith, including delivering to the Trustee a written certificate, which specifies a schedule of 60 approximately equal monthly deposits into the Renewal and Replacement Fund in order to accumulate therein, within no more than 60 months after the end of the calendar year in which the recommendation is received by the City, any increased amount the Renewal and Replacement Fund Reserve Requirement so recommended. The City may, but is under no obligation to, increase the amount of the Renewal and Replacement Fund Reserve Requirement to an amount in excess of the amount required to be on deposit as of the date of the filing of the recommendation.

*Construction Fund Project Accounts.* Amounts in each Project Account established for a Project will be applied to pay the cost of construction of the Project. In the event and to the extent that proceeds of the sale of Bonds were deposited in a Project Account to provide for the payment of capitalized interest, the Trustee will, during the period for which such interest was capitalized, transfer from such Project Account, to the appropriate Series Subaccount in the Bond Service Account, the amounts required to pay interest on the Bonds when due, subject to any limitations contained in the Supplemental Indenture authorizing such Bonds.

The substantial completion of construction of each Project will be evidenced by a written certificate of the City. Upon the filing of such certificate, the balance in the Project Account in the Construction Fund in excess of the amount, if any, stated in such certificate will, to the extent permitted under applicable law and covenants, including any covenants contained in any Tax Certificate, regarding the use of proceeds of the Bonds, and as directed in such certificate or in a

Supplemental Indenture, be (i) used to purchase Bonds as provided in the Indenture, (ii) deposited into the Debt Service Reserve Account to fund any amounts required to be deposited therein, (iii) deposited into the Bond Service Account, (iv) transferred into another Project Account to pay costs of construction of a Project or (v) used for any other purpose for which proceeds of Bonds may be used under applicable law and covenants regarding the use of proceeds of Bonds. If subsequent to the filing of such certificate, a supplemental written certificate of the City is filed with the Trustee stating that the balance of the money remaining in the Construction Fund is no longer needed to pay costs of construction of such Project, any remaining balance in the Project Account in the Construction Fund will, to the extent permitted under applicable law and covenants, including any covenants contained in any Tax Certificate, regarding the use of proceeds of the Bonds and as directed in such supplemental certificate or in a Supplemental Indenture, be (i) used to purchase Bonds as provided in the Indenture, (ii) deposited into the Debt Service Reserve Account to fund any amounts required to be deposited therein, (iii) deposited into the Bond Service Account, (iv) transferred into another Project Account to pay costs of construction of a Project or (v) used for any other purpose for which proceeds of Bonds may be used under applicable law and covenants regarding the use of proceeds of Bonds.

#### PARTICULAR COVENANTS

*Punctual Payment.* The City will punctually pay or cause to be paid the principal, Redemption Price and interest on the Bonds and any Repayment Obligations in strict conformity with the terms of the Bonds, any Security Instrument Agreement, any Reserve Instrument Agreement and the Indenture, and the City will punctually pay or cause to be paid all sinking fund installments which may be established for any series of Bonds.

*Operation and Maintenance.* The City will cause the System to be operated continuously 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, and the City will from time to time cause to be made all necessary and proper repairs and replacements so that the rights and security of the Holders of the Bonds may be fully protected and preserved.

*Maintenance of Revenues.* The City will at all times comply with all terms, covenants and provisions, express and 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 City with respect thereto. The City will promptly collect all charges due for System use and service supplied by it as the same become due, and will at all times maintain and enforce its rights against any person who does not pay such charges.

The City will not enter into any Resource Purchase Agreement pursuant to which the City is obligated to take or pay (i) for the treatment, transmission or supply of water to or for the City; (ii) for capacity in facilities for the treatment, transmission or supply of water to or for the City; (iii) for the treatment, transmission or disposal of sewerage for the City; or (iv) for capacity in facilities for the treatment, transmission or supply of sewerage to or for the City unless the City obtains (a) an Accountant's Certificate (b) an Engineer's Certificate, or (c) any combination of (a)

and (b) to the effect that the City's obligation to make payments when due under such Resource Purchase Agreement will not adversely affect the ability of the System to produce Net Revenues at least equal to the Rate Covenant Requirement for (x) the Fiscal Year in which such Resource Purchase Agreement is executed and (y) each of the next 5 Fiscal Years thereafter.

*Rates and Charges.* So long as any of the Bonds are outstanding the City will establish, fix, prescribe and collect rates and charges for the sale or use of System services furnished by the City which, together with other income, are reasonably expected to yield Net Revenues equal to (1) 1.25 times the Aggregate Debt Service excluding amounts payable on Repayment Obligations for the forthcoming Fiscal Year, (2) 100% of the Repayment Obligations, if any, which will be due and payable during the forthcoming Fiscal Year and (3) 100% of the amounts, if any, required by the Indenture to be deposited into the Debt Service Reserve Account and the Renewal and Replacement Fund during the forthcoming Fiscal Year.

*Payment of Taxes and Claims.* The City 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 become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any such properties. The City will keep the System and all parts thereof free from judgments, mechanics' and materialmen's liens (except those arising by mere operation of law from the construction of any Project and other improvements of the System which are paid 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 the Indenture on the Revenues may at all times be maintained and preserved, and be free from any claim or liability which might embarrass or hamper the City in conducting its business.

*Insurance.* Subject in each case to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions:

(1) The City will procure and maintain, or cause to be procured and maintained, at all times while any Bonds are outstanding, insurance on the System and public liability insurance in such amounts and against such risks as are usually insurable in connection with similar facilities and are normally carried by municipalities engaged in the operation of similar properties, such insurance to be maintained with responsible insurers or to be self-insurance in the manner and to the extent authorized or permitted by law;

(2) The City will secure and maintain adequate fidelity insurance or bonds on all officers and employees handling or responsible for funds of the City related to the System; and

(3) The City will place on file with the Trustee annually within 180 days after the close of each Fiscal Year, so long as any Bonds are outstanding, a written statement of the City containing a summary of all insurance policies or self-insurance arrangements then in effect with respect to the System, its officers and employees;

*provided, however,* that nothing in this paragraph should be construed in such manner as to result in making the Bonds an indebtedness of the City, and if it is ever held by any court of competent jurisdiction that any or all of the provisions of this paragraph are invalid or that the enforcement of the provisions of this paragraph would make the Bonds invalid or unenforceable, said provisions of this paragraph will be considered to be null and void.

*Accounting Records and Financial Reports.* The City will at all times keep, or cause to be kept, proper books of record and accounts, separate and apart from all other records and accounts of the City, in which complete and accurate entries will be made of all transactions relating to the System and the Revenues. The Indenture requires the City to place on file with the Trustee and any security instrument issuer from time to time various audited and unaudited financial statements and various reports relating to the System and the Revenues.

*Sale or Disposition of Property.* The City will not sell or otherwise dispose of any property essential to the proper operation of the System or the maintenance of the Revenues, provided that this covenant will not be construed to prevent the disposal by the City of property which in its judgment has become inexpedient to use in connection with the System when other property of equal value is substituted therefor. The City will not enter into any lease or other agreement which impairs or impedes the operation of the System or which impairs or impedes the rights of the Bondholders with respect to the Revenues. The Trustee has no responsibility with respect to any such leases or agreements entered into by the City.

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

#### EVENTS OF DEFAULT

The occurrence of one or more of the following events constitute an “*Event of Default*”:

(i) failure by the City to make the due and punctual payment of the principal or Redemption Price of any Bond when and as the same becomes due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise;

(ii) failure by the City to make the due and punctual payment of any installment of interest on any Bond or any sinking fund installment when and as such interest installment or sinking fund installment becomes due and payable;

(iii) failure by the City to observe any of the covenants, agreements or conditions on its part contained in the Indenture or in the Bonds contained, and failure to remedy the

same for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the City by the Trustee, or to the City and the Trustee by the Holders of not less than 25% in aggregate principal amount of the Bonds at the time outstanding;

(iv) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of Title 11, United States Code (as the same may from time to time be hereafter amended), or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against the City and, if instituted against the City, said proceedings are consented to or are not dismissed within 30 days after such institution; or

(v) any event specified in a Supplemental Indenture as constituting an Event of Default under the Indenture;

*provided* that any failure by the City to make payment as described in subparagraph (i) or (ii) above will not constitute an Event of Default with respect to any Bond if the Supplemental Indenture authorizing the issuance of such Bond provides that due and punctual payment by a Security Instrument issuer or a Reserve Instrument issuer does not give rise to an Event of Default and such payment is, in fact, duly and punctually made.

#### REMEDIES

Upon the occurrence and continuance of an Event of Default:

(i) the Trustee may proceed, and

(ii) upon the written request of (a) the Holders of a majority of the principal amount of the outstanding Bonds, (b) Security Instrument issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure a majority in aggregate principal amount of the Bonds then outstanding, or (c) any combination of Bondholders and Security Instrument issuers described under clauses (a) and (b) representing a majority in aggregate principal amount of the Bonds at the time outstanding, will proceed,

to protect and enforce its rights and the rights under the Indenture of the Bondholders, the Security Instrument issuers and the Reserve Instrument issuers forthwith by any available remedies, including, without limitation, suit or suits in equity or at law, whether for the payment of any amount due under the Indenture or on the Bonds or for the specific performance of any covenant contained in the Indenture, or in aid of the execution of any power granted in the Indenture or any remedy granted under the Act, or for an accounting against the City, as if the City were the trustee of an express trust, or in the enforcement of any other legal or equitable right, as the Trustee, being advised by counsel, deems most effectual to enforce any of its rights or to perform any of its duties under the Indenture.



In case the Trustee has proceeded to enforce any remedy, right or power under the Indenture in any suit, action or proceedings, and the suit, action or proceedings have been discontinued or abandoned for any reason, or have been determined adversely to the Trustee, then the Issuer, the Trustee, the Bondholders, the Security Instruments issuers and the Reserve Instrument issuers will be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies and powers of the Trustee will continue as if no suit, action or proceedings had been taken.

#### ACCOUNTING AND EXAMINATION OF RECORDS AFTER DEFAULT

The City covenants that if an Event of Default has happened and has not been remedied, the books of record and accounts of the City and all other records of the City relating to the System will at all times be subject to the inspection and use of the Trustee and of its agents and attorneys. The City covenants that if an Event of Default happens and has not been remedied, the City, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under the Indenture for such period as is stated in such demand.

#### RIGHTS AND REMEDIES OF BONDHOLDERS

No Holder of any Bond, any Security Instrument issuer or any Reserve Instrument issuer has any right to institute any proceeding, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture, unless (i) such Holder, Security Instrument issuer or Reserve Instrument issuer has previously given written notice to the Trustee of a continuing Event of Default; (ii) either (x) the Holders of not less than 25% in aggregate principal amount of the outstanding Bonds, (y) Security Instrument issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure 25% in aggregate principal amount of the Bonds at the time outstanding, or (z) any combination of Bondholders and Security Instrument issuers described in clauses (x) and (y) representing not less than 25% in aggregate principal amount of the Bonds at the time outstanding, have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder; (iii) such Holders or Security Instrument issuer have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (iv) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceedings; and (v) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by (a) the Holders of a majority in principal amount of the outstanding Bonds, (b) Security Instrument issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure a majority in aggregate principal amount of the Bonds then outstanding, or (c) any combination of Bondholders and Security Instrument issuers described in clauses (a) and (b) representing a majority in aggregate principal amount of the Bonds at the time outstanding; it being understood and intended that no one or more Holders of Bonds, Security Instrument issuers or Reserve Instrument issuers have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other such parties, or to obtain or to seek to obtain priority or preference over any other such parties or to enforce any right under the Indenture, except

in the manner herein and therein provided and for the equal and ratable benefit of all such parties in accordance with the provisions of the Indenture.

The Holder of any Bond has the right which is absolute and unconditional to receive payment of the principal of, Redemption Price and interest on such Bond on the respective stated maturities expressed in such Bond (or, in the case of redemption, on the redemption date of such Bond) and to institute suit for the enforcement of any such payment, subject only to any conditions of any Security Instrument issuer providing a Security Instrument securing such Bond. Such right to receive payment may not be impaired without the consent of such Holder.

The Holders of a majority of the principal amount of the outstanding Bonds, Security Instrument issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure a majority in aggregate principal amount of the Bonds then outstanding, or any combination of Bondholders and Security Instrument issuers described above representing a majority in aggregate principal amount of the Bonds at the time outstanding, have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided* that (a) such direction is not in conflict with any rule of law or the Indenture, (b) the Trustee has not determine that the action so directed would be unjustly prejudicial to the Holders and Security Instrument issuers not taking part in such direction, and (c) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

#### APPOINTMENT OF RECEIVER

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders, the Security Instrument issuers and the Reserve Instrument issuers, the Trustee is entitled, as a matter of right, to the appointment of a receiver or receivers of the trust estate created hereby, including, without limitation, the proceeds of the sale of the Bonds, the Revenues and the Funds, including the investments, if any, thereof, pending such proceedings, with such powers as a court making such appointments will confer.

#### WAIVERS OF EVENTS OF DEFAULT

- (i) The Trustee may waive, and
- (ii) upon the written direction of (a) the Holders of a majority of the principal amount of the outstanding Bonds, (b) Security Instrument issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure a majority in aggregate principal amount of the Bonds then outstanding, or (b) any combination of Bondholders and Security Instrument issuers described under clauses (a) and (b) representing a majority in aggregate principal amount of the Bonds at the time outstanding, will waive, any Event of Default under the Indenture and its consequences; *provided, however*, that (x) there will not be waived any Event of Default specified in Section 9.01(a) or Section 9.01(b) of the Indenture unless prior to such

waiver the City has or has caused to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which have become due (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified in the Bonds) and (y) no Event of Default will be waived unless (in addition to the applicable conditions as aforesaid) there has been deposited with the Trustee such amounts as is sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee. No such waiver will extend to or will affect any subsequent default or Event of Default or will impair any remedy, right or power consequent thereon.

#### DISCHARGE OF INDEBTEDNESS

If the City pays or causes to be paid, or there has otherwise been paid, subject to any limitations contained in a Supplemental Indenture with respect to a series of Bonds, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture and if all Repayment Obligations owed to Security Instrument issuers and Reserve Instrument issuers have been paid in full, then the pledge of any Revenues and other moneys, securities and Funds pledged under the Indenture and all covenants, agreements and other obligations of the City to the Bondholders, Security Instrument issuers and Reserve Instrument issuers will thereupon cease, terminate and become void and be discharged and satisfied. If the City pays or causes to be paid, or there has otherwise been paid, to the Holders of any outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds will cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the City to the Holders of such Bonds will thereupon cease, terminate and become void and be discharged and satisfied.

Subject to any further conditions in a Supplemental Indenture with respect to a series of Bonds, all outstanding Bonds of any series will prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed the preceding paragraph if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the City has given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in the Indenture notice of redemption of such Bonds on said date, (ii) there has been deposited with the Trustee either moneys in an amount which are sufficient, or noncallable Government Obligations (including any Government Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, will be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the City has given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Holders of such Bonds that the deposit described by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

Neither Government Obligations nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Government Obligations may be withdrawn or used for any purpose other than, and must be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; *provided* that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, will, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments will be paid over to the City, as received by the Trustee, free and clear of any trust, lien or pledge.

#### MODIFICATION OR AMENDMENT OF THE INDENTURE

The Indenture or any Supplemental Indenture and the rights and obligations of the City and of the Holders of the Bonds may be modified or amended at any time by a Supplemental Indenture and pursuant to the affirmative vote at a meeting of Bondholders, or with the written consent without a meeting, (i) of the Holders of at least a majority in principal amount of the Bonds then outstanding, and (ii) in case less than all of the several series of Bonds then outstanding are affected by the modification or amendment, of the Holders of at least a majority in principal amount of the Bonds of each series so affected and then outstanding, and (iii) in case the modification or amendment changes the terms of any sinking fund installment, of the Holders of at least a majority in principal amount of the Bonds of the particular series and maturity entitled to such sinking fund installment and then outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified series remain outstanding, the consent of the Holders of Bonds of such series is not required and Bonds of such series are not deemed to be outstanding for the purpose of any calculation of outstanding Bonds for purposes of the section.

The Indenture or any Supplemental Indenture and the rights and obligations of the City, the Holders of the Bonds, the Security Instrument issuers and the Reserve Instrument issuers may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Bondholders for any of the following purposes:

- (1) to add to the covenants and agreements of the City contained in the Indenture, to add other covenants and agreements thereafter to be observed, to pledge or provide additional security hereunder or to surrender any right or power herein reserved to or conferred upon the City;
- (2) to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Indenture or in regard to questions arising under the Indenture, as the City may deem necessary or desirable, and which will not adversely affect the interests of the Holders of the Bonds;

(3) to provide for the issuance of a series of Bonds in accordance with the provisions of the Indenture, see “SECURITY FOR THE SERIES 2021 BONDS – Additional Bonds,” in this Official Statement;

(4) to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code Annotated 1953, as amended, or any successor provision of law or to modify or eliminate the book-entry registration system for any of the Bonds;

(5) to confirm, as further assurance, any pledge of or lien on the Revenues or any other moneys, securities or funds subject or to be subjected to the lien of the Indenture;

(6) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(7) to modify, alter, amend or supplement the Indenture or any Supplemental Indenture in any other respect which in the judgment of the Trustee is not materially adverse to the Holders of the Bonds; *provided, however*, that any such modification, alteration, amendment or supplement pursuant to this subsection will not take effect until the Security Instrument issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation thereunder have consented in writing to such modification, alteration, amendment or supplement; *provided further* that in determining whether any such modification, alteration, amendment or supplement is materially adverse to the Holders of the Bonds, the Trustee will consider the effect on the Holders as if there were no Security Instrument with respect to the Bonds;

(8) to make any change which in the judgment of the Trustee will not materially adversely affect the rights or interests of the Holders of any outstanding Bonds requested by a Rating Agency in order to obtain or maintain any rating on the Bonds or by a Security Instrument issuer or Reserve Instrument issuer in order to insure or provide other security for any Bonds;

(9) to make any change necessary (A) to establish or maintain the exemption from federal income taxation of interest on any series of Bonds as a result of any modifications or amendments to Section 148 of the Code (or any successor provision of law) or interpretations thereof by the Internal Revenue Service, or (B) to comply with the provisions of Section 148(f) of the Code (or any successor provision of law), including provisions for the payment of all or a portion of the investment earnings of any of the Funds established hereunder to the United States of America;

(10) if the Bonds affected by such change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, *provided* that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument issuer;

(11) if the Bonds affected by such change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument issuer, *provided* that if any of the Bonds so affected are rated by a Rating Agency, such change may not result in a reduction of the rating applicable to any of the Bonds so affected;

(12) to the extent permitted by a Supplemental Indenture authorizing a series of construction Bonds (or Bond Anticipation Notes), the designation of additions, improvements and extensions to the System as a Project by such Supplemental Indenture may be modified or amended if the City delivers to the Trustee (a) an Accountant's Certificate, (b) an Engineer's Certificate or (c) any combination of (a) and (b) to the effect that such modification or amendment will not adversely impact the City's ability to perform the covenants described under the caption "PARTICULAR COVENANTS – Rates and Charges;"

(13) to provide for the appointment of a successor Trustee, a Paying Agent, a separate or co-trustee pursuant to the Indenture, a Remarketing Agent or a Transfer Agent;

(14) to specify a schedule of monthly deposits into the Renewal and Replacement Fund pursuant to the Indenture;

(15) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal, but only to the extent that such would not adversely affect the Tax-Exempt status of the Bonds;

(16) to provide the procedures required to permit any Holder to separate the right to receive interest on the Bonds from the right to receive principal thereof and to sell or dispose of such right as contemplated by Section 1286 of the Code; and

(17) to provide for the appointment or replacement of a Security Instrument issuer or a Reserve Instrument issuer or for an additional Security Instrument issuer or an additional Reserve Instrument issuer following the occurrence of an event of default under the respective Security Instrument or Reserve Instrument, as applicable, or to provide for an additional Security Instrument issuer following the withdrawal or suspension or reduction below the Rating Category of AAA, Aaa or any equivalent rating by any Rating Agency of the long-term ratings of the Security Instrument issuer provided that the Security Instrument provided by the replacement or additional Security Instrument issuer would result in a long-term rating on the Bonds equal to the Rating Category of AAA, Aaa or any equivalent rating by any Rating Agency.

No modification or amendment will be permitted pursuant to subparagraph (1), (7), (8), (10), (11), (12) or (16) unless the City delivers to the Trustee an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that such modification or amendment will not adversely affect the tax-exempt status or validity of any Bonds affected by such modification or amendment.

Notwithstanding any provisions of the Indenture to the contrary, a Supplemental Indenture providing for the issuance by a Security Instrument issuer of a Security Instrument in connection with a Series of Bonds issued under the Indenture may provide, among other provisions, that the Security Instrument issuer shall at all times, so long as the Series of Bonds remains Outstanding, be deemed to be the exclusive owner of all of the Bonds of such Series for the purpose of consenting to the execution and delivery of a Supplemental Indenture pursuant to the provisions of the first paragraph of this section.

## APPENDIX C

### DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY AND UTAH COUNTY

#### THE CITY

##### DEMOGRAPHIC STATISTICS

The following table sets forth the demographic statistics for the last five years:

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2014	31,494	573,000,762	18,194	4.1
2015	32,259	631,145,003	19,565	3.9
2016	32,970	648,268,229	19,622	3.6
2017	33,023	698,481,548	21,151	3.4
2018	33,104	741,447,910	22,398	3.1

Sources: Population estimates provided by the United States Census Bureau. Personal income provided by the Utah State Tax Commission (federal returns). Unemployment rates provided by the U.S. Department of Labor, Bureau of Labor and Statistics.

##### CONSTRUCTION STATISTICS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Number of new dwelling units	137	119	100	199
New Construction				
Residential value	\$39,056,000	\$33,688,000	\$22,589,000	\$32,001,000
Non-residential value	6,022,000	17,536,000	45,200,000	19,704,000
Addition, alterations, repairs				
Residential value	1,792,000	2,142,000	1,558,000	1,252,000
Non-residential value	8,348,000	7,290,000	1,027,000	2,359,000
Total construction value (in thousands)	55,217	60,655	70,374	55,316

Source: University of Utah Kem C. Gardner Policy Institute, Ivory-Boyer Utah Report and Database



## UTAH COUNTY

### GENERAL

The County, established in 1850, covers an area of approximately 2,143 square miles and is located in north-central Utah, immediately south of Salt Lake County, Utah. The County had an estimated 622,213 residents according to the 2018 estimate of U.S. Census Bureau, making it the second largest county (out of 29 counties) by population in the State of Utah.

### POPULATION

<u>Year</u>	<u>County</u>	<u>% Change</u>	<u>State of Utah</u>	<u>% Change</u>
2018	622,213	2.6%	3,161,105	1.9%
2017	606,503	2.8	3,103,118	2.0
2016	590,082	3.0	3,042,613	2.0
2015	572,650	2.1	2,982,497	1.5
2014	560,751	1.7	2,937,399	1.4
2013	551,333	2.2	2,897,927	1.6
2012	539,704	1.7	2,853,467	1.4
2011	530,658	2.7	2,814,216	1.8
2010 Census	516,564	40.2	2,763,885	23.8
2000 Census	368,536	39.8	2,233,169	29.6
1990 Census	263,590	20.9	1,722,850	17.9

(Source: U.S. Census Bureau; estimates as of July 1 for years 2011-2018.)

### RATE OF UNEMPLOYMENT—ANNUAL AVERAGE

<u>Year</u>	<u>County</u>	<u>State of Utah</u>	<u>United States</u>
2018	2.8%	3.1%	3.9%
2017	2.9	3.2	4.4
2016	3.1	3.4	4.9
2015	3.3	3.6	5.3
2014	3.5	3.8	6.2
2013	4.2	4.6	7.4
2012	5.0	5.4	8.1

(Source: Utah Department of Workforce Services, and U.S. Bureau of Labor Statistics.)

## ECONOMIC INDICATORS OF THE COUNTY

<u>LABOR FORCE</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Labor Force	299,868	290,882	279,346	266,005	255,066
Employed	291,391	282,347	270,835	257,332	246,156
Unemployed	8,477	8,535	8,511	8,673	8,910
<i>Rate</i>	2.80%	2.90%	3.00%	3.30%	3.50%
Average Employment	258,857	245,853	234,548	222,236	208,836
<i>% Change Prior Year</i>	5.29	4.82	5.54	6.42	4.75
<i>Average Employment by Sector:</i>					
Agriculture, Forestry, Fishing & Hunting	1,189	1,169	1,209	1,166	1,159
Mining	133	100	72	88	111
Utilities	633	651	682	604	598
Construction	24,711	22,868	21,255	18,689	16,422
Manufacturing	19,129	18,313	17,611	17,646	17,773
Wholesale Trade	7,152	6,748	6,408	6,716	6,222
Retail Trade	32,965	31,793	29,911	28,137	25,441
Transportation and Warehousing	5,035	484	4,529	4,283	3,993
Information	13,148	12,975	12,803	11,516	10,317
Finance and Insurance	5,817	5,419	5,010	4,881	4,509
Real Estate, Rental and Leasing	3,018	2,819	2,618	2,356	2,306
Professional, Scientific and Technical Services	21,459	18,563	17,335	16,476	15,284
Management of Companies and Enterprises	1,559	1,373	1,409	1,191	1,239
Admin., Support, Waste Mgmt, Remediation	15,181	14,027	13,323	12,388	11,242
Education Services	43,335	43,098	41,561	40,049	39,137
Health Care and Social Assistance	30,485	28,676	27,543	26,292	24,934
Arts, Entertainment, and Recreation	4,848	4,643	4,460	4,249	3,883
Accommodation and Food Services	18,656	17,394	16,770	15,799	14,793
Other Services	5,525	5,446	5,215	4,979	4,774
Public Administration	6,069	6,142	6,031	5,889	5,850
Unclassified Establishments	-	-	6	-	-
Total Establishments	16,732	15,719	14,955	14,298	13,663
Total Wages (\$Millions)	11,465.2	10,255.6	9,514.6	8,779.9	7,874.3
<u>INCOME AND WAGES</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Personal Income (\$000)	n/a	23,134,496	22,025,557	20,456,524	18,671,591
Median Household Income	n/a	70,461	69,568	65,425	60,957
Per Capita Income	n/a	38,149	37,301	35,698	33,288
Average Monthly Nonfarm Wage	3,691	3,476	3,380	3,292	3,157
<u>SALES AND CONSTRUCTION</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Gross Taxable Sales (\$M)	10,173.9	9,556.5	8,679.1	8,151.1	7,555.1
Dwelling Unit Permits	6,715	6,836	3,988	4,476	5,208
Total Permit Authorized Const. (\$M)	2,359,864.7	2,334,779.6	2,086,652.5	1,923,746.4	1,466,887.6
New Residential Const. (\$M)	1,635,979.8	1,508,031.4	968,082.7	1,242,972.3	938,627.2
New Nonresidential Const. (\$M)	523,037.4	622,025.9	896,790.7	451,452.0	359,438.5

(Sources: Utah Department of Workforce Services; U.S. Department of Commerce, Bureau of Economic Analysis.)

## MAJOR EMPLOYERS

The following is a list of the largest employers in the County based on 2018 annual averages.

<u>Company</u>	<u>Industry</u>	<u>Average Annual Employment</u>
Brigham Young University	Higher Education	15,000-19,999
Alpine School District	Public Education	7,000-9,999
Utah Valley University	Higher Education	7,000-9,999
State of Utah	State Government	5,000-6,999
Vivint	Building Equipment Contractors	3,000-3,999
Nebo School District	Public Education	3,000-3,999
Utah Valley Regional Medical Center	Health Care	3,000-3,999
Wal-Mart	Warehouse Clubs/Supercenters	3,000-3,999
Sykes Enterprises	Technical Services	2,000-2,999
Young Living Essential Oils	Direct Selling Establishments	2,000-2,999
Doterra International	Direct Selling Establishments	2,000-2,999
Provo School District	Public Education	1,000-1,999
IM Flash Technologies	Manufacturing	1,000-1,999
Provo City	Local Government	1,000-1,999
Nu Skin	Pharmaceutical Wholesaler	1,000-1,999
Adobe Systems	Technical Services	1,000-1,999
RBD Acquisition	Services to Buildings and Dwellings	1,000-1,999
Central Utah Medical Clinic	Health Care	1,000-1,999
Utah County	Local Government	1,000-1,999
Solutionreach	Technical Services	1,000-1,999
Nestle Prepared Foods	Manufacturing	1,000-1,999
Chrysalis	Individual and Family Services	1,000-1,999
Smith's Food & Drug	Grocery Stores	1,000-1,999
United States Government	Federal Government	500-999
Qualtrics	Technical Services	500-999
American Fork Hospital	Health Care	500-999
Ancestry.Com	Information Services	500-999
Alpine Building	Residential Building Construction	500-999
Entrata	Data Processing, Hosting, and Related Services	500-999
Lehi City	Government	500-999
Costco	Other General Merchandise Stores	500-999
US Synthetic Corporation	Nonmetallic Mineral Product Manufacturing	500-999
Orem City	Government	500-999
Purple Innovation	Information Services	500-999
ROI Solutions	Call Centers	500-999
Younique	Online Retail	500-999
Domo	Technical Services	500-999
Maceys	Grocery Stores	500-999
Timpanogos Regional Medical Service	Health Care	500-999
The Home Depot	Construction Materials	500-999
Xactware Solutions	Technical Services	500-999
Workfront	Technical Services	500-999
UHS of Provo Canyon	Public Education	500-999
Wayfair	Online Retail	500-999
Rocky Mountain ATV	Vehicle Dealers	500-999
Sundance Partners	Tourism	500-999
Hadco Construction	Construction	500-999
Henry Schein Practice Solutions	Technical Services	500-999

(Source: Utah Department of Workforce Services; last updated September 2018.)



**APPENDIX D**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**APPENDIX E**

**PROPOSED FORM OF  
CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12**

## APPENDIX F

### BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership

interests in Securities, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as maybe in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede



& Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2021 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2021 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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Preliminary; subject to change.

**CITY OF SPRINGVILLE, UTAH**

**\$10,420,000 WATER & SEWER REVENUE AND REFUNDING BONDS**

SERIES 2021 (November 9, 2021 )

(New Money & Current Refund Series 2008 (Amended 2013))

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**NEW MONEY**

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Debt Service Schedule 11

Preliminary; subject to change.

## CITY OF SPRINGVILLE, UTAH

### \$10,420,000 WATER & SEWER REVENUE AND REFUNDING BONDS

SERIES 2021 (November 9, 2021 )

(New Money & Current Refund Series 2008 (Amended 2013))

## Total Issue Sources And Uses

Dated 11/09/2021 | Delivered 11/09/2021

	Cur Ref 2008 (Amended)	New Money	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$6,150,000.00	\$4,270,000.00	\$10,420,000.00
Reoffering Premium	691,728.15	778,330.15	1,470,058.30
Transfers from Prior Issue Debt Service Funds	47,740.00	-	47,740.00
<b>Total Sources</b>	<b>\$6,889,468.15</b>	<b>\$5,048,330.15</b>	<b>\$11,937,798.30</b>
<b>Uses Of Funds</b>			
Total Underwriter's Discount (0.400%)	24,600.00	17,080.00	41,680.00
Costs of Issuance	44,265.83	30,734.17	75,000.00
Deposit to Project Construction Fund	-	5,000,000.00	5,000,000.00
Deposit to Current Refunding Fund	6,820,000.00	-	6,820,000.00
Rounding Amount	602.32	515.98	1,118.30
<b>Total Uses</b>	<b>\$6,889,468.15</b>	<b>\$5,048,330.15</b>	<b>\$11,937,798.30</b>

Preliminary; subject to change.

## CITY OF SPRINGVILLE, UTAH

### \$10,420,000 WATER & SEWER REVENUE AND REFUNDING BONDS

SERIES 2021 (November 9, 2021 )

(New Money & Current Refund Series 2008 (Amended 2013))

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/09/2021	-	-	-	-	-
02/01/2022	1,125,000.00	4.000%	94,937.77	1,219,937.77	1,219,937.77
08/01/2022	-	-	185,900.00	185,900.00	-
02/01/2023	940,000.00	4.000%	185,900.00	1,125,900.00	1,311,800.00
08/01/2023	-	-	167,100.00	167,100.00	-
02/01/2024	980,000.00	4.000%	167,100.00	1,147,100.00	1,314,200.00
08/01/2024	-	-	147,500.00	147,500.00	-
02/01/2025	1,020,000.00	4.000%	147,500.00	1,167,500.00	1,315,000.00
08/01/2025	-	-	127,100.00	127,100.00	-
02/01/2026	1,060,000.00	4.000%	127,100.00	1,187,100.00	1,314,200.00
08/01/2026	-	-	105,900.00	105,900.00	-
02/01/2027	1,105,000.00	4.000%	105,900.00	1,210,900.00	1,316,800.00
08/01/2027	-	-	83,800.00	83,800.00	-
02/01/2028	1,145,000.00	4.000%	83,800.00	1,228,800.00	1,312,600.00
08/01/2028	-	-	60,900.00	60,900.00	-
02/01/2029	185,000.00	4.000%	60,900.00	245,900.00	306,800.00
08/01/2029	-	-	57,200.00	57,200.00	-
02/01/2030	190,000.00	4.000%	57,200.00	247,200.00	304,400.00
08/01/2030	-	-	53,400.00	53,400.00	-
02/01/2031	200,000.00	4.000%	53,400.00	253,400.00	306,800.00
08/01/2031	-	-	49,400.00	49,400.00	-
02/01/2032	205,000.00	4.000%	49,400.00	254,400.00	303,800.00
08/01/2032	-	-	45,300.00	45,300.00	-
02/01/2033	215,000.00	4.000%	45,300.00	260,300.00	305,600.00
08/01/2033	-	-	41,000.00	41,000.00	-
02/01/2034	225,000.00	4.000%	41,000.00	266,000.00	307,000.00
08/01/2034	-	-	36,500.00	36,500.00	-
02/01/2035	230,000.00	4.000%	36,500.00	266,500.00	303,000.00
08/01/2035	-	-	31,900.00	31,900.00	-
02/01/2036	240,000.00	4.000%	31,900.00	271,900.00	303,800.00
08/01/2036	-	-	27,100.00	27,100.00	-
02/01/2037	250,000.00	4.000%	27,100.00	277,100.00	304,200.00
08/01/2037	-	-	22,100.00	22,100.00	-
02/01/2038	260,000.00	4.000%	22,100.00	282,100.00	304,200.00
08/01/2038	-	-	16,900.00	16,900.00	-
02/01/2039	270,000.00	4.000%	16,900.00	286,900.00	303,800.00
08/01/2039	-	-	11,500.00	11,500.00	-
02/01/2040	280,000.00	4.000%	11,500.00	291,500.00	303,000.00
08/01/2040	-	-	5,900.00	5,900.00	-
02/01/2041	295,000.00	4.000%	5,900.00	300,900.00	306,800.00
<b>Total</b>	<b>\$10,420,000.00</b>	<b>-</b>	<b>\$2,647,737.77</b>	<b>\$13,067,737.77</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$66,193.44
Average Life	6.353 Years
Average Coupon	4.0000000%
Net Interest Cost (NIC)	1.8421152%
True Interest Cost (TIC)	1.6364543%
Bond Yield for Arbitrage Purposes	1.0509804%
All Inclusive Cost (AIC)	1.7472265%

### IRS Form 8038

Net Interest Cost	1.4973927%
Weighted Average Maturity	6.615 Years

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Stifel

Prepared by Stifel, Nicolaus & Company, Inc. (EJR)

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Preliminary; subject to change.

**CITY OF SPRINGVILLE, UTAH**

**\$10,420,000 WATER & SEWER REVENUE AND REFUNDING BONDS**

SERIES 2021 (November 9, 2021 )

(New Money & Current Refund Series 2008 (Amended 2013))

**Net Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Existing D/S	Net New D/S
02/01/2022	1,125,000.00	4.000%	94,937.77	1,219,937.77	51,983.56	1,271,921.33
02/01/2023	940,000.00	4.000%	371,800.00	1,311,800.00	-	1,311,800.00
02/01/2024	980,000.00	4.000%	334,200.00	1,314,200.00	-	1,314,200.00
02/01/2025	1,020,000.00	4.000%	295,000.00	1,315,000.00	-	1,315,000.00
02/01/2026	1,060,000.00	4.000%	254,200.00	1,314,200.00	-	1,314,200.00
02/01/2027	1,105,000.00	4.000%	211,800.00	1,316,800.00	-	1,316,800.00
02/01/2028	1,145,000.00	4.000%	167,600.00	1,312,600.00	-	1,312,600.00
02/01/2029	185,000.00	4.000%	121,800.00	306,800.00	-	306,800.00
02/01/2030	190,000.00	4.000%	114,400.00	304,400.00	-	304,400.00
02/01/2031	200,000.00	4.000%	106,800.00	306,800.00	-	306,800.00
02/01/2032	205,000.00	4.000%	98,800.00	303,800.00	-	303,800.00
02/01/2033	215,000.00	4.000%	90,600.00	305,600.00	-	305,600.00
02/01/2034	225,000.00	4.000%	82,000.00	307,000.00	-	307,000.00
02/01/2035	230,000.00	4.000%	73,000.00	303,000.00	-	303,000.00
02/01/2036	240,000.00	4.000%	63,800.00	303,800.00	-	303,800.00
02/01/2037	250,000.00	4.000%	54,200.00	304,200.00	-	304,200.00
02/01/2038	260,000.00	4.000%	44,200.00	304,200.00	-	304,200.00
02/01/2039	270,000.00	4.000%	33,800.00	303,800.00	-	303,800.00
02/01/2040	280,000.00	4.000%	23,000.00	303,000.00	-	303,000.00
02/01/2041	295,000.00	4.000%	11,800.00	306,800.00	-	306,800.00
<b>Total</b>	<b>\$10,420,000.00</b>	<b>-</b>	<b>\$2,647,737.77</b>	<b>\$13,067,737.77</b>	<b>\$51,983.56</b>	<b>\$13,119,721.33</b>

Preliminary; subject to change.

## CITY OF SPRINGVILLE, UTAH

### \$10,420,000 WATER & SEWER REVENUE AND REFUNDING BONDS

SERIES 2021 (November 9, 2021 )

(New Money & Current Refund Series 2008 (Amended 2013))

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
02/01/2022	Serial Coupon	4.000%	0.110%	1,125,000.00	100.885%	-	-	-	1,134,956.25
02/01/2023	Serial Coupon	4.000%	0.150%	940,000.00	104.720%	-	-	-	984,368.00
02/01/2024	Serial Coupon	4.000%	0.230%	980,000.00	108.372%	-	-	-	1,062,045.60
02/01/2025	Serial Coupon	4.000%	0.380%	1,020,000.00	111.601%	-	-	-	1,138,330.20
02/01/2026	Serial Coupon	4.000%	0.520%	1,060,000.00	114.532%	-	-	-	1,214,039.20
02/01/2027	Serial Coupon	4.000%	0.680%	1,105,000.00	117.022%	-	-	-	1,293,093.10
02/01/2028	Serial Coupon	4.000%	0.810%	1,145,000.00	119.334%	-	-	-	1,366,374.30
02/01/2029	Serial Coupon	4.000%	0.940%	185,000.00	121.332%	-	-	-	224,464.20
02/01/2030	Serial Coupon	4.000%	1.040%	190,000.00	123.282%	-	-	-	234,235.80
02/01/2031	Serial Coupon	4.000%	1.130%	200,000.00	125.081%	-	-	-	250,162.00
02/01/2032	Serial Coupon	4.000%	1.330%	205,000.00	123.112%	c 1.548%	02/01/2031	100.000%	252,379.60
02/01/2033	Serial Coupon	4.000%	1.380%	215,000.00	122.625%	c 1.769%	02/01/2031	100.000%	263,643.75
02/01/2034	Serial Coupon	4.000%	1.430%	225,000.00	122.141%	c 1.955%	02/01/2031	100.000%	274,817.25
02/01/2035	Serial Coupon	4.000%	1.460%	230,000.00	121.852%	c 2.099%	02/01/2031	100.000%	280,259.60
02/01/2036	Serial Coupon	4.000%	1.520%	240,000.00	121.275%	c 2.245%	02/01/2031	100.000%	291,060.00
02/01/2037	Serial Coupon	4.000%	1.570%	250,000.00	120.797%	c 2.365%	02/01/2031	100.000%	301,992.50
02/01/2038	Serial Coupon	4.000%	1.610%	260,000.00	120.416%	c 2.466%	02/01/2031	100.000%	313,081.60
02/01/2039	Serial Coupon	4.000%	1.650%	270,000.00	120.036%	c 2.555%	02/01/2031	100.000%	324,097.20
02/01/2040	Serial Coupon	4.000%	1.700%	280,000.00	119.564%	c 2.641%	02/01/2031	100.000%	334,779.20
02/01/2041	Serial Coupon	4.000%	1.730%	295,000.00	119.281%	c 2.707%	02/01/2031	100.000%	351,878.95
<b>Total</b>		-	-	<b>\$10,420,000.00</b>	-	-	-	-	<b>\$11,890,058.30</b>

### Bid Information

Par Amount of Bonds	\$10,420,000.00
Reoffering Premium or (Discount)	1,470,058.30
Gross Production	\$11,890,058.30
Total Underwriter's Discount (0.400%)	\$(41,680.00)
Bid (113.708%)	11,848,378.30
Total Purchase Price	\$11,848,378.30
Bond Year Dollars	\$66,193.44
Average Life	6.353 Years
Average Coupon	4.000000%
Net Interest Cost (NIC)	1.8421152%
True Interest Cost (TIC)	1.6364543%

Preliminary; subject to change.

**CITY OF SPRINGVILLE, UTAH**

**\$6,150,000 WATER & SEWER REVENUE REFUNDING BONDS**

SERIES 2021 (November 9, 2021 )

(Current Refund Series 2008 (Amended 2013))

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/09/2021	-	-	-	-	-
02/01/2022	860,000.00	4.000%	56,033.33	916,033.33	916,033.33
08/01/2022	-	-	105,800.00	105,800.00	-
02/01/2023	795,000.00	4.000%	105,800.00	900,800.00	1,006,600.00
08/01/2023	-	-	89,900.00	89,900.00	-
02/01/2024	830,000.00	4.000%	89,900.00	919,900.00	1,009,800.00
08/01/2024	-	-	73,300.00	73,300.00	-
02/01/2025	865,000.00	4.000%	73,300.00	938,300.00	1,011,600.00
08/01/2025	-	-	56,000.00	56,000.00	-
02/01/2026	895,000.00	4.000%	56,000.00	951,000.00	1,007,000.00
08/01/2026	-	-	38,100.00	38,100.00	-
02/01/2027	935,000.00	4.000%	38,100.00	973,100.00	1,011,200.00
08/01/2027	-	-	19,400.00	19,400.00	-
02/01/2028	970,000.00	4.000%	19,400.00	989,400.00	1,008,800.00
<b>Total</b>	<b>\$6,150,000.00</b>	<b>-</b>	<b>\$821,033.33</b>	<b>\$6,971,033.33</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$20,525.83
Average Life	3.338 Years
Average Coupon	4.0000000%
Net Interest Cost (NIC)	0.7498121%
True Interest Cost (TIC)	0.6929189%
Bond Yield for Arbitrage Purposes	1.0509804%
All Inclusive Cost (AIC)	0.8966844%

**IRS Form 8038**

Net Interest Cost	0.5478522%
Weighted Average Maturity	3.450 Years



Preliminary; subject to change.

## CITY OF SPRINGVILLE, UTAH

### \$6,150,000 WATER & SEWER REVENUE REFUNDING BONDS

SERIES 2021 (November 9, 2021 )

(Current Refund Series 2008 (Amended 2013))

## Debt Service Comparison

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
02/01/2022	916,033.33	51,983.56	968,016.89	990,480.00	22,463.11
02/01/2023	1,006,600.00	-	1,006,600.00	1,085,900.00	79,300.00
02/01/2024	1,009,800.00	-	1,009,800.00	1,085,140.00	75,340.00
02/01/2025	1,011,600.00	-	1,011,600.00	1,088,680.00	77,080.00
02/01/2026	1,007,000.00	-	1,007,000.00	1,086,380.00	79,380.00
02/01/2027	1,011,200.00	-	1,011,200.00	1,088,380.00	77,180.00
02/01/2028	1,008,800.00	-	1,008,800.00	1,084,540.00	75,740.00
<b>Total</b>	<b>\$6,971,033.33</b>	<b>\$51,983.56</b>	<b>\$7,023,016.89</b>	<b>\$7,509,500.00</b>	<b>\$486,483.11</b>

### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	470,833.19
Net PV Cashflow Savings @ 0.897%(AIC)	470,833.19
Transfers from Prior Issue Debt Service Fund	(47,740.00)
Contingency or Rounding Amount	602.32
Net Present Value Benefit	\$423,695.51
Net PV Benefit / \$6,820,000 Refunded Principal	6.213%
Net PV Benefit / \$6,150,000 Refunding Principal	6.889%

### Refunding Bond Information

Refunding Dated Date	11/09/2021
Refunding Delivery Date	11/09/2021

Preliminary; subject to change.

**CITY OF SPRINGVILLE, UTAH**

**\$6,150,000 WATER & SEWER REVENUE REFUNDING BONDS**

SERIES 2021 (November 9, 2021 )

(Current Refund Series 2008 (Amended 2013))

**Current Refunding Escrow**

Date	Rate	Receipts	Disbursements	Cash Balance
11/09/2021	-	6,820,000.00	6,820,000.00	-
<b>Total</b>	-	<b>\$6,820,000.00</b>	<b>\$6,820,000.00</b>	-

**Investment Parameters**

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Unrestricted
Cash Deposit	6,820,000.00
Total Cost of Investments	\$6,820,000.00
Target Cost of Investments at bond yield	\$6,820,000.00
Yield to Receipt	-
Yield for Arbitrage Purposes	1.0509804%

Preliminary; subject to change.

**CITY OF SPRINGVILLE, UTAH**

**\$12,440,000 WATER & SEWER REVENUE BONDS**

**SERIES 2008 (AMENDED)**

(Re-Dated: May 23, 2013 )

**Prior Original Debt Service**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/23/2013	-	-	-	-	-
08/01/2013	-	-	65,793.78	65,793.78	-
02/01/2014	-	-	174,160.00	174,160.00	239,953.78
08/01/2014	-	-	174,160.00	174,160.00	-
02/01/2015	740,000.00	2.800%	174,160.00	914,160.00	1,088,320.00
08/01/2015	-	-	163,800.00	163,800.00	-
02/01/2016	760,000.00	2.800%	163,800.00	923,800.00	1,087,600.00
08/01/2016	-	-	153,160.00	153,160.00	-
02/01/2017	780,000.00	2.800%	153,160.00	933,160.00	1,086,320.00
08/01/2017	-	-	142,240.00	142,240.00	-
02/01/2018	800,000.00	2.800%	142,240.00	942,240.00	1,084,480.00
08/01/2018	-	-	131,040.00	131,040.00	-
02/01/2019	825,000.00	2.800%	131,040.00	956,040.00	1,087,080.00
08/01/2019	-	-	119,490.00	119,490.00	-
02/01/2020	845,000.00	2.800%	119,490.00	964,490.00	1,083,980.00
08/01/2020	-	-	107,660.00	107,660.00	-
02/01/2021	870,000.00	2.800%	107,660.00	977,660.00	1,085,320.00
08/01/2021	-	-	95,480.00	95,480.00	-
02/01/2022	895,000.00	2.800%	95,480.00	990,480.00	1,085,960.00
08/01/2022	-	-	82,950.00	82,950.00	-
02/01/2023	920,000.00	2.800%	82,950.00	1,002,950.00	1,085,900.00
08/01/2023	-	-	70,070.00	70,070.00	-
02/01/2024	945,000.00	2.800%	70,070.00	1,015,070.00	1,085,140.00
08/01/2024	-	-	56,840.00	56,840.00	-
02/01/2025	975,000.00	2.800%	56,840.00	1,031,840.00	1,088,680.00
08/01/2025	-	-	43,190.00	43,190.00	-
02/01/2026	1,000,000.00	2.800%	43,190.00	1,043,190.00	1,086,380.00
08/01/2026	-	-	29,190.00	29,190.00	-
02/01/2027	1,030,000.00	2.800%	29,190.00	1,059,190.00	1,088,380.00
08/01/2027	-	-	14,770.00	14,770.00	-
02/01/2028	1,055,000.00	2.800%	14,770.00	1,069,770.00	1,084,540.00
<b>Total</b>	<b>\$12,440,000.00</b>	<b>-</b>	<b>\$3,008,033.78</b>	<b>\$15,448,033.78</b>	<b>-</b>

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	11/09/2021
Average Life	3.338 Years
Average Coupon	2.8000000%
Weighted Average Maturity (Par Basis)	3.338 Years
Weighted Average Maturity (Original Price Basis)	3.338 Years

**Refunding Bond Information**

Refunding Dated Date	11/09/2021
Refunding Delivery Date	11/09/2021

SERIES 2008 WATER & SEWER | SINGLE PURPOSE | 8/30/2021 | 5:35 PM

**Stifel**

Prepared by Stifel, Nicolaus & Company, Inc. (EJR)

Preliminary; subject to change.

## CITY OF SPRINGVILLE, UTAH

\$12,440,000 WATER & SEWER REVENUE BONDS

SERIES 2008 (AMENDED)

(Re-Dated: May 23, 2013 )

### Debt Service To Maturity And To Call

Date	Refunded Bonds	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
11/09/2021	6,820,000.00	6,820,000.00	-	-	-	-	-
02/01/2022	-	-	895,000.00	2.800%	95,480.00	990,480.00	990,480.00
08/01/2022	-	-	-	-	82,950.00	82,950.00	-
02/01/2023	-	-	920,000.00	2.800%	82,950.00	1,002,950.00	1,085,900.00
08/01/2023	-	-	-	-	70,070.00	70,070.00	-
02/01/2024	-	-	945,000.00	2.800%	70,070.00	1,015,070.00	1,085,140.00
08/01/2024	-	-	-	-	56,840.00	56,840.00	-
02/01/2025	-	-	975,000.00	2.800%	56,840.00	1,031,840.00	1,088,680.00
08/01/2025	-	-	-	-	43,190.00	43,190.00	-
02/01/2026	-	-	1,000,000.00	2.800%	43,190.00	1,043,190.00	1,086,380.00
08/01/2026	-	-	-	-	29,190.00	29,190.00	-
02/01/2027	-	-	1,030,000.00	2.800%	29,190.00	1,059,190.00	1,088,380.00
08/01/2027	-	-	-	-	14,770.00	14,770.00	-
02/01/2028	-	-	1,055,000.00	2.800%	14,770.00	1,069,770.00	1,084,540.00
<b>Total</b>	<b>\$6,820,000.00</b>	<b>\$6,820,000.00</b>	<b>\$6,820,000.00</b>	<b>-</b>	<b>\$689,500.00</b>	<b>\$7,509,500.00</b>	<b>-</b>

#### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/09/2021
Average Life	3.338 Years
Average Coupon	2.8000000%
Weighted Average Maturity (Par Basis)	3.338 Years
Weighted Average Maturity (Original Price Basis)	3.338 Years

#### Refunding Bond Information

Refunding Dated Date	11/09/2021
Refunding Delivery Date	11/09/2021

Preliminary; subject to change.

## CITY OF SPRINGVILLE, UTAH

### \$6,150,000 WATER & SEWER REVENUE REFUNDING BONDS

SERIES 2021 (November 9, 2021 )

(Current Refund Series 2008 (Amended 2013))

## Summary Of Bonds Refunded

	Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
<b>Dated 5/23/2013   Delivered 5/23/2013</b>								
SERIES 2008 WATER & SEWER (AMENDED)	02/01/2022	Serial	Coupon	2.800%	895,000	11/09/2021	100.000%	
SERIES 2008 WATER & SEWER (AMENDED)	02/01/2023	Serial	Coupon	2.800%	920,000	11/09/2021	100.000%	
SERIES 2008 WATER & SEWER (AMENDED)	02/01/2024	Serial	Coupon	2.800%	945,000	11/09/2021	100.000%	
SERIES 2008 WATER & SEWER (AMENDED)	02/01/2025	Serial	Coupon	2.800%	975,000	11/09/2021	100.000%	
SERIES 2008 WATER & SEWER (AMENDED)	02/01/2026	Serial	Coupon	2.800%	1,000,000	11/09/2021	100.000%	
SERIES 2008 WATER & SEWER (AMENDED)	02/01/2027	Serial	Coupon	2.800%	1,030,000	11/09/2021	100.000%	
SERIES 2008 WATER & SEWER (AMENDED)	02/01/2028	Serial	Coupon	2.800%	1,055,000	11/09/2021	100.000%	
	<b>Subtotal</b>	-		-	<b>\$6,820,000</b>	-	-	
	<b>Total</b>	-		-	<b>\$6,820,000</b>	-	-	

Preliminary; subject to change.

**CITY OF SPRINGVILLE, UTAH**

**\$4,270,000 WATER & SEWER REVENUE REFUNDING BONDS**

SERIES 2021 (November 9, 2021 )

(Amend Series 2008 (Amended 2013))

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/09/2021	-	-	-	-	-
02/01/2022	265,000.00	4.000%	38,904.44	303,904.44	303,904.44
08/01/2022	-	-	80,100.00	80,100.00	-
02/01/2023	145,000.00	4.000%	80,100.00	225,100.00	305,200.00
08/01/2023	-	-	77,200.00	77,200.00	-
02/01/2024	150,000.00	4.000%	77,200.00	227,200.00	304,400.00
08/01/2024	-	-	74,200.00	74,200.00	-
02/01/2025	155,000.00	4.000%	74,200.00	229,200.00	303,400.00
08/01/2025	-	-	71,100.00	71,100.00	-
02/01/2026	165,000.00	4.000%	71,100.00	236,100.00	307,200.00
08/01/2026	-	-	67,800.00	67,800.00	-
02/01/2027	170,000.00	4.000%	67,800.00	237,800.00	305,600.00
08/01/2027	-	-	64,400.00	64,400.00	-
02/01/2028	175,000.00	4.000%	64,400.00	239,400.00	303,800.00
08/01/2028	-	-	60,900.00	60,900.00	-
02/01/2029	185,000.00	4.000%	60,900.00	245,900.00	306,800.00
08/01/2029	-	-	57,200.00	57,200.00	-
02/01/2030	190,000.00	4.000%	57,200.00	247,200.00	304,400.00
08/01/2030	-	-	53,400.00	53,400.00	-
02/01/2031	200,000.00	4.000%	53,400.00	253,400.00	306,800.00
08/01/2031	-	-	49,400.00	49,400.00	-
02/01/2032	205,000.00	4.000%	49,400.00	254,400.00	303,800.00
08/01/2032	-	-	45,300.00	45,300.00	-
02/01/2033	215,000.00	4.000%	45,300.00	260,300.00	305,600.00
08/01/2033	-	-	41,000.00	41,000.00	-
02/01/2034	225,000.00	4.000%	41,000.00	266,000.00	307,000.00
08/01/2034	-	-	36,500.00	36,500.00	-
02/01/2035	230,000.00	4.000%	36,500.00	266,500.00	303,000.00
08/01/2035	-	-	31,900.00	31,900.00	-
02/01/2036	240,000.00	4.000%	31,900.00	271,900.00	303,800.00
08/01/2036	-	-	27,100.00	27,100.00	-
02/01/2037	250,000.00	4.000%	27,100.00	277,100.00	304,200.00
08/01/2037	-	-	22,100.00	22,100.00	-
02/01/2038	260,000.00	4.000%	22,100.00	282,100.00	304,200.00
08/01/2038	-	-	16,900.00	16,900.00	-
02/01/2039	270,000.00	4.000%	16,900.00	286,900.00	303,800.00
08/01/2039	-	-	11,500.00	11,500.00	-
02/01/2040	280,000.00	4.000%	11,500.00	291,500.00	303,000.00
08/01/2040	-	-	5,900.00	5,900.00	-
02/01/2041	295,000.00	4.000%	5,900.00	300,900.00	306,800.00
<b>Total</b>	<b>\$4,270,000.00</b>	<b>-</b>	<b>\$1,826,704.44</b>	<b>\$6,096,704.44</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$45,667.61
Average Life	10.695 Years
Average Coupon	4.0000000%
Net Interest Cost (NIC)	2.3330633%
True Interest Cost (TIC)	2.0747629%
Bond Yield for Arbitrage Purposes	1.0509804%
All Inclusive Cost (AIC)	2.1439490%

**IRS Form 8038**

Net Interest Cost	1.9045259%
Weighted Average Maturity	10.904 Years

2021 Cur Ref 2008 Wtr (am | New Money | 8/30/2021 | 5:35 PM

**Stifel**

Prepared by Stifel, Nicolaus & Company, Inc. (EJR)



DATE: October 28, 2021

TO: Honorable Mayor and City Council

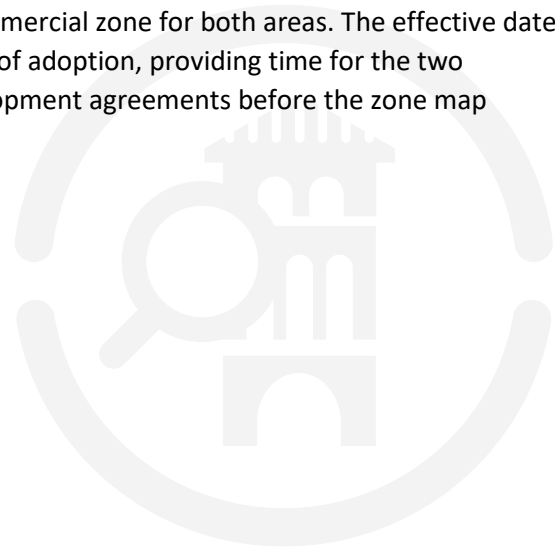
FROM: Josh Yost

SUBJECT: Consideration of an Ordinance amending the Springville Official Zone Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial (RC) Zone from 400 South to 1400 North between 2600 West and 1650 West – Josh Yost, Community Development Director (continued from July 06, 2021)

Two areas remain subject to the pending ordinance to consider amending Springville’s Official Zone Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial (RC) zone in parts of the city. The remaining areas are first the 20.69 acres located at the north east corner of Center Street and 1750 West, and second, the area north of Hobble Creek to SR 75 from I-15 to 1650 West. Parcel lists and maps are included with the ordinance for each area.

Staff have worked with Meadowbrook Land north of Hobble Creek, and Colmena on the property at Center Street and 1750 West, on development agreements that would, if approved by the council, permit the development of their desired office/warehouse and distribution buildings that are not permitted under the proposed RC Zone.

Independent of the Council’s action of the development agreements, staff recommends approval of the proposed Zone Map Amendments to the Highway Commercial zone for both areas. The effective date of the amendments would be three weeks from the date of adoption, providing time for the two development groups to execute their respective development agreements before the zone map amendments become effective.



COMMUNITY  
DEV



DATE: July 28, 2021

TO: Honorable Mayor and City Council

FROM: Josh Yost

SUBJECT: Springville Community Development seeks to amend Springville's Official Zone Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial (RC) zone in parts of the following general areas. The areas are first, from 400 South to 1400 North between 2600 West and 1650 West, second, at the northeast quadrant of the intersection of I-15 and 1600 South, and third, along 1600 South between 1200 West and SR 51.

On July 6<sup>th</sup>, I made a presentation to the Council regarding the above noted application. The Council directed that I should meet with each property owner who filed written objection or otherwise communicated concern with the proposed zone amendment. Since that meeting, of the nine owners in these categories, I have met with five, have meetings scheduled with one more, and am awaiting a meeting schedule from one. One owner has not returned multiple phone calls and emails and the last owner has been sent a letter as we could locate no other contact information.

Of the owners with whom I have met, three have no immediate plans for their property but are concerned about limiting the future use of their property. Of the other two, one submitted an application for a subdivision to develop office warehouse buildings after the pending legislation was initiated and the other is working to sell their property to a developer who is interested in office warehouse product, but would also be interested in developing other types of product depending on the outcome of the planning process. One additional owner whom I spoke with prior to the meeting was actively marketing his property for warehouse-distribution uses and was frustrated by the timing of the pending legislation. I will be prepared to discuss each of these meetings at Tuesday's meeting.

After conducting these meetings and considering the concerns that were communicated, the staff recommendation has not changed since the previous meeting and the original staff report. I still believe that the long term interests of the city in conducting an intentional and thorough planning process for these areas outweighs the immediate opposition or development interests of the property owners.

Please find attached the staff report and other materials from July 6<sup>th</sup>.







## STAFF REPORT

**DATE:** June 30, 2021

**TO:** Honorable Mayor and City Council

**FROM:** Josh Yost

**SUBJECT:** Springville Community Development seeks to amend Springville's Official Zone Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial (RC) zone in parts of the following general areas. The areas are first, from 400 South to 1400 North between 2600 West and 1650 West, second, at the northeast quadrant of the intersection of I-15 and 1600 South, and third, along 1600 South between 1200 West and SR 51.

---

### **RECOMMENDED MOTION**

Move to amend Springville's Official Zone Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial (RC) for those parcels as shown in the attached table.

### **SUMMARY OF ISSUES/FOCUS OF ACTION**

Does the proposed zone map amendment adhere to the General Plan and further the orderly development of the city?

Does the City want to limit the accelerating pace of office/warehouse and light industrial manufacturing uses in the city by amending the zone map?

### **BACKGROUND**

On March 30, the City Council requested that staff present to the council a review of zoning in certain areas of the city. The council had expressed concern about getting development applications for the wrong use in the wrong place. This presentation was made on April 6. Staff asserted that there are a number of areas in the city where office/warehouse and light industrial manufacturing uses could be developed that would either pre-empt a current planning process or severely limit future development options. Council expressed a desire to "get it right" when planning for future land use. Following this discussion, staff analyzed the areas in light of the Council's discussion and presented a resolution (Attachment 1) to initiate the process of pending legislation to begin the zone map amendment. Council directed staff to expand the area of consideration for the zone map amendment. Staff presented this zone map amendment to the Planning Commission on June 22, 2021.

### **DISCUSSION**

Springville City currently has three planning processes in varying stages of work. First, the city has selected a consultant and is underway with a corridor and area plan for 1600 S from I-15 to SR 51. The city and private development partners are nearly ready to present the Lakeside Landing Special District Plan for adoption, which encompasses most of the undeveloped land to the west of the existing frontage road development on the west side of I-15, from 400 South to 500 North. Lastly, a full update to the General Plan is set for this year and a key question to be answered is if the large amount of Highway Commercial property in the city's best interest, and if not, what adjustments should be made? Prior to the completion of these planning processes, it is in the City's interest to preserve the broadest range of future land use options.

### ***CITY COUNCIL AGENDA***

*Meeting Date:*

In Springville City there are 1,180 acres of property currently zoned as Highway Commercial. This includes six separate areas with the largest area of over 1,000 acres straddling I-15 between the north and south boundaries of the city. The Regional Commercial zone is applied to 466 acres in two areas centered around the 1400 N and 400 S I-15 interchanges.

Highway Commercial is the most broadly applied commercial zone in Springville and hundreds of acres of property within the zone remain undeveloped. The area of the Regional Commercial zone is much smaller. The stated purpose of the zone as follows.

The RC zoning district is intended to provide an area in which a full range of commercial and service uses may locate in a limited area. The limited area of this district functions to heighten the intensity of uses, concentrate activities and make it a major commercial destination. These districts should abut arterial streets and be located near freeway access, as well as mass transit lines.

A primary difference between the RC and HC zones is the inclusion in the HC zone of uses such as Light Industry - Manufacturing Processes, Warehousing - Storage and Distribution and Wholesale Trade and Warehousing. Springville currently has over 1.5 million square feet of these type of uses in the development pipeline.

This proposed zone map amendment will reduce development pressure and protect future land use options while the stated planning processes are ongoing, while also providing interim development opportunities for property owners.

The proposed amendment includes 82 parcels. A table of the affected parcels, sorted by owner name, is included as Attachment 1. A map of these parcels is included as Attachment 2.

### **PLANNING COMMISSION REVIEW**

The Planning Commission considered the Zone Map Amendment on June 22, 2021.

Three individuals made comments during the public hearing.

Harold Mitchell:

Mr. Mitchell spoke on behalf of his client McCollins LTD., the owner of property located at 1852 W 1000 N in the HC Zone. Mr. Mitchell stated that some of the differences in uses between the HC and RC zones appear to be arbitrary and do not seem to relate to the purposes of the zone. He expressed concern that changing the zoning of his client's property to the RC Zone would limit the number of economically viable uses of the property.

Jeff Kronenberger:

Mr. Kronenberger stated that the North Main Street corridor merits similar consideration to determine the appropriate future land uses.

Tim Parker:

Mr. Parker expressed concern that the proposed map amendment would not leave any parcels that could be eligible for the Materials Processing and Storage Overlay Zone, leaving the single parcel with the overlay currently applied as the only possible location of the zone, leading to a case of "spot zoning".

The Planning Commission discussed the action. The primary point of discussion was the balance between the city's desire to study and implement appropriate future land uses and the property owners' right to use their property in a manner consistent with the long term expectations created by the current zone. The intended temporary nature of the proposed zone map amendment and each property owners' right to protest the inclusion of their property were also discussed.

COMMISSION ACTION:



**Commission Vote**

<u>Commissioner</u>	<u>Yes</u>	<u>No</u>
Genevieve Baker	X	
Karen Ellingson	Absent	
Michael Farrer		X
Kay Heaps	X	
Brad Mertz	X	
Rod Parker	X	
Frank Young	X	

**ALTERNATIVES**

**Deny** the proposed zone map amendment.

**Continue** the proposed zone map amendment.

Josh Yost  
Community Development Director

**Attachments**

1. Parcel List
2. Parcel Map
3. Planning Commission Minutes



## ORDINANCE #XX-2021

**AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP FROM THE LIGHT INDUSTRIAL MANUFACTURING (LIM) ZONE TO THE REGIONAL COMMERCIAL (RC) ZONE FOR THE PARCELS AS ATTACHED HERETO IN EXHIBIT A PARCEL LIST AND EXHIBIT B PARCEL MAP.**

**WHEREAS**, the City has an Official Zone Map which delineates zone boundaries for the various city zones; and

**WHEREAS**, the City may propose to amend the Official Zone Map to a zone or zones they find to be more appropriate and a better use of the land; and

**WHEREAS**, on June 1, 2021, pursuant to Section 11-7-102 of the Springville City Code and Section 10-9a-509 of the Utah Code, the City Council passed a resolution to start a pending ordinance to rezone a number of parcels in Springville City from the HC and LIM zones to the RC zone (the "Pending Ordinance"); and

**WHEREAS**, the City Planning Commission considered the zone map amendment and conducted a public hearing on June 22, 2021 and has recommended approval of the proposed ordinance to amend zone map; and

**WHEREAS**, this Ordinance does not cover all of the properties the City Council has included in the Pending Ordinance; and

**WHEREAS**, the City Council is still considering rezoning the other properties listed and described in the Pending Ordinance and considers the Pending Ordinance to still be a valid Pending Ordinance for those other properties; and

**WHEREAS**, on November 2, 2021, the City Council considered this Ordinance and found that it was in the interest of the City, including, without limitation, the interest of the City's health, welfare and orderly development and deems it appropriate to adopt this Ordinance to rezone the property from the LIM zone to RC zone.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of Springville City, Utah:

**SECTION 1. ZONE MAP AMENDMENT.** The Official Zone Map is hereby amended from the LIM - Light Industrial Manufacturing Zone to the RC - Regional Commercial Zone for the parcels as attached hereto in Exhibit A Parcel List and Exhibit B Parcel Map.

**SECTION 2. PENDING ORDINANCE.** The Pending Ordinance that was commenced by the City Council by a resolution, dated June 1, 2021, shall remain in effect for those properties that are listed and/or described in the Pending Ordinance resolution and petition to be rezoned to the RC - Regional Commercial Zone and are not rezoned by this Ordinance.

**SECTION 3. EFFECTIVE DATE.** This ordinance shall take effect three weeks from the date of adoption upon the first publication or posting as required by law.

**ADOPTED** by the City Council of Springville, Utah, this 2<sup>nd</sup> day of November 2021.

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Richard J. Child, Mayor

ATTEST:

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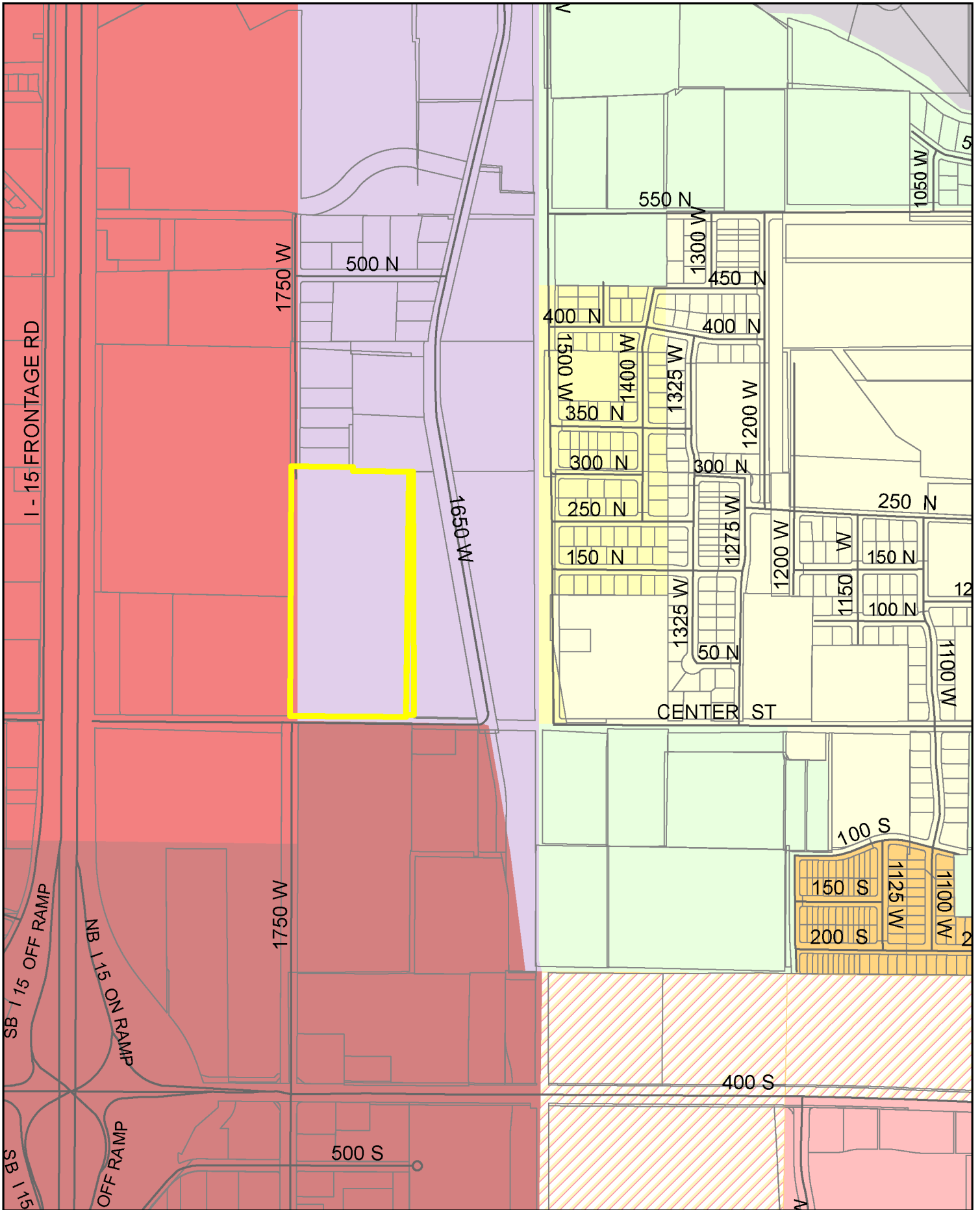
Kim Crane, City Recorder

**EXHIBIT A PARCEL LIST**

<b>PARCEL ID</b>	<b>ACREAGE</b>	<b>SITE ADDRESS</b>	<b>OWNER NAME</b>
23:029:0061	19.693388	<Null>	SPRINGVILLE BUSINESS PARK LLC
23:029:0055	0.997008	<Null>	SPRINGVILLE BUSINESS PARK LLC

**EXHIBIT B PARCEL MAP**





## ORDINANCE XX-2021

**AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP FROM THE HIGHWAY COMMERCIAL (HC) ZONE AND THE LIGHT INDUSTRIAL MANUFACTURING (LIM) ZONE TO THE REGIONAL COMMERCIAL (RC) ZONE FOR THE PARCELS AS ATTACHED HERETO IN EXHIBIT A PARCEL LIST AND EXHIBIT B PARCEL MAP.**

**WHEREAS**, the City has an Official Zone Map which delineates zone boundaries for the various city zones; and

**WHEREAS**, the City may propose to amend the Official Zone Map to a zone or zones they find to be more appropriate and a better use of the land; and

**WHEREAS**, on June 1, 2021, pursuant to Section 11-7-102 of the Springville City Code and Section 10-9a-509 of the Utah Code, the City Council passed a resolution to start a pending ordinance to rezone a number of parcels in Springville City from the HC and LIM zones to the RC zone (the "Pending Ordinance"); and

**WHEREAS**, the City Planning Commission considered the zone map amendment and conducted a public hearing on June 22, 2021 and has recommended approval of the proposed ordinance to amend zone map; and

**WHEREAS**, this Ordinance does not cover all of the properties the City Council has included in the Pending Ordinance; and

**WHEREAS**, the City Council is still considering rezoning the other properties listed and described in the Pending Ordinance and considers the Pending Ordinance to still be a valid Pending Ordinance for those other properties; and

**WHEREAS**, on November 2, 2021, the City Council considered this Ordinance and found that it was in the interest of the City, including, without limitation, the interest of the City's health, welfare and orderly development and deems it appropriate to adopt this Ordinance to rezone the property from the HC and/or LIM zones to RC zone.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of Springville City, Utah:

**SECTION 1. ZONE MAP AMENDMENT.** The Official Zone Map is hereby amended from the HC - Highway Commercial Zone and/or the LIM - Light Industrial Manufacturing Zone to the RC - Regional Commercial Zone for the parcels as attached hereto in Exhibit A Parcel List and Exhibit B Parcel Map.

**SECTION 2. PENDING ORDINANCE.** The Pending Ordinance that was commenced by the City Council by a resolution, dated June 1, 2021, shall remain in effect for those properties that are listed and/or described in the Pending Ordinance resolution and petition to be rezoned to the RC - Regional Commercial Zone and are not rezoned by this Ordinance.

**SECTION 3. EFFECTIVE DATE.** This ordinance shall take effect three weeks after the date of adoption upon the first publication or posting as required by law.

**ADOPTED** by the City Council of Springville, Utah, this 2<sup>nd</sup> day of November 2021.

---

Richard J. Child, Mayor

ATTEST:

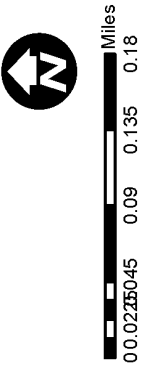
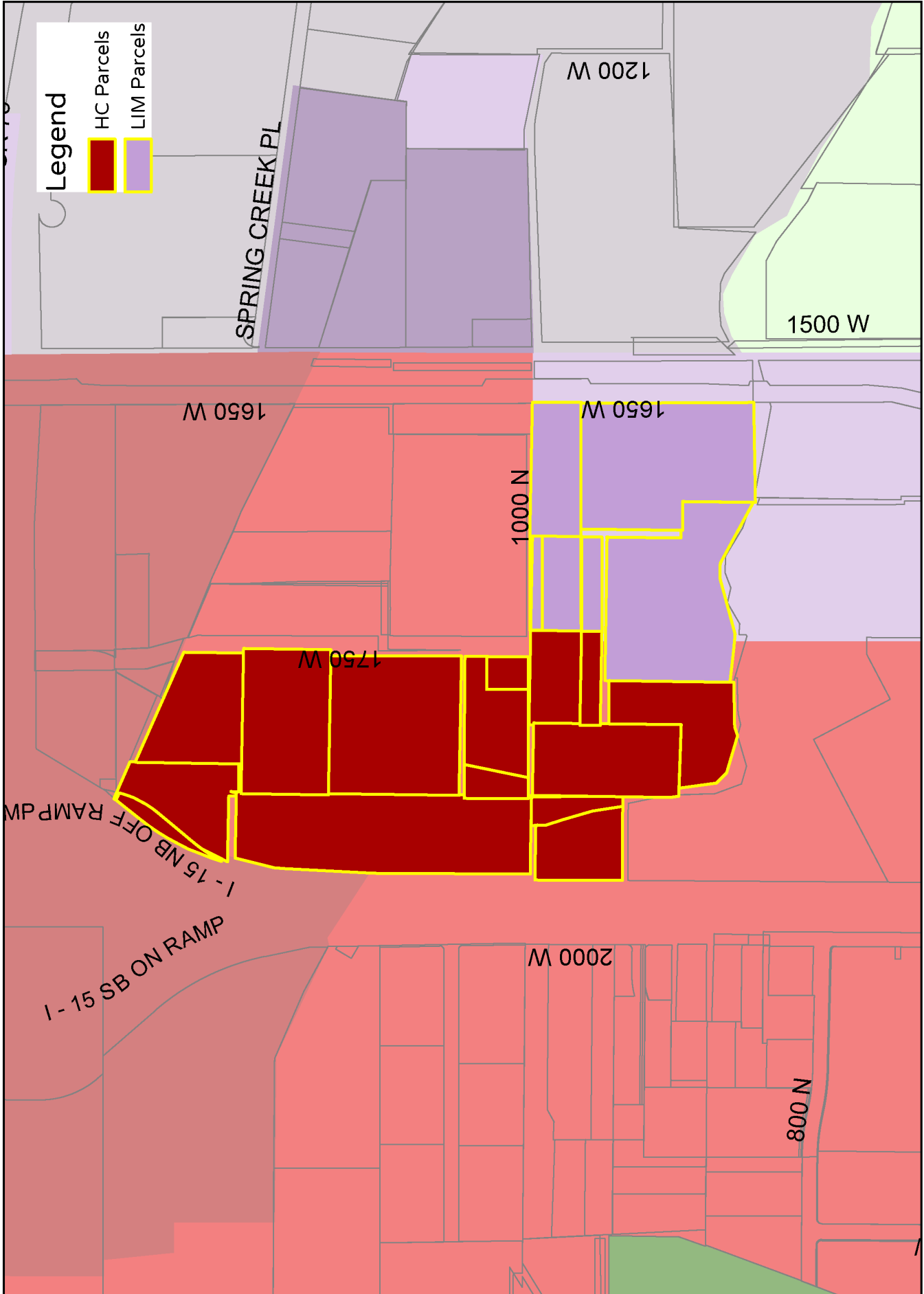
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Kim Crane, City Recorder

**EXHIBIT A PARCEL LIST**

PARCEL ID	ACREAGE	SITE ADDRESS	OWNER NAME
23:025:0057	3.43	MEADOWBROOK LAND LLC	
23:026:0058	3.99	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES (ET AL)	
23:025:0068	2.66	STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES (ET AL)	
23:025:0063	10.74	MEADOWBROOK LAND LLC	
23:025:0056	0.62	UTAH DEPARTMENT OF TRANSPORTATION	
23:025:0016	4.51	SPRATLING COLLABORATIVE LC (ET AL)	
23:025:0064	13.45	SPRATLING COLLABORATIVE LC (ET AL)	
23:025:0069	0.86	SUMSION, STEVEN W & STEVEN L	
23:025:0007	1.73	BC INVESTMENT HOLDINGS LLC	
23:025:0012	5.05	SUMSION, STEVEN W & STEVEN L	
23:025:0014	6.00	SPRATLING COLLABORATIVE LC (ET AL)	
23:026:0012	1.06	BC INVESTMENT HOLDINGS LLC	
41:699:0001	0.83	SPRINGVILLE CITY	
41:699:0003	2.80	MCCOLLINS LTD	
41:699:0002	0.65	FULMINATED MERCURY 13 LLC (ET AL)	
23:026:0014	9.41	84663	SUMSION, STEVEN W & STEVEN L
23:025:0006	2.16	84663	SUMSION, STEVEN W & STEVEN L
23:025:0031	0.00	84663	SPRINGVILLE CITY
23:026:0013	1.06	84663	SUMSION, STEVEN W & STEVEN L
23:025:0005	3.15	84663	SUMSION, STEVEN W & STEVEN L
23:026:0015	9.51	84663	SUMSION, STEVEN W & STEVEN L

**EXHIBIT B PARCEL MAP**



Proposed Zoning Map Amendment Parcels



**MINUTES**  
Planning Commission  
Regular Session  
Tuesday, June 22, 2021

---

**IN ATTENDANCE**

**Commissioners Present:** Genevieve Baker, Frank Young, Brad Mertz, Michael Farrer, Rod Parker and Kay Heaps

**Commissioners Excused:** Chair Karen Ellingson,

**City Staff:** Josh Yost, Community Development Director  
John Penrod, City Attorney  
Laura Thompson, City Planner  
Heather Bakker, Executive Assistant

**City Council:** Matt Packard

**CALL TO ORDER**

Vice-Chair Baker called the meeting to order at 7:01 p.m.

**APPROVAL OF THE AGENDA**

Commissioner Heaps moved to approve the agenda as written. Commissioner Mertz seconded the motion. The vote to approve the agenda was unanimous.

**APPROVAL OF THE MINUTES**

*June 8, 2021*

Commissioner Young moved to approve the June 8, 2021 meeting minutes. Commissioner Parker seconded the motion. The vote to approve the meeting minutes was unanimous.

**CONSENT AGENDA**

- 1. Jamie Evans seeking plat amendment approval for Spring Point Retail Center Subdivision, Plat 'K' located at 2106 W 800 N in the HC-Highway Commercial Zone.*
- 2. David Stanworth seeking site plan approval of the Shark Robot 2 warehouse located at 1688 W 500 N in the L-IM Light Industrial Manufacturing Zone.*
- 3. Shivam Shah is seeking site plan approval for an office/warehouse project located at 317 N 2000 W in the HC-Highway Commercial Zone.*
- 4. Garth Green seeking approval of the Garth Green Subdivision located at 940 S 2000 W in the HC-Highway Commercial Zone.*



50 **4. *Springville Community Development seeks to amend Springville's Official***  
51 ***Zone Map from the Highway Commercial (HC) and Light Industrial***  
52 ***Manufacturing (LIM) Zones to the Regional Commercial (RC) zone in parts***  
53 ***of the following general areas. The areas are first, from 400 South to 1000***  
54 ***North between 2600 West and 1650 West, second, at the northeast***  
55 ***quadrant of the intersection of I-15 and 1600 South, and third, along 1600***  
56 ***South between 1200 West and SR 51.***

57  
58 Director Yost presented. In March, the City Council requested a review of zoning. They  
59 directed staff to present on areas of potential concern. Those at risk for getting a  
60 proposal we don't want, or receiving a proposal that may interfere with or short circuit a  
61 planning process being worked on. On April 6, staff presented to the Council on a  
62 number of areas in the City that may be subject to L-IM warehouse/distribution type  
63 uses.

64  
65 On June 1, we took a resolution to the Council for a zone map amendment. They  
66 wanted us to expand it. This is what comes to you tonight.

67  
68 Reasons: There are three relevant planning processes. 1) Area plan for 1600 S from I -  
69 15 to SR 51, 2) Lakeside Landing Special District Plan and 3) General Plan Update with  
70 I-15 Corridor focus area. It is in our best interest to preserve the broadest range of future  
71 land use options.

72  
73 He showed a map showing proposed zone map amendment parcels.

74  
75 The HC Zone currently includes LIM - Manufacturing Processes; Warehousing - Storage  
76 and distribution; Wholesale Trade and Warehousing; 1.5 million square feet in the  
77 development pipeline. The RC zone is not intended as the permanent designation. New  
78 zones and other standards were adopted at the conclusion of the planning processes.

79  
80 We recommend the Planning Commission forward a positive recommendation to City  
81 Council for this extensive zone map amendment.

82  
83 Commissioner Heaps asked what this does to existing businesses. Director Yost said  
84 nothing. If they are operating a use that is not a listed use in the RC zone, it would be a  
85 legal, non-conforming use or in other words a grandfathered use. The majority of these  
86 parcels are undeveloped and vacant. Some at the 1600 South corridor have property on  
87 them, but the majority of the land is vacant. We are most concerned with the property  
88 that is yet to be developed.

89  
90 Commissioner Heaps asked in order to be grandfathered, would they have to come in  
91 and apply. Director Yost said no, no action is required on behalf of the property owners.

92  
93 Vice-Chair Baker asked that because this is a City promoted zone change, the owners  
94 were notified. Director Yost said yes. Every property owner received a letter in the mail  
95 stating the extent of the rezone. He did notice that the language in the letter stated it  
96 includes property from 400 South to 1000 North and there are a few parcels extending  
97 North of that.

99 Director Yost received five communications from property owners regarding this. Two  
100 had substantial concerns. One of the property owners sent a formal objection of their  
101 property being included in this. He distributed it to the Planning Commission to be part  
102 of the record.

103  
104 Vice-Chair Baker pointed out that the RC will not allow the two uses listed. Director Yost  
105 clarified that it is the three uses not listed. These are essentially the primary differences  
106 between the RC and HC zones.

107  
108 Commissioner Parker asked if Director Yost anticipated, with a consultant, to have this  
109 completed by the end of the fiscal year. Director Yost said yes, by the end of the next  
110 fiscal year. Then we will then present the recommendations of the General Plan.

111 Vice-Chair Baker opened the public hearing at 7:59 p.m.

112  
113 Jeff Kroneberger  
114 323 S 1850 E

115 Mr. Kroneberger is excited about this and has talked to Director Yost. He thinks it is  
116 good to look at the zones and see how they should be done. He wants to add 400 North  
117 up Main Street, saying the CC zone is outdated. It is zoned for retail. He'd like to add  
118 that Springville could do things with the properties there that could enhance the zones.  
119 His property is partly zoned CC for 750 feet and he is stuck in the zoning. He is  
120 manufacturing. There should be a different zone going North. Needs to be looked at to  
121 see what it could be. He is impressed with Josh and the team.

122  
123 Harold Mitchell  
124 Represents McCaullins Properties  
125 1852 W 1000 N

126 His client is opposed to this rezoning. He said that Mr. Yost said let's make some  
127 changes until we get something done. Mr. Mitchell says let's leave it as is until we get  
128 something done. There are differences that need to be looked at. You can have assisted  
129 living in the HC, not the RC. No one would build that there. Major auto repair in the HC,  
130 not the RC. He asks what the difference is between major and minor. No one knows.  
131 Let's leave it. You can store autos and boats outside in HC, not RC. Makes no sense. I  
132 have can a towing service in RC but not HC. I couldn't store the cars there I towed. L-IM  
133 is a conditional use in HC, not allowed at all in RC. We may need warehousing and  
134 storage in the RC area. Particularly on the lot behind what used to be the Stouffers  
135 outlet store. We can't do wholesale trades in RC. The small piece of property is well  
136 suited with access from 1750 W by Flying J. In HC, you can have an indoor race track,  
137 but not in the RC. Outdoor storage is not allowed in the RC zone. Indoor storage isn't  
138 always practical, economically not feasible. He prefers that this property, which is North  
139 of 1000 North, be left out of this proposal and then he can participate in the changes or  
140 development process or planning process the City plans to go through in the next year.  
141 He doesn't know what the results will be. He prefers and requests that this property be  
142 eliminated from the zone change and keep the HC zone where it is.

143  
144 Commissioner Heaps asked Mr. Mitchell what he is requesting to be left out of the North  
145 side. Mr. Mitchell said the North side of 1000 N, the one that crosses the railroad tracks.

146  
147 Tim Parker  
148 2310 S State

149 One thing that hasn't been addressed is the Heavy Industrial overlay how will it be  
150 impacted with this RC designation, if at all. Sixty citizens that border the L-IM signed the  
151 petition a while ago, want the overlay dropped completely. What properties are left  
152 within that overlay that could be used other than the one the overlay was made for. If no  
153 one else is required or allowed to apply for the overlay, that means we have one  
154 company that is in there and that is spot zoning. And we don't allow that. He feels the  
155 notification was poor. No such notification was given when we did an overlay in an L-IM.  
156 He is against it. He is not included in the RC zoning change.

157  
158 Commissioner Young and Parker asked Director Yost to address these issues. Director  
159 Yost said what Mr. Parker is referring to is the Materials Processing and Storage overlay  
160 that was applied only to one property. It was not applied to the entire L-IM area. There  
161 are many areas in the city that remain L-IM and are eligible to apply for the overlay.  
162 Currently, there is only one property zoned with the MPS overlay. And that property  
163 owner was noticed and they were the applicant on the request. The rezone tonight only  
164 applies to only those properties on the map, not down to SR-51. It doesn't affect any  
165 current land use applications or other proceedings going on. Commissioner Heaps said  
166 he asked what impact it would have on future L-IM. Director Yost said that the only  
167 effect it would have is on the properties that are proposed to be rezoned if the council  
168 chooses to rezone them. They would no longer be L-IM and then they would not be  
169 allowed to apply for the overlay as it only can be applied to L-IM.

170  
171 Commissioner Young asked Director Yost to show the property on 1000 North. Director  
172 Yost showed on the map where it is.

173  
174 Vice-Chair Baker clarified that it continues South of their property. Director Yost said no,  
175 it takes from the ditch line to skipping over the creek and the Wavetronix site and then  
176 picks up at 550 N and the southern border of the HC Zone. Vice-Chair Baker said it  
177 skips Wavetronix because it is being developed now. Director Yost said yes because we  
178 know what is being developed there. Vice-Chair Baker said the areas are mostly  
179 undeveloped. Director Yost said yes, there a few structures but mostly undeveloped.

180  
181 Commissioner Young moved to close the public hearing. Commissioner Heaps  
182 seconded. The public hearing was closed at 8:18 p.m.

183  
184 Vice-Chair Baker asked for a moment to read the materials given.

185  
186 Commissioner Heaps asked Director Yost about Mr. Mitchell saying a storage  
187 warehouse would have been a perfect fit, under the new proposal would be prohibited.  
188 He asked if that is what would happen. Director Yost said if there is a use currently  
189 permitted in the HC that isn't in the RC, then yes, that is correct. Commissioner Heaps  
190 said if there is an existing business there currently... Director Yost said it only impacts  
191 future businesses. It only impacts anything from the point of adopting the future pending  
192 legislation onwards. Mr. Mitchell was referring to potential development opportunities for  
193 that property in the future. And the proposed zone text amendment would reduce those  
194 possibilities by the number of uses he cited that are not permitted in the RC zone.

195  
196 Vice-Chair Baker asked Attorney Penrod if he had an opportunity to read through the  
197 comments that were given. Attorney Penrod said he did.

198

199 Commissioner Mertz asked if the consultants they are using on the other zoning  
200 amendments also are providing information on this. Director Yost said there are three  
201 projects. The one closest to adoption is the Lakeside Landing project. We just began the  
202 1600 South study with the kickoff meeting this morning, and are coming up with  
203 proposals for the General Plan.

204  
205 Vice-Chair Baker asked if the 1000 North area would be included in the General Plan.  
206 Director Yost said yes. Vice-Chair Baker asked if it is anticipated to be finished next  
207 summer. Director Yost said yes.

208  
209 Commissioner Heaps wants to understand. This would be the new RC zone, which is  
210 like a holding zone. Director Yost said we are intending to employ it as such. All  
211 changes to the land use and zoning map go through Planning Commission and City  
212 Council. There is no reversion clause or any binding promise that this zone would  
213 change to anything in the future. We are in a sense employing it to give us room to go  
214 through these processes to make definite plans for the future. Commissioner Heaps  
215 added so we don't limit our options. Director Yost said right, so we don't get a big  
216 office/warehouse right in the middle of where we want a different type of land use.  
217 Commissioner Heaps said the concern he has is, come July, it is still in place until we  
218 decide that we change that zoning in any particular area until an application is made  
219 with Planning Commission and City Council. Director Yost said the RC zone would be  
220 the governing zone until that was changed through the public process.

221  
222 Commissioner Mertz said even then, someone that is in the RC zone could still apply for  
223 a Conditional Use Permit. Director Yost said no. None of those uses are listed as  
224 Conditional Uses under the RC zone.

225  
226 Commissioner Heaps asked if are we completely wiping out L-IM. Director Yost said any  
227 area rezoned to RC will not have the L-IM uses permitted. Commissioner Heaps asked if  
228 they wanted to, they could ask for a change in zoning. Director Yost said they could ask  
229 for a change in zoning. We generally feel that it will maximize the development potential  
230 and ability to rely on the development character of the areas and will be better in the  
231 long run.

232  
233 Vice-Chair Baker asked what the possibility is for the involvement of property owners in  
234 that process of determining what would be best for that area. Director Yost said  
235 extensive. The property owners are involved. All of them have been engaged throughout  
236 the process. In 1600 South we are making a list of those property owners that want to be  
237 involved and providing individual invitations inviting them to be involved. In the General  
238 Plan, it will be broad-based, general outreach to the public for engagement and focused  
239 outreach to those areas with particular focus such as the I-15 corridor or the North Main  
240 Street Corridor.

241  
242 Commissioner Farrer is uncomfortable with the types of restrictions being proposed.  
243 Once this is in place, it won't be changed easily. He doesn't think rezoning will happen.  
244 He is opposed to this restriction being put in place. Commissioner Parker thinks it is a  
245 valid point. Commissioner Farrer wants to improve the areas. And yet, it is on the  
246 freeway. The face is the City, not the freeway. He likes to see retail going in those  
247 places, but it is unlikely.

248

249 Vice-Chair Baker said she thinks there are differences in the areas. For example, 1600  
250 South is changing. It was a smaller road and now it is being made into an off-ramp. Give  
251 us time to decide what those changes mean. To her, the Flying J area is the same  
252 general area it has been. She asked if it is because there is a proposed road there.  
253 Director Yost said no, that is 1200 West. He said 1750 West is the street between  
254 Wendy's and Del Taco. It has prominent freeway exposure and is zoned for HC and  
255 anticipated potential to go that way, its developability and its prominent location that we  
256 have a development proposal come in there. Commissioner Farrer is comfortable with  
257 that area.

258

259 Vice-Chair Baker sees the purpose on 1600 South and Lakeside, but she would be  
260 more comfortable if the Northern area wasn't included in the motion.

261 Commissioner Heaps said his major concern is helping the City protect and not limit  
262 future development. He thinks a lot of it does stem from 1600 South off-ramp.

263

264 Commissioner Young moved to recommend amendment of Springville's Official Zone  
265 Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones  
266 to the Regional Commercial (RC) for those parcels as shown in the attached table.

267 Commissioner Parker seconded. Vice-Chair Baker called for a roll call vote. It was as  
268 follows: Commissioners Young, Parker, Baker, Mertz, Heaps aye. Commissioner Farrer,  
269 nay.

270

271 Commissioner Mertz said that we have one shot to do this with the City and we need to  
272 do a good job. Commissioner Parker said they are not cut off and have an opportunity to  
273 rezone.

274

275 Vice-Chair Baker said the aye's have it and it goes to City Council. Director Yost said it  
276 will be on the July 6 City Council meeting. She invited the attendees to come again and  
277 voice concerns at the City Council meeting.

278

Josh Yost,

I would like to file a written objection to being included in the proposed zone change to Regional Commercial. My existing property 1055 N 1750 W (former Stoffers outlet) is set up for equipment sales, auto sales, light industrial, warehousing, outside storage etc. By changing the zoning, you are significantly limiting my current allowed uses. At the very least I would like to see all the existing uses be kept as (conditional uses). I own properties in Provo, Lindon, and Pleasant Grove. I have been a commercial real estate agent / developer for the past 18 years. I understand that a zone change like this is typically intended to keep areas clean and desirable as to attract more business. But the reality of this zone change is that it will limit growth and prevent business from wanting to move in. The more this area gets developed the more other business will come. I believe the city would be better served by leaving things as they are and reassessing the zone limitations once you have a more business in the area. If the cities desire is to ensure "clean" users, keep as many Conditional uses as possible. This way the city maintains some control and a potential tenant only needs to apply for a conditional use permit, rather than de deterred by a zone change. I have found that to be a much better strategy for cities. I would be happy to discuss this with any decision makers.

Sincerely,

Mike McMurtrey

Vice President – Commercial Utah

Investments & Analysis

[mike.mcmurtrey@colliers.com](mailto:mike.mcmurtrey@colliers.com)

801-735-4747



PARCEL ID	SITE ADDRESS	OWNER NAME
23:027:0010	SPRINGVILLE, UT 84663	AVERETT, JERRY LYNN & TERI WINDLEY
23:025:0007	84663	BC INVESTMENT HOLDINGS LLC
23:026:0012	84663	BC INVESTMENT HOLDINGS LLC
23:028:0052		BJS VI LLC
26:054:0050	84663	BOARD OF EDUCATION OF NEBO SCHOOL DISTRICT
23:028:0041	84663	BRIAN, EARREL DEAN & DONA LEA
23:028:0042	84663	BRIAN, EARREL DEAN & DONA LEA
23:028:0040	84663	CHRISTENSEN, RODNEY JAY & JILL C
23:028:0044	84663	CLEMENTS, DAVID H & CINDY A (ET AL)
23:028:0037	84663	CLOWARD, BURKE J & DOROTHY D (ET AL)
23:028:0038	84663	CLOWARD, BURKE J & DOROTHY D (ET AL)
23:028:0039	84663	CLOWARD, BURKE J & DOROTHY D (ET AL)
23:028:0003	SPRINGVILLE, UT 84663	CLOWARD, BURKE J & DOROTHY D (ET AL)
23:028:0004	SPRINGVILLE, UT 84663	CLOWARD, BURKE J & DOROTHY D (ET AL)
26:040:0049	84663	DAHL, PHILLIP D & SANDRA P
26:043:0019	596 W 1600 SOUTH, SPRINGVILLE, UT 84663	DAHL, PHILLIP D & SANDRA P
26:057:0027	245 W 1600 SOUTH, SPRINGVILLE, UT 84663	DDD & B INVESTMENTS SPRINGVILLE LLC
23:023:0109		DOUBLE O OUTFIT LLC (ET AL)
23:026:0063		DOUBLE O OUTFIT LLC (ET AL)
23:028:0049		DOUBLE O OUTFIT LLC (ET AL)
23:028:0050		DOUBLE O OUTFIT LLC (ET AL)
23:029:0059		DOUBLE O OUTFIT LLC (ET AL)
26:044:0046		EMB INVESTMENTS LLC
26:054:0020	599 W 1600 SOUTH, SPRINGVILLE, UT 84663	FEWKES, ELDRED BLAINE & LINDA
41:699:0002	1055 N 1750 WEST, SPRINGVILLE, UT 84663	FULMINATED MERCURY 13 LLC (ET AL)
23:028:0035	84663	HALES, LYNN RAY & SHARON H
23:028:0051		HARWARD, MARSHA & JUD
23:029:0062		HARWARD, MARSHA & JUD
26:054:0049	84663	JOHNSTON & PHILLIPS INC
26:043:0022	510 W 1600 SOUTH, SPRINGVILLE, UT 84663	KILGORE COMPANIES, LLC
41:699:0003	1852 W 1000 NORTH, SPRINGVILLE, UT 84663	MCCOLLINS LTD
23:025:0057	84663	MEADOWBROOK LAND LLC
23:025:0063	84663	MEADOWBROOK LAND LLC
23:025:0034	84663	MEADOWBROOK LAND LLC
26:024:0006	84663	MINER FARMS SPRINGVILLE LLC
26:024:0005	SPRINGVILLE, UT 84663	MINER FARMS SPRINGVILLE LLC



## Josh Yost

---

**From:** R Spratling <ronspratling@outlook.com>  
**Sent:** Tuesday, June 22, 2021 2:29 PM  
**To:** Kim Crane; Josh Yost  
**Cc:** Doug Cole; Michael Glauser; Brent Pace  
**Subject:** Objection opposing rezoning and requesting removal from consideration

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Kim,

Please be advised that Spratling Collaborative et al., as referenced in the June 8 letter from Josh Yost, Community Development Director, Springville City, and all other interested parties oppose this rezoning entirely and object to the manner which it is being proposed. We view this as a taking that will delay our development and damage our value.

As you are aware, Spratling Collaborative et al. is the owner of approximately 19 acres on the far north end of this proposed rezoning. Said acreage is designated in your letter as parcels 23-025-0064, 23-025-0014, 23-025-0016.

Let this be notice of an official complaint and objection as per the instructions provided. Please present said strenuous objection to the Planning Commission, City Council, Mayor, and make it a part of the record at tonight's meeting.

Would you kindly document receipt of same by responding to this email.

We urge that the Planning Commission remove our acreage from consideration along with any other parcel whose owner objects.

Regards,

Ron Spratling III  
801-560-4747



## Josh Yost

---

**From:** Mike Glauser <mike@odysseyptrs.com>  
**Sent:** Tuesday, June 22, 2021 3:30 PM  
**To:** Kim Crane  
**Cc:** Josh Yost; Brent Pace; R Spratling  
**Subject:** Objection Opposing Rezone and Requesting Removal From Consideration

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Kim,

As real estate consultants for Spratling Collaborative, we echo Ron's sentiments that this rezone shouldn't happen to their property. After reviewing the permitted uses under the proposed zone, we don't feel that it fits this area with the already existing and surrounding uses.

Please put this on file as an official complaint and objection per the city's instructions.

Thank you,

**Mike Glauser**  
President - Odyssey Partners  
801-828-5545  
Mike@OdysseyPtrs.com



On Tue, Jun 22, 2021 at 2:29 PM R Spratling <[ronspratling@outlook.com](mailto:ronspratling@outlook.com)> wrote:

Kim,

Please be advised that Spratling Collaborative et al. ,as referenced in the June 8 letter from Josh Yost, Community Development Director, Springville City, and all other interested parties oppose this rezone entirely and object to the manner which it is being proposed. We view this as a taking that will delay our development and damage our value.

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We urge that the Planning Commission remove our acreage from consideration along with any other parcel whose owner objects.

Regards,

Ron Spratling III  
801-560-4747



## STAFF REPORT

**DATE:** October 27, 2021

**TO:** Honorable Mayor and City Council

**FROM:** John Penrod, City Attorney

**SUBJECT:** CONSIDERATION OF AN ORDINANCE THAT APPROVES A DEVELOPMENT AGREEMENT WITH MEADOWBROOK LAND LLC FOR PROPERTY LOCATED AT APPROXIMATELY 1950 WEST FROM 1000 NORTH TO 1300 NORTH, PARCEL NOS. 23:025:0034, 23:025:0030, 23:025:0057 & 23:025:0063.

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### RECOMMENDED MOTION

Motion to approve Ordinance No. \_\_\_\_ that approves a development agreement with the Meadowbrook Land LLC for property located at approximately 1950 WEST FROM 1000 NORTH TO 1300 NORTH, PARCEL NOS. 23:025:0034, 23:025:0030, 23:025:0057 & 23:025:0063.

### BACKGROUND

Several months ago, the Springville City Council started a pending ordinance on property zoned Highway Commercial north of Hobble Creek near the I-15 exchange to determine whether the property should be rezoned Regional Commercial. One of the concerns of the Highway Commercial zone is that it allows office warehouse type uses, which has become a very large use throughout Springville. The City Council asked staff to bring back information regarding whether there was an opportunity to maintain a nice gateway coming into Springville with an office warehouse type use. The proposed development agreement includes information provided by Meadowbrook Land LLC to meet the City Council's desires.

The Planning Commission reviewed the proposed development agreement and unanimously recommended for the City Council to move forward with the development agreement.

The following are some of the provisions within the proposed development agreement:

- Term. The term of the development agreement is for 10 years.
- Vested Rights. The agreement vests Meadowbrook in the ability to construct the uses of Light Industry–Manufacturing Processes, Warehousing–Storage and Distribution, Wholesale Trade and Warehousing on its property. Meadowbrook would be excluded from allowing any onsite storage.
- Design Standards/Site Plan/Building Designs. Exhibit B of the Agreement lists the design standards, site plan and buildings designs. These are items that were reviewed with the Planning Commission in the Commission's last meeting.

Instead of including all of those items in this report, please see them at the end of the attached development agreement.

## **PLANNING COMMISSION**

The Planning Commission considered this Ordinance after holding a public hearing on October 12, 2021 and voted 5-0 (commissioners Mertz and Farrer were not present) to recommend approval of the ordinance and development agreement. No one spoke in the public hearing portion of the meeting. Below is a short summary of the Planning Commission's comments.

### **Discussion**

The planning commission discussed the following items.

- The planning commissioner was okay with the design standards and site plan.
- All of the planning commissioners preferred the second façade attached to Exhibit B. Commissioner Young specifically stated he liked the roof line of the second façade better, and he didn't like how the first façade could confuse people regarding what type of a building it is.
- Commissioner Baker did not like the "Alpine" look of the second façade. However, she voted to recommend the development agreement with the second façade.

The Planning Commission's final vote was a 5-0 vote recommending the development agreement.

Attachment: Proposed Ordinance with development agreement.

**ORDINANCE #XX-2021**

**AN ORDINANCE ADOPTING A DEVELOPMENT AGREEMENT FOR MEADOWBROOK LAND LLC'S PROPERTY LOCATED AT APPR1950 WEST FROM 1000 NORTH TO 1300 NORTH, PARCEL NOS. 23:025:0034, 23:025:0030, 23:025:0057 & 23:025:0063.**

**WHEREAS**, pursuant to Sections 10-9a-502 and 532, the attached proposed development agreement was reviewed by the planning commission and brought before the council to be approved in the same way a land use regulation is approved; and

**WHEREAS**, after holding a public hearing, the Planning Commission has recommended favorably of approving this ordinance and the attached development agreement; and

**WHEREAS**, on November 2, 2021, in a properly noticed public meeting, the Springville City Council considered this Ordinance and found that it is in the interest of the health, safety and welfare of its citizens and is appropriate and necessary for the proper and orderly development of Springville City.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of Springville, Utah:

**SECTION 1: ADOPTION**. The development agreement, attached as Exhibit A, is adopted and approved.

**SECTION 2. EFFECTIVE DATE**. This Ordinance shall take effect upon first publication.

**ADOPTED** by the City Council of Springville, Utah, this 2<sup>nd</sup> day of November 2021.

---

Richard J. Child, Mayor

ATTEST:

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Kim Crane, City Recorder

# Exhibit A

Development Agreement for Meadowbrook Land LLC

**Recording Requested By and  
When Recorded Return to:**  
Springville City  
Attn: John Penrod, City Attorney

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Parcel Nos. 230290061 and 230290055

**DEVELOPMENT AGREEMENT  
(Meadowbrook Land LLC)**

This Development Agreement (this “**Agreement**”) is made and entered into and made effective as of the date this Agreement is recorded by the City Recorder (“**Effective Date**”) by and between **SPRINGVILLE CITY**, a Utah municipal corporation (“**City**”) and **MEADOWBROOK LAND LLC**, a Utah limited liability company (“**Developer**”). City and Developer may from time to time be referred to herein each as a “**Party**” or collectively as the “**Parties.**”

**RECITALS**

- A. Developer is the record owner of approximately 17.58 acres of lands located in Utah County, Utah, which are more particularly described and depicted on the attached **Exhibit A** (the “**Property**”).
- B. The Property is located in the Highway Commercial zoning district.
- C. Developer is engaged in planning and developing logistics centers, industrial and warehousing systems and is intending to develop a similar project on the Property.
- D. This Agreement provides the core approvals and commitments that will facilitate the commencement of development within the Property consistent with certain conditions, requirements, entitlements and conditions set forth in this agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**ARTICLE I  
CITY APPROVALS AND VESTING**

1.1 City Approval. City enters into this Agreement after taking all necessary actions to enter into the agreements and understandings set forth herein. City’s enactment of the ordinance approving this Agreement, and entering into this Agreement, are legislative acts allowed and authorized by Utah Code § 10-9a-101, *et seq.*, including specifically Utah Code § 10-9a-102(2) and §10-9a-532. In accordance with Section 10-9a-532 of the Utah Code, this Agreement “contains a term that conflicts with, or is different from, a standard set forth in an existing land use regulation

that governs the area subject” to this Agreement, and this Agreement is following the procedures for enacting a land use regulation under Section 10-9a-502 of the Utah Code. The Parties acknowledge and agree that the development requirements under this Agreement consist of land use regulations for the development of the Property.

1.2 Project Vesting. The Developer is vested with all rights to develop the Property in accordance with the intended uses [defined below]. Developer understands that Developer has to follow all of City’s land use regulations regarding development of the Property. The Parties acknowledge and agree this Agreement provides significant and valuable rights, benefits, and interests in favor of Developer and the Property, including, but not limited to, certain vested rights, development rights, permitted and conditional uses (including for industrial and commercial uses) to facilitate the development of the Property.

1.2.1 “*Intended Uses*” means those uses in the Highway Commercial zoning district described as Light Industry—Manufacturing Processes, Warehousing—Storage and Distribution, Wholesale Trade and Warehousing, but specifically excluding the use of Storage-Outdoor (whether supplementary or otherwise) and Storage-Outdoor (Autos, Boats, Travel Trailers), each which is defined in the Title 11 of the Springville City Code.

1.3 Term. The term of this Agreement shall be the earlier of Ten (10) years beginning on the Effective Date or until the Property is buildout. For purposes of this provision, “*buildout*” means the completion of all development in the Property.

## ARTICLE II DEVELOPMENT

2.1 Development of Property. The development of the Property shall be in accordance with City’s land use regulations (to the extent that they apply as allowed by this Agreement), and this Agreement. A requirement of this Agreement is that in developing the Property, Developer shall follow the site plan, subdivision and building types attached as Exhibit B, which includes the construction of 1950 West that runs along the eastern portion of the Property.

2.2 City Services. City agrees that it shall make available (subject to application for service, tendering of water rights, payment of impact fees, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, storm water and other municipal services (the “Municipal Services”). Developer agrees and understands that Developer may have to construct, install and bring some of the infrastructure for the Municipal Services to the Property before such services will be made available to the Property. Such services shall be provided to the Property at the same levels of services, on the terms and at rates as charged by City based on uses, amounts, types and other factors that City charges for Municipal Services. Nothing in this section shall obligate Developer to build “system improvements” as that term is defined in the Utah Impact Fees Act, Utah Code Ann. § 11-36a-101, *et seq.*

## ARTICLE III GENERAL MATTERS

3.1 Amendments. Any alteration or change to this Agreement shall be made in a writing executed by Developer and City, after approval by City’s appropriate executive or legislative bodies. Developer need not obtain the written consent of a subsequent owner of a portion of the Property in order to amend this Agreement.



3.2 No Waiver, Mutual Waiver of Damages. The Parties acknowledge and agree that a non-defaulting Party's only legal recourse and remedies based on the other's default shall be specific performance or injunctive relief and shall not include damages. No Party shall have the right and may not seek from the other Party damages of any kind whatsoever.

3.3 No Third-Party Rights. Unless otherwise specifically provided herein, the obligations of the Parties set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.

3.4 Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, or delivered by a reputable overnight courier that keeps receipts of delivery (such as UPS or Federal Express), or when deposited in the United States mail, by registered or certified mail, addressed to the City Recorder in the case of the City or the owner of the Property, as recorded in the office of the Utah County Assessor, in the case of the Developer.

3.5 Entire Agreement. This Agreement, together with documents and all regulatory approvals given by City for the Property, contain and constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede any prior promises, representations, warranties, inducements or understandings between the Parties which are not contained in such agreements, regulatory approvals and related conditions.

3.6 Agreement Runs with the Land. This Agreement shall be recorded against the Property as described in the **Exhibit A**.

3.7 Assignment. Developer may not assign this Agreement to an entity that is not an affiliate of Developer, without the written consent of City, which consent may not be unreasonably withheld, conditioned or delayed.

3.8 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement on October \_\_\_, 2021.

*[Remainder of Page Intentionally Blank; Signatures Follow]*

**CITY:**

**SPRINGVILLE CITY**, a Utah municipal corporation

ATTEST:

\_\_\_\_\_  
Mayor of Springville City

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

**ACKNOWLEDGMENT**

STATE OF UTAH            )  
                                      : ss.  
County of Utah            )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before the undersigned notary public in and for the said state, personally appeared \_\_\_\_\_, known or identified to me to be the Mayor of Springville City, who executed the foregoing instrument on behalf of said City and acknowledged to me that said City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

\_\_\_\_\_  
Notary Public for Utah  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

*[Signatures Continue on Following Page]*

**DEVELOPER:**

**MEADOWBROOK LAND LLC**, a Utah limited liability company

By: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF UTAH                    )  
                                          : ss.  
County of Salt Lake            )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before the undersigned notary public in and for the said state, personally appeared \_\_\_\_\_, known or identified to me to be the Manager of **MEADOWBROOK LAND LLC**, a Utah limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

\_\_\_\_\_  
Notary Public for Utah

# EXHIBIT A

## Legal Description and Map of the Property

### Legal Description by Parcel

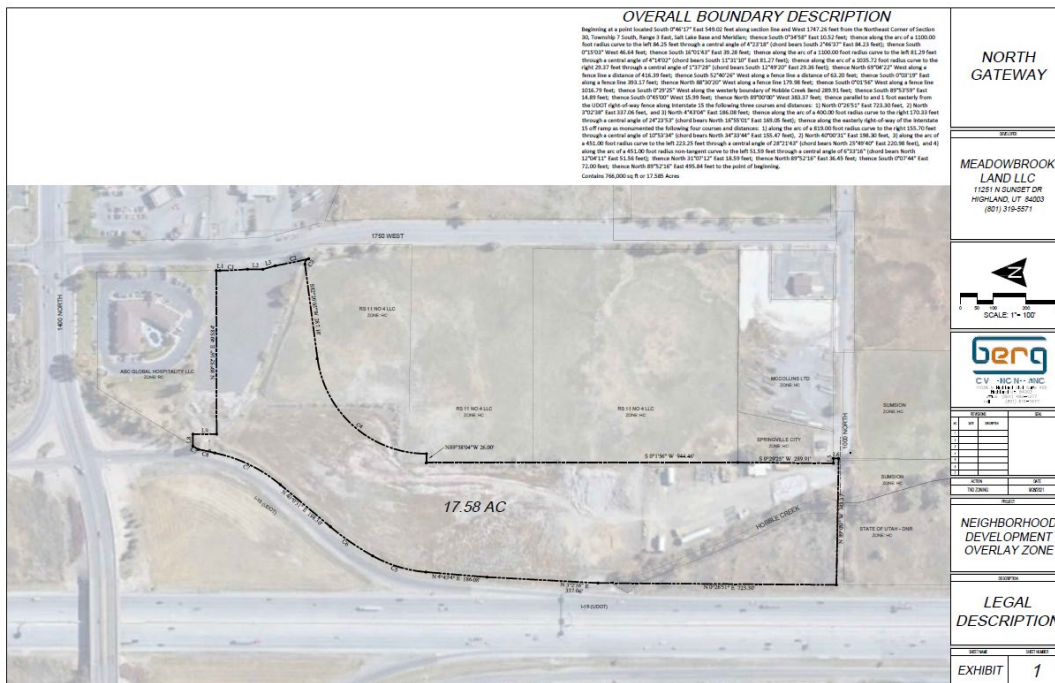
The following parcels in Utah County, State of Utah:

## *OVERALL BOUNDARY DESCRIPTION*

Beginning at a point located South 0°46'17" East 549.02 feet along section line and West 1747.26 feet from the Northeast Corner of Section 30, Township 7 South, Range 3 East, Salt Lake Base and Meridian; thence South 0°34'58" East 10.52 feet; thence along the arc of a 1100.00 foot radius curve to the left 84.25 feet through a central angle of 4°23'18" (chord bears South 2°46'37" East 84.23 feet); thence South 0°15'03" West 46.64 feet; thence South 16°01'43" East 39.28 feet; thence along the arc of a 1100.00 foot radius curve to the left 81.29 feet through a central angle of 4°14'02" (chord bears South 11°31'10" East 81.27 feet); thence along the arc of a 1035.72 foot radius curve to the right 29.37 feet through a central angle of 1°37'28" (chord bears South 12°49'20" East 29.36 feet); thence North 69°04'22" West along a fence line a distance of 416.39 feet; thence South 52°40'26" West along a fence line a distance of 63.20 feet; thence South 0°03'19" East along a fence line 393.17 feet; thence North 88°30'20" West along a fence line 179.98 feet; thence South 0°01'56" West along a fence line 1016.79 feet; thence South 0°29'25" West along the westerly boundary of Hobbie Creek Bend 289.91 feet; thence South 89°53'59" East 14.89 feet; thence South 0°45'00" West 15.99 feet; thence North 89°00'00" West 383.37 feet; thence parallel to and 1 foot easterly from the UDOT right-of-way fence along Interstate 15 the following three courses and distances: 1) North 0°26'51" East 723.30 feet, 2) North 3°02'38" East 337.06 feet, and 3) North 4°43'04" East 186.08 feet; thence along the arc of a 400.00 foot radius curve to the right 170.33 feet through a central angle of 24°23'53" (chord bears North 16°55'01" East 169.05 feet); thence along the easterly right-of-way of the Interstate 15 off ramp as monumented the following four courses and distances: 1) along the arc of a 819.00 foot radius curve to the right 155.70 feet through a central angle of 10°53'34" (chord bears North 34°33'44" East 155.47 feet), 2) North 40°00'31" East 198.30 feet, 3) along the arc of a 451.00 foot radius curve to the left 223.25 feet through a central angle of 28°21'43" (chord bears North 25°49'40" East 220.98 feet), and 4) along the arc of a 451.00 foot radius non-tangent curve to the left 51.59 feet through a central angle of 6°33'16" (chord bears North 12°04'11" East 51.56 feet); thence North 31°07'12" East 18.59 feet; thence North 89°52'16" East 36.45 feet; thence South 0°07'44" East 72.00 feet; thence North 89°52'16" East 495.84 feet to the point of beginning.

Contains 766,000 sq ft or 17.585 Acres

A map depicting the Property is below:



## EXHIBIT B

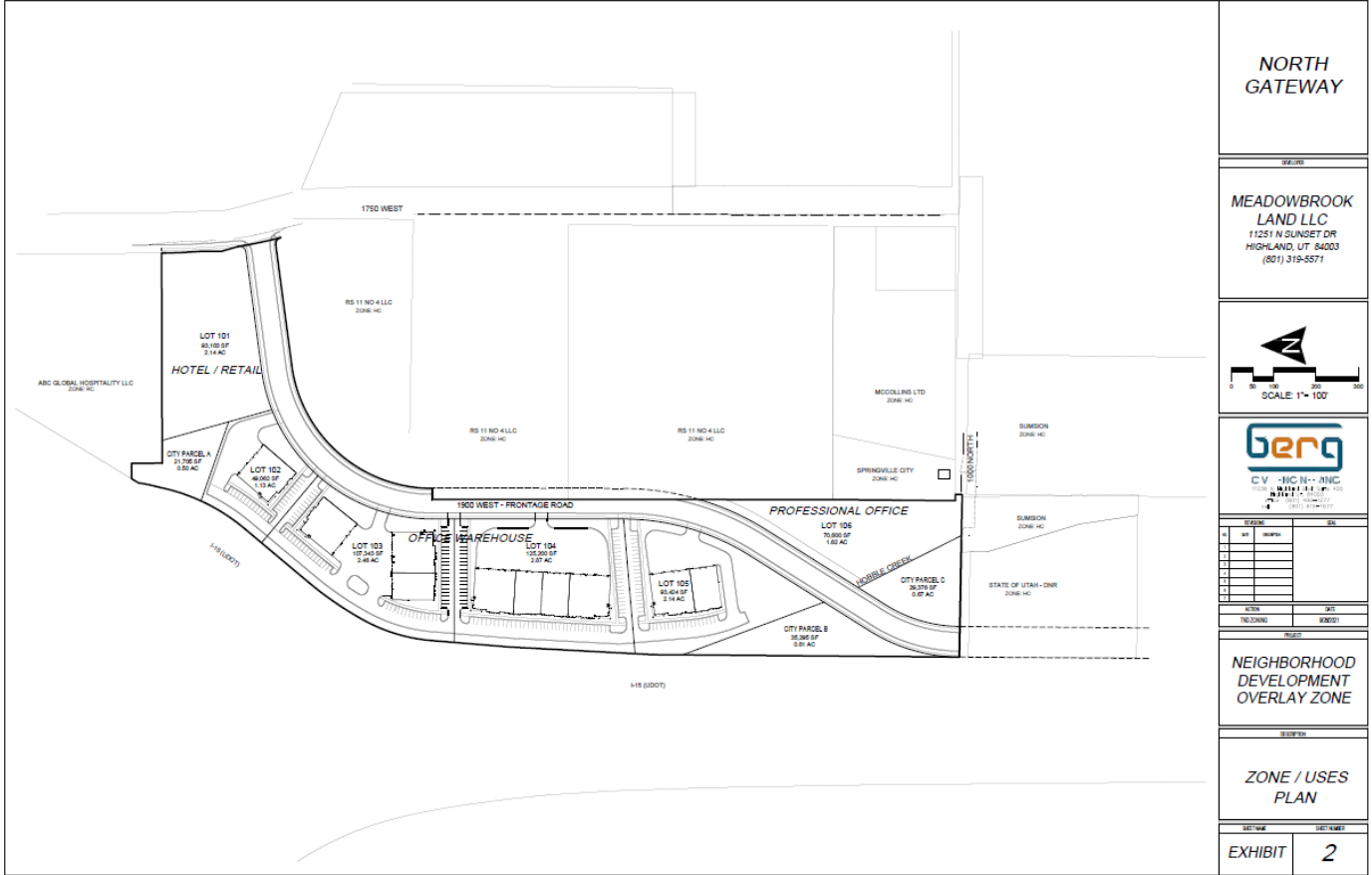
### [Design Guidelines for Property, Site Plan, Subdivision, Building Types]

In building any structure for the Light Industry—Manufacturing Processes, Warehousing – Storage and Distribution, or Wholesale Trade and Warehousing uses, on the Property, the following design guidelines must apply:

1. Developer will assure buildings are color integrated with decorative reveals, offset in both the primary wall height and wall planes, recessed header reveals contrasting color, and architectural grade exterior wall mounted light fixtures.
2. Developer will not build prefabricated metal buildings.
3. Developer will assure that design themes and architectural elements remain consistent throughout all buildings developed.
4. Developer will incorporate variations: A minimum of three (3) colors per elevation shall be required.
  - a. Primary Materials: Brick, stone, ceramic tile, wood fiber/composite siding, tilt-up exposed concrete, and concrete masonry units (CMU), are acceptable primary materials. CMU must be colored and feature decorative or architectural finishes such as honed, scored, offset or split face. Gray CMU block is not an acceptable finished building material and shall not be permitted on any finished building elevation with the exception of minimal foundation exposure.
  - b. Secondary Materials: Secondary materials may include, wood siding, awnings, wood timbers or metal components when the components are architectural metal cladding.
5. Developer will assure that each building entrance shall have a minimum of two (2) primary and/or secondary materials. No more than fifty percent (50%) of the building entrances shall be constructed of any one primary material.

## Site Plan/Subdivision

The below site plan and subdivision plat are not final. The Developer is still required to submit the appropriate site plan and subdivision plat applications and follow all Springville City land use regulations for preliminary and final approvals.



# Building Designs

The below building designs are the designs that Developer shall construct on the Property. Any variation to the designs must be approved by City's Community Development Director.



SOUTH ELEVATION  
SCALE: 3/32" = 1'-0"



ENLARGED SOUTH ELEVATION  
SCALE: 8/16" = 1'-0"



ENLARGED SOUTH ELEVATION  
SCALE: 8/16" = 1'-0"

HIGHLAND OFFICE

HIGHLAND, UTAH  
DECEMBER 02, 2019  
**2019**  
CELEBRATING  
20 YEARS  
OF  
ARCHITECTURE  
2019 HEALTHY PLANNING & DESIGN BUILDS  
CITY OF 100  
PUBLICITY CONTACT: JESSICA ANDERSON  
PHOTO: (801) 734-1000  
www.20years.com







## STAFF REPORT

**DATE:** October 27, 2021

**TO:** Honorable Mayor and City Council

**FROM:** John Penrod, City Attorney

**SUBJECT:** CONSIDERATION OF AN ORDINANCE THAT APPROVES A DEVELOPMENT AGREEMENT WITH THE COLMENA GROUP UNDER THE NAME OF THE SPRINGVILLE BUSINESS PARK LLC FOR PROPERTY LOCATED AT APPROXIMATELY 1740 WEST CENTER STREET, PARCEL NOS. 23:029:0055 AND 23:029:0061.

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### **RECOMMENDED MOTION**

Motion to approve Ordinance No. \_\_\_\_ that approves a development agreement with the Springville Business Park LLC for property located at approximately 1740 West Center Street, Parcel Nos. 23:029:0055 and 23:029:0061.

### **BACKGROUND**

On or about June 1, 2021, the City Council commenced a pending ordinance involving the zoning of the Springville Business Park, LLC's property located at approximately 1740 West Center Street, Parcel Nos. 23:029:0055 and 23:029:0061. The pending ordinance seeks to change the zoning on the property from a LIM zone to a RC zone. Under the pending zone change, the Springville Business Park, LLC would lose the ability to use the property for light industrial manufacturing uses, particularly uses involving office warehouse type uses.

The developer and city staff have met to discuss the proposed development agreement that would give the developer the vested rights to construct and use the property for light industrial manufacturing uses with certain design standards in hopes that the Council's concerns for the zoning on the property would be addressed. The proposed agreement has the following provisions related to use and design standards:

- **Vesting.** The developer would be vested for a period of 10 years in the uses in the Light Industrial Manufacturing zoning district and are identified as allowed uses in the City's Current Laws, including the permitted uses of Light Industry—Manufacturing Processes, Warehousing -Storage and Distribution, and Wholesale Trade and Warehousing, but excluding the uses of Storage-Outdoor; Storage-Outdoor (Heavy Equipment); and Storage-Outdoor (Autos, Boats, Travel Trailers), each which is defined in the City's Current Laws and each excluded use shall not be allowed on the Property. Nothing in this definition shall be interpreted as limiting parking of vehicles used in connection with the Intended Uses.

- Design Standards. In building any structure for the Light Industry–Manufacturing Processes, Warehousing - Storage and Distribution, or Wholesale Trade and Warehousing uses, as defined in City’s Current Laws, on the Property, the following design guidelines must apply:
  - Developer will assure buildings are color integrated concrete tilt up buildings with decorative reveals, offset in both the primary wall height and wall planes, recessed header reveal contrasting color, and architectural grade exterior wall mounted light fixtures.
  - Developer will not build prefabricated metal buildings.
  - Developer will commit to not allowing ~~substantial~~ lay down or outside storage space.
  - Developer will assure that design themes and architectural elements remain consistent throughout all buildings developed.
  - Developer will incorporate variations: A minimum of three (3) colors per elevation shall be required.
    - Primary Materials: Brick, stone, ceramic tile, wood fiber/composite siding, tilt-up exposed concrete, and concrete masonry units (CMU), are acceptable primary materials. CMU must be colored and feature decorative or architectural finishes such as honed, scored, offset or split face. Gray CMU block is not an acceptable finished building material and shall not be permitted on any finished building elevation with the exception of minimal foundation exposure.
    - Secondary Materials: Secondary materials may include ~~vinyl, stucco, EIFS~~, wood siding, awnings, wood timbers or metal components when the components are architectural metal cladding.
  - Developer will assure that each building entrance shall have a minimum of two (2) primary and/or secondary materials. No more than fifty percent (50%) of the building entrances shall be constructed of any one primary material.

As examples of proposed buildings, the developer has provided the below two pictures:

## Springville Business Park



## Springville Business Park



The City Council could include one of the above two styles in the development agreement as a style that would be followed.

### PLANNING COMMISSION

The Planning Commission considered this Ordinance after holding a public hearing on October 12, 2021 and voted 4-0 (commissioners Mertz, Parker and Heaps were not present) to

recommend approval of the Ordinance and development agreement. Below is a short summary of the public hearing before the Planning Commission.

Public Hearing Comments (The below are short summaries of comments made and may not be 100% accurate)

Jason Boal - He is the developer's planning consultant and works with the law firm of Snell & Wilmer. He argued for a longer vesting period. He suggested that the developer may live without developer's proposed 20-year period but claimed that staff's proposed five-year period was too short. He asked for a period around 15 years. He also stated that the developer would need at least an option to have a temporary storage on site for the purpose of materials being dropped off and moved inside the buildings.

### Discussion

The planning commission discussed the following items.

- **Vested Rights Time Period.** The Planning Commissioners thought that a 20-year vested rights time period was too long. However, they also concluded that a five-year time period was too short. The Planning Commission recommended a 10-year vested rights period.
- **Design Standards.** The Commissioners recommended the staff's desired changes to the design standards, which included the following:
  - Removing the word "substantial" from the provision that addressed storage, making no storage allowed,
  - Removing "vinyl, stucco and EIFS" from allowed secondary materials, and
  - Adding "when the components are architectural metal cladding" for when metal components may be used.
- **Outside Storage.** The Commissioners were okay with temporary outside storage and suggested a 90-day period. However, the final recommendation was for the staff and the developer to work together to determine an appropriate allowed temporary time period and circumstances for on-site outdoor storage. (As of the time of this report, staff and the developer has not discussed this issue.)
- **Suggested Building Types.** From the above pictures, the Planning Commission liked both building types, but preferred the second picture based on how the long walls are broken with architectural features. If you want to include a picture to show the type of building to pattern the buildings after, the planning commission would recommend the second picture.

The Planning Commission's final vote was a 4-0 vote recommending the development agreement.

Attachment: Proposed Ordinance with development agreement.

ORDINANCE #XX-2021

**AN ORDINANCE ADOPTING A DEVELOPMENT AGREEMENT FOR THE SPRINGVILLE BUSINESS PARK LLC'S PROPERTY LOCATED AT APPROXIMATELY 1740 WEST CENTER STREET, PARCEL NOS. 23:029:0055 and 23:029:0061.**

**WHEREAS**, pursuant to Sections 10-9a-502 and 532, the attached proposed development agreement was reviewed by the planning commission and brought before the council to be approved in the same way a land use regulation is approved; and

**WHEREAS**, after holding a public hearing, the Planning Commission has recommended favorably of approving this ordinance and the attached development agreement; and

**WHEREAS**, on October 19, 2021, in a properly noticed public meeting, the Springville City Council considered this Ordinance and found that it is in the interest of the health, safety and welfare of its citizens and is appropriate and necessary for the proper and orderly development of Springville City.

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of Springville, Utah:

**SECTION 1: ADOPTION**. The development agreement, attached as Exhibit A, is adopted and approved.

**SECTION 2. EFFECTIVE DATE**. This Ordinance shall take effect upon first publication.

**ADOPTED** by the City Council of Springville, Utah, this 19th day of October 2021.

---

Richard J. Child, Mayor

ATTEST:

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Kim Crane, City Recorder

# Exhibit A

DEVELOPMENT AGREEMENT FOR THE SPRINGVILLE BUSINESS PARK LLC'S

**Recording Requested By and  
When Recorded Return to:**  
Springville City  
Attn: John Penrod, City Attorney

\_\_\_\_\_  
\_\_\_\_\_

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Parcel Nos. 230290061 and 230290055

**DEVELOPMENT AGREEMENT  
(Springville Business Park)**

This Development Agreement (this “**Agreement**”) is made and entered into and made effective as of the date this Agreement is recorded by the City Recorder (“**Effective Date**”) by and between **SPRINGVILLE CITY**, a Utah municipal corporation (“**City**”) and **SPRINGVILLE BUSINESS PARK LLC**, a Utah limited liability company (“**Developer**”). City and Developer may from time to time be referred to herein each as a “**Party**” or collectively as the “**Parties.**”

**RECITALS**

- A. Developer is the record owner of approximately 20.7 acres of lands located in Utah County, Utah, which are more particularly described and depicted on the attached **Exhibit A** (the “**Property**”).
- B. The Property is located in the Light Industrial Manufacturing zoning district.
- C. Developer is engaged in planning and developing logistics centers, industrial and warehousing systems and is intending to develop a similar project on the Property.
- D. This Agreement provides the core approvals and commitments that will facilitate the commencement of development within the Property consistent with certain conditions, requirements, entitlements and conditions set forth in this agreement.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**ARTICLE I  
CITY APPROVALS AND VESTING**

1.1 City Approval. City enters into this Agreement after taking all necessary actions to enter into the agreements and understandings set forth herein. City’s enactment of the ordinance approving this Agreement, and entering into this Agreement, are legislative acts allowed and authorized by Utah Code § 10-9a-101, *et seq.*, including specifically Utah Code § 10-9a-102(2)

and §10-9a-532. In accordance with Section 10-9a-532 of the Utah Code, this Agreement “contains a term that conflicts with, or is different from, a standard set forth in an existing land use regulation that governs the area subject” to this Agreement, and this Agreement is following the procedures for enacting a land use regulation under Section 10-9a-502 of the Utah Code. This Agreement is executed after City has taken action to lift any pending ordinance or moratorium affecting the Property and the Parties acknowledge and agree that the development requirements under this Agreement consist of land use regulations for the development of the Property.

1.2 Project Vesting. To the maximum extent permissible under state and federal law, and including at equity, City and Developer agree that this Agreement confirms that Developer is vested with all rights to develop the Property in accordance with the Intended Uses [defined below] without modification or change by the City except as specifically provided herein. By way of further clarification, Developer is vested with the right to develop and locate on the Property the uses and densities including, without limitation, the Intended Uses [defined below], and to develop in accordance with dimensional requirements as allowed by City’s Current Laws. As allowed by City’s land use regulation, the Property is also vested with access to all City roads which adjoin any portion of the Property. Developer understands that Developer has to follow all of City’s land use regulations regarding development of streets for the Property. The Parties intend that the rights granted to Developer hereunder are contractual vested rights and include the rights that exist as of the Effective Date under statute, common law and at equity. The Parties acknowledge and agree this Agreement provides significant and valuable rights, benefits, and interests in favor of Developer and the Property, including, but not limited to, certain vested rights, development rights, permitted and conditional uses (including for industrial and commercial uses) to facilitate the development of the Property.

1.2.1 “*Intended Uses*” means those uses identified as permitted or conditional uses in the Light Industrial Manufacturing zoning district and are identified as allowed uses in the City’s Current Laws, including the permitted uses of Light Industry—Manufacturing Processes, Warehousing –Storage and Distribution, and Wholesale Trade and Warehousing, but excluding the uses of Storage-Outdoor; Storage-Outdoor (Heavy Equipment); and Storage-Outdoor (Autos, Boats, Travel Trailers), each which is defined in the City’s Current Laws and each excluded use shall not be allowed on the Property. Nothing in this definition shall be interpreted as limiting parking of vehicles used in connection with the Intended Uses.

1.2.2 “*City’s Current Laws*” means all laws, ordinances, policies, standards, guidelines, directives, and procedures of City in effect as of the date of this Agreement. All processing fee schedules and other fee schedules shall not be considered City’s Current Laws.

1.2.3 “*City’s Future Laws*” means the laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City which may be in effect in the future at any time when a future development application is submitted and which may or may not apply to such development application based upon the terms of this Agreement. All lawful future adopted processing fee schedules shall apply to Developer’s applications at the time the application is filed.

1.2.4 *City’s Future Laws Applicability.* City’s Future Laws with respect to development or use of the Property shall not apply except as follows:



A. City's Future Laws that Developer agrees in writing to the application thereof to the Property;

B. City's Future Laws which are required to comply with State and Federal laws and regulations affecting the Property;

C. City's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare;

D. City's Future Laws that are health and environmental standards based on the City's obligations to comply with Federal or State environmental laws;

E. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, persons and entities similarly situated; or

F. Impact fees or modifications thereto which are lawfully adopted, imposed and collected.

1.2.5 *Applications Under City's Future Laws.* Without waiving any rights granted or benefits imparted by this Agreement, Developer may at any time, choose to submit a development application for some or all of the Property under the City's Future Laws in effect at the time of the development application. Any development application filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws related to the development application. The election by Developer at any time to submit a development application under the City's Future Laws shall not be construed to prevent or limit Developer from submitting and relying for other development applications on the City's Current Laws.

1.3 Change in Law/Non-Conforming Uses. For the term of this Agreement, City agrees that any City's Future Law shall not apply to the Property where the application would impair or impede development, or eliminate or reclassify a use allowed under the Intended Uses. To the extent any change in law causes a use, structure, or parcel to become non-conforming, such non-conforming status shall not impair, impede or prohibit the development of previously approved uses, reconstruction or restoration of developed uses, or the extension of such uses on parcels within the Property.

1.4 Term. The term of this Agreement shall the earlier of Ten (10) years beginning on the Effective Date or until the buildout. For purposes of this provision, "buildout" means the completion of all development in the Property.

## ARTICLE II DEVELOPMENT

2.1 Development of Property. The development of the Property shall be in accordance with City's Current Laws, City's Future Laws (to the extent that they apply as allowed by this Agreement), and this Agreement. A requirement of this Agreement is that in developing the Property for any industrial or warehousing use, any building must comply with the design requirements set forth on Exhibit B of this Agreement.

2.2 City Services. City agrees that it shall make available (subject to application for service, tendering of water rights, payment of impact fees, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, street-light, storm water and other municipal services (the "Municipal Services"). Developer agrees and understands that Developer may have to construct, install and bring some of the infrastructure for the Municipal Services to the Property before such services will be made available to the Property. Such services shall be provided to the Property at the same levels of services, on the terms and at rates as charged by City based on uses, amounts, types and other factors that City charges for Municipal Services. Nothing in this section shall obligate Developer to build "system improvements" as that term is defined in the Utah Impact Fees Act, Utah Code Ann. § 11-36a-101, *et seq.*

## ARTICLE III GENERAL MATTERS

3.1 Amendments. Any alteration or change to this Agreement shall be made in a writing executed by Developer and City, after approval by City's appropriate executive or legislative bodies. Developer need not obtain the written consent of a subsequent owner of a portion of the Property in order to amend this Agreement.

3.2 Exclusion from Moratoria. The Property shall be excluded from any moratorium adopted pursuant to Utah Code § 10-9a-504 or a pending ordinance delay under **10-9a-509(b)** unless such a moratorium or pending ordinance is found on the record by the city council for City to be necessary to avoid jeopardizing a compelling, countervailing public interest not known or knowable at the time of entering into this Agreement.

3.3 No Waiver, Mutual Waiver of Damages. Nothing in this Agreement shall be construed as waiving Developer's rights under the United States and Utah constitutions, and the land use and development laws of the state of Utah. The Parties acknowledge and agree that a non defaulting Party's only legal recourse and remedies based on the other's default shall be specific performance or injunctive relief and shall not include damages. No Party shall have the right and may not seek from the other Party damages of any kind whatsoever. Nothing in this section shall prevent a Party from seeking the payment of attorney fees in the event a dispute involving the Utah Private Property Rights Ombudsman under Utah Code Ann. §13-43-101, *et seq.*

3.4 No Third Party Rights. Unless otherwise specifically provided herein, the obligations of the Parties set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.

3.5 Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, or delivered by a reputable overnight courier that keeps receipts of delivery (such as UPS or Federal Express), or when deposited in the United States mail, by registered or certified mail, addressed to the City Recorder in the case of the City or the owner of the Property, as recorded in the office of the Utah County Assessor, in the case of the Developer.

3.6 Entire Agreement. This Agreement, together with documents and all regulatory approvals given by City for the Property, contain and constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede any prior promises, representations, warranties, inducements or understandings between the Parties which are not contained in such agreements, regulatory approvals and related conditions.

3.7 Agreement Runs with the Land. This Agreement shall be recorded against the Property as described in the Exhibit A.

3.8 Assignment. Developer may not assign this Agreement to an entity that is not an affiliate of Developer, without the written consent of City, which consent may not be unreasonably withheld, conditioned or delayed.

3.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement on October \_\_, 2021.

*[Remainder of Page Intentionally Blank; Signatures Follow]*

**CITY:**

**SPRINGVILLE CITY**, a Utah municipal corporation

ATTEST:

\_\_\_\_\_  
Mayor of Springville City

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

**ACKNOWLEDGMENT**

STATE OF UTAH            )  
                                      : ss.  
County of Utah            )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before the undersigned notary public in and for the said state, personally appeared \_\_\_\_\_, known or identified to me to be the Mayor of Springville City, who executed the foregoing instrument on behalf of said City and acknowledged to me that said City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

\_\_\_\_\_  
Notary Public for Utah  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

*[Signatures Continue on Following Page]*

**DEVELOPER:**

**SPRINGVILLE BUSINESS PARK LLC**, a Utah limited liability company

By: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF UTAH                    )  
                                              : ss.  
County of Salt Lake            )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before the undersigned notary public in and for the said state, personally appeared \_\_\_\_\_, known or identified to me to be the Manager of **SPRINGVILLE BUSINESS PARK, LLC**, a Utah limited liability company.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

\_\_\_\_\_  
Notary Public for Utah

**EXHIBIT A**  
**Legal Description and Map of the Property**  
**Legal Description by Parcel**

**The following parcels in Utah County, State of Utah:**

PARCEL 23:029:0061

A PART OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY IN UTAH COUNTY, UTAH:

BEGINNING AT A POINT 949.86 FEET NORTH 88°58'00" EAST ALONG THE SECTION LINE AND 1077.98 FEET SOUTH 0°14'35" WEST FROM THE NORTH QUARTER CORNER OF SAID SECTION 31; AND RUNNING THENCE SOUTH 89°07'00"

EAST 335.97 FEET ALONG THE SOUTHERLY LINE OF SAID LARSEN PROPERTY AND SAID LINE PROJECTED TO THE WESTERLY LINE OF THE IM REAL ESTATE DEED; THENCE SOUTH 0°22'40" EAST 22.62 FEET TO THE SOUTHWESTERLY CORNER OF SAID IM REAL ESTATE DEED; THENCE SOUTH 89°40'00" EAST 306.36 FEET ALONG THE SOUTHERLY LINE OF SAID DEED; THENCE SOUTH 0°45'16" WEST 1335.99 FEET TO A POINT 33.00 FEET PERPENDICULARLY DISTANT NORTHERLY FROM THE CENTER LINE OF CENTER STREET; THENCE NORTH 89°35'05" WEST 630.64 FEET ALONG A LINE

PARALLEL TO AND BEING 33.00 FEET PERPENDICULARLY DISTANT NORTHERLY FROM THE CENTER LINE OF CENTER STREET; THENCE NORTH 0°14'15" EAST 1360.90 FEET ALONG THE PROPOSED CENTER LINE OF 1750 WEST STREET TO THE POINT OF BEGINNING.

LESS AND EXCEPTING THAT PORTION OF LAND LYING NORTH OF AN AGREED BOUNDARY LINE, AS CONVEYED IN THAT BOUNDARY LINE AGREEMENT RECORDED FEBRUARY 24, 2021 AS ENTRY 34877:2021 OF OFFICIAL RECORD, SAID

BOUNDARY BEING THE SOUTH LINE OF THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT A POINT BEING SOUTH 88°58'09" WEST 1719.39 ALONG THE SECTION LINE AND SOUTH 432.46 FEET

FROM THE NORTHEAST CORNER OF SECTION 31, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE & MERIDIAN;

THENCE SOUTH 87°30'00" EAST FOR A DISTANCE OF 327.65 FEET TO A POINT ON A LINE; THENCE SOUTH 00°51'00" WEST FOR A DISTANCE OF 19.50 FEET TO A POINT ON A LINE; THENCE SOUTH 87°30'00" EAST FOR A DISTANCE OF 8.09

FEET TO A POINT ON A LINE; THENCE SOUTH 00°22'40" EAST FOR A DISTANCE OF 384.24 FEET TO A POINT ON A LINE;

THENCE SOUTH 89°56'51" WEST FOR A DISTANCE OF 20.00 FEET TO A POINT ON A LINE; THENCE SOUTH 00°22'40" EAST FOR A DISTANCE OF 231.94 FEET TO A POINT ON A LINE; THENCE NORTH 89°07'10" W FOR A DISTANCE OF 22.95

FEET TO A POINT ON A LINE; THENCE SOUTH 00°00'00" EAST FOR A DISTANCE OF 3.87 FEET TO A POINT ON A LINE; THENCE NORTH 89°40'00" WEST FOR A DISTANCE OF 299.02 FEET TO A POINT ON A LINE; THENCE NORTH 00°14'35"

EAST A DISTANCE OF 652.10 FEET TO THE POINT OF BEGINNING.

PARCEL 23:029:0055

COMMENCING WEST 1051.32 FEET AND SOUTH 1119.07 FEET FROM THE NORTHEAST CORNER OF SECTION 31, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE SOUTH 00°08'57" EAST 1344.43 FEET;

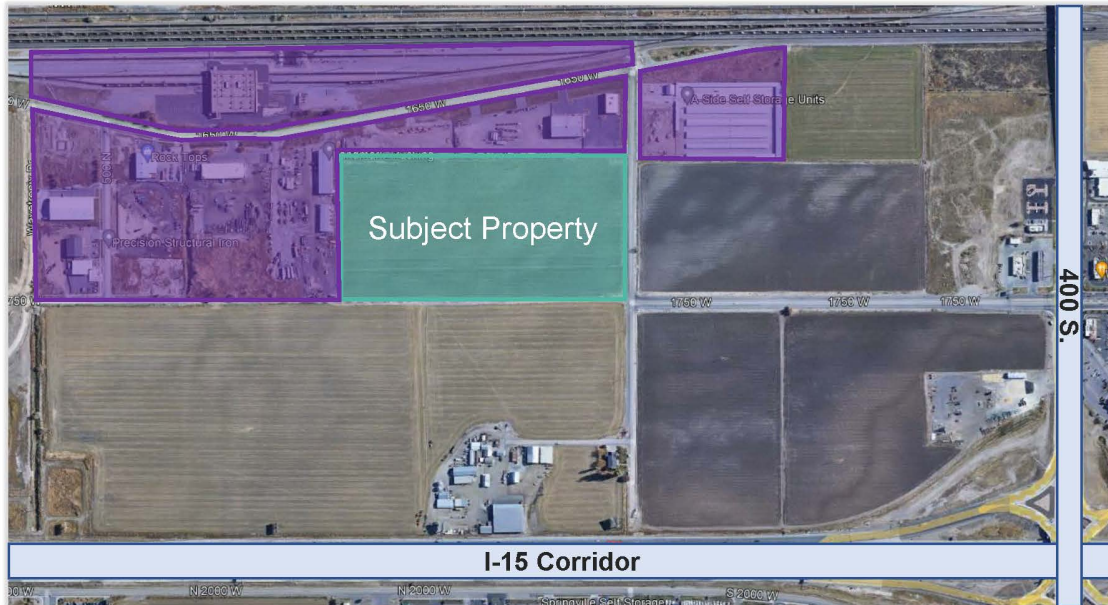
THENCE NORTH 87°51'00" WEST 43.29; THENCE NORTH 00°45'16" EAST 1343.26 FEET; THENCE SOUTH 89°07'00" EAST 22.08 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPTING THAT PORTION OF LAND LYING NORTH OF AN AGREED BOUNDARY LINE, AS CONVEYED IN THAT BOUNDARY LINE AGREEMENT RECORDED MAY 19, 1997 AS ENTRY NO. 38219, IN BOOK 4272 AT PAGE 874 OF OFFICIAL RECORD, SAID BOUNDARY BEING THE SOUTH LINE OF THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT A POINT WHICH IS SOUTH 88°58' WEST ALONG SECTION LINE 396.22 FEET AND SOUTH 00°12'12" EAST 422.83 FEET AND NORTH 89°52'38" WEST 595.79 FEET AND SOUTH 13°19'38" WEST 18.04 FEET AND SOUTH 00°12'12" EAST 395.10 FEET FROM THE NORTHEAST CORNER OF SECTION 31, TOWNSHIP 7 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND MERIDIAN; THENCE SOUTH 00°12'12" EAST 4.90 FEET; THENCE SOUTH 10°02'28" EAST 296.78 FEET; THENCE SOUTH 89°43'24" WEST 110.07 FEET; THENCE NORTH 00°24'05" WEST 0.46 FEET; THENCE NORTH 89°40' WEST 328.26 FEET; THENCE NORTH 00°22'40" WEST 312.27 FEET; THENCE SOUTH 87°30' EAST 388.995 FEET TO THE POINT OF BEGINNING.

**A map depicting the Property is below:**

## Springville Business Center



## EXHIBIT B

### [Design Guidelines for Property]

In building any structure for the Light Industry—Manufacturing Processes, Warehousing – Storage and Distribution, or Wholesale Trade and Warehousing uses, as defined in City’s Current Laws, on the Property, the following design guidelines must apply:

1. Developer will assure buildings are color integrated concrete tilt up buildings with decorative reveals, offset in both the primary wall height and wall planes, recessed header reveal contrasting color, and architectural grade exterior wall mounted light fixtures.
2. Developer will not build prefabricated metal buildings.
3. [NTD: Now that we have been explicit in the use section, we are removing this concept from the design guidelines—See definition of Intended Uses.] Developer will assure that design themes and architectural elements remain consistent throughout all buildings developed.
4. Developer will incorporate variations: A minimum of three (3) colors per elevation shall be required.
  - a. Primary Materials: Brick, stone, ceramic tile, wood fiber/composite siding, tilt-up exposed concrete, and concrete masonry units (CMU), are acceptable primary materials. CMU must be colored and feature decorative or architectural finishes such as honed, scored, offset or split face. Gray CMU block is not an acceptable finished building material and shall not be permitted on any finished building elevation with the exception of minimal foundation exposure.
  - b. Secondary Materials: Secondary materials may include ~~vinyl, stucco, EIFS~~, wood siding, awnings, wood timbers or metal components when the components are architectural metal cladding.
5. Developer will assure that each building entrance shall have a minimum of two (2) primary and/or secondary materials. No more than fifty percent (50%) of the building entrances shall be constructed of any one primary material.