

Spanish Fork, Utah

March 4, 2008

The City Council of Spanish Fork City, Utah (the "Council"), met in regular session on March 4, 2008, at its regular meeting place in Spanish Fork City, Utah, at 6:00 p.m. with the following members of the Council present:

G. Wayne Andersen	Mayor Pro Tem/ Councilmember
Rod Dart	Councilmember
Richard Davis	Councilmember
Jens Nielson	Councilmember

Also present:

Kimberly Robinson	City Recorder
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Absent:

Joe Thomas	Mayor
Steve Leifson	Councilmember

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this March 4, 2008, meeting, a copy of which is attached hereto as Exhibit A.

Thereupon, the following resolution was introduced in written form, discussed in full, and pursuant to motion made by Councilmember Davis and seconded by Councilmember Nielson, adopted by the following vote:

AYE: *All in Favor*

NAY:

The resolution is as follows:

RESOLUTION NO. 08-05

A RESOLUTION OF THE CITY COUNCIL OF SPANISH FORK CITY, UTAH (THE "CITY") AUTHORIZING AND APPROVING THE EXECUTION BY THE CITY OF AN ANNUALLY RENEWABLE MASTER LEASE AGREEMENT BY AND BETWEEN SOUTH UTAH VALLEY MUNICIPAL WATER ASSOCIATION, UTAH ("SUVMWA") AS LESSOR AND THE CITY, ELK RIDGE CITY, MAPLETON CITY, PAYSON CITY, SALEM CITY, SPRINGVILLE CITY, AND THE CITY OF WOODLAND HILLS, AS LESSEES; APPROVING THE ISSUANCE AND SALE BY SUVMWA OF ITS LEASE REVENUE BONDS, SERIES 2008 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000 (THE "BONDS"), TO FINANCE THE COST OF ACQUIRING LAND AS THE SITE OF A FUTURE REGIONAL WASTEWATER FACILITY; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Act"), permits local governmental units including cities, counties, and political subdivisions of the State of Utah to make the most efficient use of their powers by enabling them to cooperate with other localities on the basis of mutual advantage and to create a separate legal entity to more efficiently provide governmental facilities and services to the general public; and

WHEREAS, pursuant to the Act, the South Utah Valley Municipal Water Association, Utah ("SUVMWA") was created by Elk Ridge City, Town of Genola, Town of Goshen, Mapleton City, Payson City, Salem City, Santaquin City, Springville City, Spanish Fork City (the "City") and the City of Woodland Hills, Utah (collectively, the "Members"); and

WHEREAS, certain of the Members (collectively, the "Participating Members," which includes all Members except the Town of Genola, the Town of Goshen and Santaquin City) have requested that SUVMWA finance the acquisition of land as the site of a future regional wastewater facility (the "Project"); and

WHEREAS, pursuant to the provisions of the Act, the Board of Directors of SUVMWA has authority to issue its Lease Revenue Bonds, Series 2008 for the purpose of paying all or a portion of the costs of the Project; and

WHEREAS, such bonds may be secured by a pledge and assignment of the revenues received by SUVMWA from the leasing of the Project financed with the proceeds of the sale of such bonds and may be secured by (a) a mortgage covering all or any part of such Project, (b) a pledge and assignment of the leasing contract for the Project, (c) amounts held in reserve funds or (d) such other security devices with respect to the Project as may be deemed most advantageous by the SUVMWA; and

WHEREAS, SUVMWA desires to issue its Lease Revenue Bonds, Series 2008 in the aggregate principal amount of not to exceed \$6,000,000 (the "Bonds") to: (i) finance the costs of acquisition of the Project to be leased to the Participating Members (collectively, the "Lessees") and (ii) pay issuance expenses to be incurred in connection with the issuance and sale of the Bonds; and

WHEREAS, pursuant to a Master Lease Agreement dated as of March 1, 2008 (the "Master Lease") between the SUVMWA, as lessor, and the Lessees, as lessee, SUVMWA will agree to acquire the Project and to lease the same to the Lessees, as lessee, with an annually appropriated lease payment of not to exceed \$225,000 upon the terms and conditions set forth in the Master Lease; and

WHEREAS, SUVMWA has estimated that the amount necessary to finance a portion of the costs of the acquisition of the Project, including necessary expenses incidental thereto, and to pay costs of issuance will require the issuance, sale and delivery of the Bonds in the principal amount of not to exceed \$6,000,000; and

WHEREAS, the Bonds will be issued pursuant to an Indenture of Trust and Pledge by and between SUVMWA and Zions First National Bank, as trustee (the "Trustee"), and SUVMWA proposes to further secure its payment obligations under the Bonds by executing a Deed of Trust, Assignment of Rents and Security Agreement dated as of March 1, 2008 and related security documents (collectively, the "Security Documents") for the benefit of the holders of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds the City desires to fund with legally available funds of the City a portion of the debt service reserve fund related to the Bonds in an amount not to exceed \$300,000 (the "Reserve Fund Contribution"); and

WHEREAS, the Bonds shall be payable solely from the rents, revenues and other income derived by SUVMWA from the leasing of the Project to the Lessees on an annually renewable basis, and shall not constitute or give rise to a general obligation or liability of SUVMWA or the Lessees or constitute a charge against their general credit or taxing powers; and

WHEREAS, SUVMWA has negotiated the purchase of the Bonds with the State of Utah, Department of Environmental Quality, Water Quality Board (the "Purchaser");

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Council of Spanish Fork City, Utah, as follows:

Section 1. The terms defined or described in the recitals hereto shall have the same meanings when used in the body of this Resolution.

Section 2. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the City Council and by the officers of the City directed toward the issuance of the Bonds and the financing of the acquisition of the Project are hereby

ratified, approved and confirmed. Terms defined in the above recitals shall have the same meaning when used herein.

Section 3. The City Council hereby authorizes, approves and directs the funding of the Reserve Fund Contribution, the financing of the acquisition of the Project by SUVMWA with all or substantially all of the proceeds of the Bonds within the parameters described in this Resolution and in accordance with the provisions of the Indenture, and the leasing of the Project to the Lessees by SUVMWA within the parameters described in this Resolution and in the manner provided in the Master Lease.

Section 4. The Master Lease in substantially the form presented to this meeting, with an annually appropriated lease payment of not to exceed \$225,000, and attached hereto as Exhibit B, is in all respects approved, authorized and confirmed and the Mayor is authorized to approve the final terms thereof and to execute and deliver the Master Lease for and on behalf of the City in the form and with substantially the same content as set forth in Exhibit B.

Section 5. For the purpose of providing funds to finance the acquisition, construction and equipping of the Project and providing for the payment of certain costs of issuance and for such other purposes as may be authorized under the Indenture, the City hereby approves the issuance by SUVMWA of the Bonds which shall be designated the "South Utah Valley Municipal Water Association, Utah Lease Revenue Bonds, Series 2008." The Bonds shall bear interest at rates not to exceed three percent (3.0%) and shall mature within 11 years of their date of issuance as described in the Indenture, a form of which is attached hereto as Exhibit C.

Section 6. The appropriate officers of the City are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act to fund the Reserve Fund Contribution and to lease the Project (along with the other Lessees) from SUVMWA within the parameters described in this Resolution and pursuant to the Master Lease and the Indenture, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Bonds.

Section 7. Upon their issuance, the Bonds will constitute special limited obligations of SUVMWA payable solely from and to the extent of the sources set forth in the Bonds and the Indenture. No provision of this resolution nor of the Indenture, Master Lease nor any other instrument, shall be construed as creating a general obligation of the City, nor as incurring or creating a charge upon the general credit of the City or its taxing powers.

Section 8. The appropriate officials of the City are authorized to make any alterations, changes or additions in the Master Lease herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions

of this Resolution or any resolution adopted by the City, or the provisions of the laws of the State of Utah or the United States.

Section 9. The City Recorder of the City is hereby authorized to attest to all signatures and acts of any proper official of the City, and to place the seal of the City on the Master Lease and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the City. The appropriate officials of the City, and each of them, are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and any resolution of the City.

Section 10. It is hereby declared that all parts of this Resolution are severable, and if any section, clause, or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, clause, or provision shall not affect the remaining sections, clauses, or provisions of this Resolution.

Section 11. All resolutions, orders, and regulations or parts thereof heretofore adopted or passed which are in conflict herewith are, to the extent of such conflict, hereby repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

Section 12. This Resolution shall take effect immediately upon its approval and adoption.

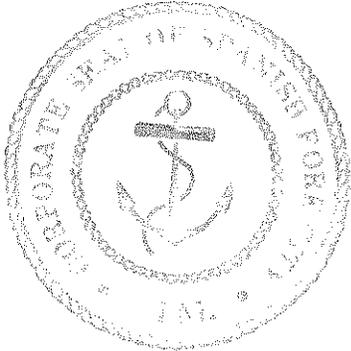
PASSED, APPROVED, AND ADOPTED this March 4, 2008.

(SEAL)

By: *[Signature]*  
Mayor

ATTEST:

By: *[Signature]*  
City Recorder



(Here follows business not pertinent to the above.)

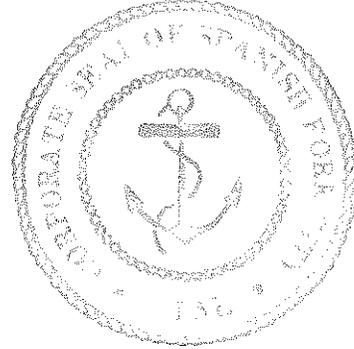
Pursuant to motion duly made and seconded, the regular meeting adjourned.

(SEAL)

By: *[Signature]*  
Mayor

ATTEST:

By: *[Signature]*  
City Recorder

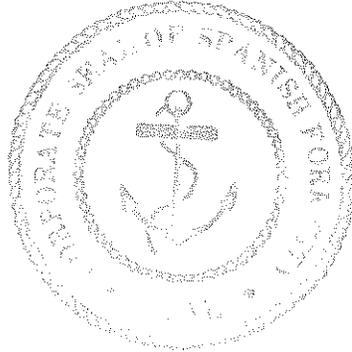


STATE OF UTAH                    )  
  : ss.  
COUNTY OF UTAH                )

I, Kimberly Robinson, the duly qualified and acting City Recorder of Spanish Fork City, Utah (the "City"), do hereby certify according to the records of the City's Council (the "Council") in my possession that the foregoing constitutes a true, correct, and complete copy of the proceedings of the regular meeting of the Council held on March 4, 2008, as it pertains to a bond resolution (the "Resolution") adopted by the Council at said meeting, including the Resolution, as said minutes and Resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the City this March 4, 2008.

(SEAL)



By:   
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

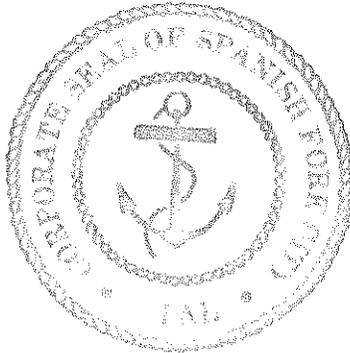
I, Kimberly Robinson, the duly qualified and acting City Recorder of Spanish Fork City, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the March 4, 2008, public meeting held by the City as follows:

(a) By causing a Notice, in the form attached hereto as Schedule I, to be posted at the City's principal offices on February 29, 2008, 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 I, to be delivered to the [Spanish Fork Press] on February 29, 2008, at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my signature this March 4, 2008.

(SEAL)



By: \_\_\_\_\_

*Kim Robinson*  
City Recorder

SCHEDULE I

NOTICE OF MEETING



## **CITY COUNCIL AGENDA**

PUBLIC NOTICE is hereby given that the City Council of Spanish Fork, Utah, will hold a regular public meeting in the Council Chambers in the City Office Building, **40 South Main Street**, Spanish Fork, Utah, commencing at **6:00 p.m. on March 4, 2008.**

### **AGENDA ITEMS:**

#### **1. CALL TO ORDER, PLEDGE, OPENING CEREMONY, RECOGNITIONS:**

- a. Pledge
- b. Employee of the Quarter

#### **2. PUBLIC COMMENTS:**

Please note: In order to be considerate of everyone attending the meeting and to more closely follow the published agenda times, public comment will be limited to three minutes per person. A spokesperson who has been asked by a group to summarize their concerns will be allowed five minutes to speak. Comments which cannot be made within these limits should be submitted in writing. The Mayor or Council may restrict the comments beyond these guidelines.

#### **3. COUNCIL COMMENTS:**

#### **4. CONSENT ITEMS:**

These items are considered by the City Council to be routine and will be enacted by a single motion. If discussion is desired on any particular consent item, that item may be removed from the consent agenda and considered separately.

- a. \*Animal Pick Up Fee Resolution
- b. \*Amended Interlocal Agreement – Salem, Payson, Spanish Fork
- c. \*Resolution Authorizing IS Director to Enter Into Program Contracts
- d. \*UVCCC Funding Matrix Resolution

#### **5. NEW BUSINESS:**

- a. Arts Council Presentation
- b. \*Main Street Plaza Parking Proposal
- c. NEPA Compliance on the River Study – Richard Heap
- d. Transportation Master Plan Consultant Selection
- e. \*Annual Contribution Agreement Between SUVMWA & Spanish Fork City

#### **6. OLD BUSINESS:**

- a. Kite Festival Follow Up
- b. \*Appeal Authority - Staff Denial of Billboard Building Permit – Jamie Evans

#### **7. EXECUTIVE SESSION:**

- a. Jamie Evans Deliberation
- b. Land Purchase

### **ADJOURN:**

\* Supporting documentation is available on the City's website [www.spanishfork.org](http://www.spanishfork.org)

Notice is hereby given that:

- In the event of an absence of a quorum, agenda items will be continued to the next regularly scheduled meeting.
- By motion of the Spanish Fork City Council, pursuant to Title 52, Chapter 4 of the Utah Code, the City Council may vote to hold a closed executive meeting for any of the purposes identified in that Chapter.

SPANISH FORK CITY does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in the employment or the provision of services. The public is invited to participate in all Spanish Fork City Council Meetings located at 40 South Main St. If you need special accommodation to participate in the meeting, please contact the City Manager's Office at 798-5000.

EXHIBIT B

MASTER LEASE

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

EXHIBIT C

INDENTURE

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