

RESOLUTION NO. 02-01

ROLL CALL

VOTING	YES	NO
MAYOR DALE R. BARNEY <i>(votes only in case of tie)</i>		
SHERMAN E. HUFF <i>Councilmember</i>	X	
EVERETT KELEPOLO <i>Councilmember</i>	X	
GLENN A. JAMES <i>Councilmember</i>	X	
ROY L. JOHNS <i>Councilmember</i>	X	
PAUL M. CHRISTENSEN <i>Councilmember</i>	X	

I MOVE this resolution be adopted: Councilmember Kelepolo

I SECOND the foregoing motion: Councilmember James

RESOLUTION NO. 02-01

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$21,000,000 AGGREGATE PRINCIPLE AMOUNT OF WATER REVENUE BONDS, OF SPANISH FORK CITY, UTAH COUNTY, UTAH; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; PROVIDING FOR THE PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; EXPRESSING AN INTENT TO REIMBURSE AND RELATED MATTERS.

WHEREAS, pursuant to the provisions of the Utah Municipal Bond Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), the Municipal Council (the "Council") of Spanish Fork City, Utah County, Utah (the "Issuer"), has authority to issue its Water Revenue Bonds (the "Bonds") for the municipal purposes set forth therein; and

WHEREAS, the Issuer owns and operates an existing water system (the "System") and has determined that the acquisition, design and construction of a pressurized secondary water facility and related improvements (the "Project") will be in furtherance of the purposes of the Issuer's System and will facilitate the development and use of the System; and

WHEREAS, the Act provides for the publication of a Notice of Bonds to be Issued, and the Issuer desires to publish such a notice at this time in compliance with the Act with respect to the Bonds; and

WHEREAS, pursuant to a resolution of the Issuer adopted on August 21, 2001 (the "Prior Resolution") the Issuer authorized the issuance of bonds in an amount of not to exceed \$16,000,000 to finance the Project and published a notice of bonds to be issued pursuant to the Prior Resolution; and

WHEREAS, the City desires to publish an additional Notice of Bonds to be Issued regarding the increased amount of the Bonds.

NOW, THEREFORE, it is hereby resolved by the City Council of Spanish Fork City, Utah County, Utah, as follows:

Section 1. The Council of the Issuer hereby finds and detennines that it is in the best interests of the Issuer and the residents thereof for the Issuer to issue not more than \$21 ,000,000 aggregate principal amount of its Water Revenue Bonds of one or more series (the "Bonds"), to bear interest at a rate or rates of not to exceed six and one-half percent (6.50%) per annum, to mature in not more than twenty-two (22) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof for the purpose of financing the Project, including retiring obligations incurred in anticipation of issuing the Bonds, funding a deposit to a debt service reserve subaccount and paying costs of issuance, all pursuant to this Resolution, a resolution to be adopted by the Council authorizing and confirming the issuance and

sale of the Bonds (herein referred to as the "Final Bond Resolution") and a General Indenture of Trust dated as of October 1, 1998, as heretofore amended and supplemented (the "General Indenture") and a Second Supplemental Indenture of Trust to be entered into at the time of issuance of the Bonds in substantially the form attached hereto as Exhibit "B" (the "Second Supplemental Indenture" and together with the General Indenture, the "Indenture"), and the Issuer hereby declares its intention to issue the Bonds according to the provisions of this Resolution, the Indenture and the Final Bond Resolution, when adopted.

Section 2. The Issuer hereby directs officers and staff of the Issuer to proceed with the preparation of offering material, if needed, for the sale of the Bonds and to make other necessary preparations for sale of the Bonds.

Section 3. The Issuer hereby authorizes and approves the issuance and sale of the Bonds to the purchaser or purchasers to be identified in the Final Bond Resolution pursuant to the provisions of this Resolution, the Indenture and the Final Bond Resolution to be adopted by the Council authorizing and confirming the issuance and sale of the Bonds, with such changes thereto as shall be approved by the Council upon the adoption of the Final Bond Resolution. This Resolution supercedes the Prior Resolution.

Section 4. In accordance with the provisions of the Act, the City Recorder shall cause the following "Notice of Bonds to be Issued" to be published one (1) time in the Spanish Fork Press, a newspaper of general circulation in the Issuer, and which newspaper is hereby designated as the official newspapers of the Issuer. The City Recorder shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Issuer's principal offices for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof. The "Notice of Bonds to be Issued" shall be in substantially the following form:

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Municipal Bond Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on January 8, 2002, the City Council (the "Council") of Spanish Fork City, Utah County, Utah (the "Issuer") adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Water Revenue Bonds of one or more series (the "Bonds") in the aggregate principal amount of not to exceed twenty-one million dollars (\$21,000,000), to bear interest at a rate or rates of not to exceed six and one-half percent (6.50%) per annum, to mature in not more than twenty-two (22) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, plus accrued interest to the date of delivery.

The Issuer notes that pursuant to a resolution adopted on August 21, 2001 (the "Prior Resolution") the Issuer previously authorized the issuance of the Bonds in an amount of not to exceed \$16,000,000 and published a notice of bonds to be issued pursuant to the Prior Resolution. The Resolution supercedes the Prior Resolution.

The Bonds are to be issued pursuant to the Resolution and a General Indenture of Trust dated as of October 1, 1998, as heretofore amended and supplemented (the "General Indenture") and a Second Supplemental Indenture of Trust (the "Second Supplemental Indenture" and together with the General Indenture, the "Indenture") and a final bond resolution to be adopted authorizing and confirming the sale of the Bonds, for the purpose of financing (i) the costs of the acquisition, design and construction of a pressurized secondary water facility and related improvements (including repayment of obligations incurred in anticipation of the issuance of the Bonds, if any), (ii) funding a deposit to a debt service reserve fund, and (iii) paying issuance expenses to be incurred in connection with the issuance and sale of the Bonds.

A copy of the Resolution and the form of the Indenture are on file in the office of the City Recorder of the Issuer at 40 South Main, Spanish Fork, Utah, where they may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Second Supplemental Indenture or the Bonds, or any provision 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 whatsoever.

DATED this 8th day of January, 2002.

/s/ Kent R. Clark
City Recorder

Section 5. The Prior Resolution included an expression of intent to reimburse from proceeds of the Bonds, Capital Expenditures advanced by the City for the acquisition and construction of the Project. The Issuer ratifies such intent and increases the amount thereof to not more than \$21,000,000.

Section 6. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

PASSED, APPROVED AND ADOPTED THIS 8th day of January, 2002.

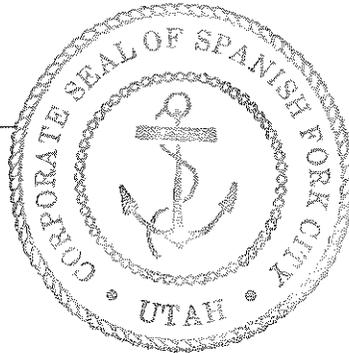


DALE R. BARNEY, Mayor

ATTEST:



KENT R. CLARK, City Recorder



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STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

I, Kent R. Clark, the duly appointed and qualified City Recorder of Spanish Fork City, Utah County, Utah, do hereby certify according to the records of said City in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on January 8, 2002, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on January 8, 2002, and that pursuant to the Resolution, there will be published one time in the Spanish Fork Press, a newspaper having general circulation in Spanish Fork City, a Notice of Bonds to be Issued, the affidavit of which publication, when available, will be attached hereto.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said this 8th day of January, 2002.

Kent R. Clark
City Recorder

[SEAL]



EXHIBIT "A"

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

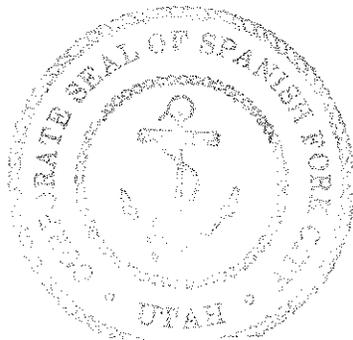
I, Kent R. Clark, the undersigned City Recorder of Spanish Fork City, Utah County, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the January 8, 2002 public meeting held by the City Council as follows:

(a) By causing a Notice, in the form attached hereto as Schedule "1", to be posted at the City's principal offices on Jan 4, 2002, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule "1", to be delivered to the Spanish Fork Press and to any other media representatives requesting notice of the City Council meetings on Jan 4, 2002, at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of ~~2002~~ Annual Meeting Schedule for the City (attached hereto as Schedule "2") was given specifying the date, time and place of the regular meetings of the Council to be held during the year, by causing said Notice to be posted on Jan 4, 2002 at the principal office of the City Council and by causing a copy of said Notice to be provided to at least one newspaper of general circulation within the City and to any other media representatives requesting notice of the City Council meetings on Jan 4, 2002.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 8th day of January, 2002.



[SEAL]

Kent R. Clark
City Recorder

resolution supersedes the Prior Resolution.

The Bonds are to be issued pursuant to the Resolution and a General Indenture of Trust dated as of October 1, 1998, as heretofore amended and supplemented (the "General Indenture") and a Second Supplemental Indenture of Trust (the "Second Supplemental Indenture") and together with the General Indenture, the "Indenture") and a final bond resolution to be adopted authorizing and confining the sale of the Bonds, for the purpose of financing (i) the costs of the acquisition, design and construction of a pressurized secondary water facility and related improvements (including repayment of obligations incurred in anticipation of the issuance of the Bonds, if any), (ii) funding a deposit to a debt service reserve fund, and (iii) paying issuance expenses to be incurred in connection with the issuance and sale of the Bonds.

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A copy of the Resolution and the form of the Indenture are on file in the office of the City Recorder of the Issuer at 40 South Main, Spanish Fork, Utah, where they may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Second Supplemental Indenture or the Bonds, or any provision 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 whatsoever.

DATED this 8th day of January, 2002

Kent R. Clark, City Recorder

Published in the Spanish Fork Press January 16, 2002.

of of Publication

at duly sworn according to law, disposes and says that PANISH FORK PRESS, a weekly newspaper printed Utah County, Utah and of general circulation therein; that hereto attached, was printed and published in said paper

for consecutive 1 weeks,

the first publication on the 16th day

of January 2002

And the last on the 16th day

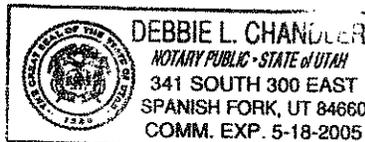
of January 2002

Don Wendenhall

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Municipal Bond Act, Title 11, Chapter 14, Utah Code Annotated 1963, as amended, that on January 8, 2002, the City Council (the "Council") of Spanish Fork City, Utah County, Utah (the "Issuer") adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Water Revenue Bonds of one or more series (the "Bonds") in the aggregate principal amount of not to exceed twenty-one million dollars (\$21,000,000), to bear interest at a rate or rates of not to exceed six and one-half percent (6.50%) per annum, to mature in not more than twenty-two (22) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, plus accrued interest to the date of delivery.

The Issuer notes that pursuant to a resolution adopted on August 21, 2001 (the "Prior Resolution") the Issuer previously authorized the issuance of the Bonds in an amount of not to exceed \$18,000,000 and published a notice of bonds to be issued pursuant to the Prior Resolution. The



Subscribed and sworn to before me this 22nd day of January 2002

Debbie L. Chandler

Notary Public

Adopted Minutes
Spanish Fork City Council Meeting
January 8, 2002

The meeting was called to order at 6:30 pm by Mayor Dale R. Barney for a preliminary review of the agenda. Kent Clark offered a prayer. At 7:00 pm the pledge of allegiance was led by Councilmember Kelepolo.

Elected Officials Present: Mayor Dale R. Barney, and Councilmembers Sherman E. Huff, Glenn A. James, Roy L. Johns, Everett Kelepolo, and Paul M. Christensen.

Staff Members Present: David A. Oyler, City Manager; MaryClare Maslyn, Assistant City Manager; Richard J. Heap, Engineer/Public Works Director; Kent R. Clark, Finance Director/Recorder; S. Junior Baker, City Attorney; Emil Pierson, Planning Director; Dee Rosenbaum, Public Safety Director; Jack J. Swenson, Parks and Recreation Director; and Connie Swain, Deputy Recorder.

Citizens Present: Janis Nelson, *Spanish Fork Press*; Carl Empey, *Zions Bank*, Carolyn Anderson, Brent Fry, Becky Fry, Darlene Ainge, Allen Ainge, Aldon Anderson, Richard J. Henry, Pamela W. Christensen, Marilyn J. Argyle, Sterling C. Argyle, Dallin Christensen, Nikki Kelepolo, Savana Kelepolo, Larry Brandon, Mary Brandon, Jack J. Swenson, Matt Paul Stewart, Gary Evans, Cheryl Evans, Bruce Nielsen, Joseph Dunlop, Becky Christensen, Kyle Curtis, Paula Curtis, Chris Curtis, Jennifer Hanson, George R. Bradford, Gordon Ludlow, Matt Barber, Michael Carr, Grant Christopherson, Alan Finch, Evan Stokes, Kyson Holt, Jordan Tanner, Thomas Beckstrom, Spencer Melander, Justin Martin, Tyler Curtis, John Finch, Jacob Finch, Kyle Nelson, Margie Taylor, Curtis Morris, Casey Wilson, Clint Prestwich, Michael Carr, and Kade Christensen.

Minutes

Councilmember Huff made a **motion** to approve the minutes of the November 6, 2001, meeting of the Spanish Fork City Council with changes as noted. Councilmember Kelepolo **seconded**, and the motion **passed** with a unanimous vote.

Councilmember Johns made a **motion** to approve the minutes of the December 15, 2001, meeting of the Spanish Fork City Council with changes as noted. Councilmember James **seconded**, and the motion **passed** with a unanimous vote.

Councilmember Kelepolo made a **motion** to approve the minutes of the December 18, 2001, meeting of the Spanish Fork City Council with changes as noted. Councilmember Huff **seconded**, and the motion **passed** with a unanimous vote.

caliper tress or 8-10 foot evergreen trees every 20 feet to buffer the adjacent residents from car head lights and use bark around the trees instead of sod.

Councilmember James **seconded**, and the motion passed with a unanimous vote.

Councilmember James made a **motion** to move out of the public portion of city council meeting and into regular session. Councilmember Kelepolo **second**, and the motion passed with a unanimous vote.

Resolution 02-01 - Authorizing the Issuance and Sale of Not More Than \$21,000,000 Aggregate Principal Amount of Water Revenue Bonds

Mr. Clark stated last August the pressurized irrigation project was discussed and the bond was to be issued. The bond parameters were set at \$16,000,000. The project became larger and the parameters need to be increased to a maximum \$21,000,000, with the interest rate not to exceed 6.5%, and a term not to exceed 22 years. The approval of this resolution will authorize staff to begin the process of applying for the bond and giving notice.

Mr. Carl Empey from Zions Bank was present to answer any questions.

Mayor Barney asked if the resolution is approved how long will the process take before the bonds are on the market and the interest rate is locked in. Mr. Empey stated it could be late February or the middle of March, 2002 before the bonds are taken to the bond market.

Councilmember Kelepolo made a **motion** to pass Resolution 02-01 a resolution authorizing the issuance and sale of not more than \$21,000,000 aggregate principal amount of water revenue bonds, of Spanish Fork City, Utah County, Utah; fixing the maximum aggregate principal amount of the bonds, the maximum number of years over which the bonds may mature, the maximum interest rate which the bonds may bear, and the maximum discount from par at which the bonds may be sold; providing for the publication of the notice of bonds to be issued; providing for the running of a contest period; expressing an intent to reimburse and related matters. Councilmember James **seconded**, and the motion **passed** with a unanimous vote.

Independent Audit Report

Mr. Clark reviewed the independent audit process.

Mr. Provost, from Gilbert and Stewart CPA, reviewed the audit report submitted by his office. The opinion given as a result of the audit reflects the highest compliance. Mr. Provost reviewed some of the specific areas of the audit with council.

Councilmember Huff commended the finance department and made a **motion** to adopt the independent audit report submitted. Councilmember Kelepolo **seconded**, and the motion **passed** with a unanimous vote.