

RESOLUTION NO. 184-1

A RESOLUTION AMENDING RESOLUTION NO. 184 TO PROVIDE FOR T
A MAXIMUM DEFAULT RATE AND TO AUTHORIZE THE PUBLICATION OF
A REVISED NOTICE OF BONDS TO BE ISSUED; AND PROVIDING FOR
RELATED MATTERS.

*** *** ***

WHEREAS, on June 3, 2024, the Board of Trustees (the “Board”) of the South Davis Sewer District, Utah (the “Issuer”) adopted Resolution No. 184 (the “Resolution”) providing for the issuance of not more than \$90,000,000 of its combined utility system revenue bonds, in one or more series (the “Bonds”), for the purpose of providing funds to finance the acquisition, construction and completion of improvements to the Issuer’s system for the collection, treatment and disposition of sewage (the “Project”), provide necessary reserves and pay all costs incident to the authorization and issuance of such Bonds;

WHEREAS, the Resolution set forth certain maximum terms with respect to the Bonds;

WHEREAS, the Issuer desires maximum flexibility in determining the manner in which the Bonds may be sold, including by private placement;

WHEREAS, certain private placement purchasers require a default rate in excess of the maximum rate set forth in the Resolution;

WHEREAS, Issuer desires now to amend the Resolution to provide for a maximum default rate;

WHEREAS, pursuant to Section 11-14-316 of the Utah Code Annotated 1953, as amended (the “Utah Code”), the Issuer previously published a Notice of Bonds to be Issued (the “Notice of Bonds to be Issued”) and the Issuer desires now to republish the Notice of Bonds to be Issued to include the maximum default rate and to provide for the running of a 30-day contest period;

WHEREAS, the Issuer desires to direct the publication of the Notice of Bonds to be Issued in compliance with the Section 11-14-316 of the Utah Code;

NOW, THEREFORE, Be It Resolved by the Board of Trustees of the South Davis Sewer District, Utah, as follows:

Section 101. Amendment of Section 1 of the Resolution. Section 1 of the Resolution is hereby amended to read in its entirety as follows:

Section 1. Bonds to be Issued. The Board hereby finds and determines that it is in the best interest of the residents of the Issuer for the Issuer to issue not more than Ninety Million Dollars (\$90,000,000) aggregate principal amount of its Combined Utility System Revenue Bonds, in one or more series, to bear interest at a rate of

not to exceed seven percent (7.0%) per annum (provided that in the event the Bonds are sold in a private placement and a default rate is required by the purchaser, such default rate shall not exceed 18.00% per annum), to mature in not more than thirty (30) years from their date or dates and to be sold at a discount from par, expressed as a percentage of principal amount, of not to exceed two percent (2.0%), for the purpose of obtaining funds with which to finance a portion of the costs of acquiring, constructing and completing the Project, to provide necessary reserves and to pay all costs incident to the authorization and issuance of the Bonds. The Bonds are to be issued pursuant to the provisions of (i) Master Resolution No. 163 Providing for the Issuance of Combined Utility System Revenue Bonds, adopted April 20, 2017, as heretofore supplemented (the “*Master Resolution*”) and (ii) a supplemental resolution thereto authorizing and confirming the issuance and sale of the Bonds (the “*Supplemental Resolution*”) to be adopted by the Board at a future date. A copy of the Master Resolution and a substantially final form of the Supplemental Resolution are attached hereto as *Exhibit A* and *Exhibit B*, respectively. The Master Resolution and the Supplemental Resolution are referred to herein collectively as the “*Bond Resolution*”. The Board hereby declares its intention to issue the Bonds according to the provisions of this Section and the Bond Resolution.

Section 102. Notice of Bonds to be Issued; Contest Period. In accordance with the provisions of Section 11-14-316 of the Utah Code, the Clerk or any Assistant Clerk of the Issuer (the “*Clerk*”) shall cause the Notice of Bonds to be Issued (containing the maximum default rate) in substantially the form attached hereto as *Exhibit A*, to be published as a class A notice under Section 63G-30-102 of the Utah Code and as required by Section 45-1-101 of the Utah Code, and shall cause a copy of this resolution, together with the Resolution, including the copy of the Master Resolution and the form of the Supplemental Resolution attached thereto, to be kept on file in the Clerk’s office for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication of such Notice.

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 (including the Supplemental Resolution) or any provisions made for the security and payment of the Bonds, after such time no person shall have any cause of action to contest the regularity, formality or legality thereof for any cause.

Section 103. Ratification. All proceedings, resolutions and actions of the Issuer and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved.

Section 104. Severability. It is hereby declared that all parts of this resolution are severable, and 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 any such section, paragraph, clause or provision shall not affect the remaining provisions, paragraphs, clauses or provisions of this resolution.

Section 105. Conflict. All resolutions, orders and regulations or parts thereof heretofore adopted or passed that are in conflict with any of the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 106. Captions. The captions or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this resolution.

Section 107. Effective Date. This resolution shall be in full force and effect immediately upon its adoption.

{Signature page follows.}

ADOPTED AND APPROVED this 20th day of June, 2024.

SOUTH DAVIS SEWER DISTRICT, UTAH

By _____
Chair, Board of Trustees

[SEAL]

ATTEST AND COUNTERSIGN:

By _____
Clerk

EXHIBIT A

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 11-14-316, Utah Code Annotated 1953, as amended, that on June 3, 2024, the Board of Trustees (the “*Board*”) of the South Davis Sewer District, Utah (the “*District*”), adopted a resolution, as amended by a resolution adopted on June 20, 2024 (the “*Resolution*”) providing for the issuance of the District’s Combined Utility System Revenue Bonds, in one or more series (the “*Bonds*”), in the maximum aggregate principal amount of \$90,000,000. The Bonds are to bear interest at a rate of not to exceed 7.0% per annum (provided that in the event the Bonds are sold in a private placement and a default rate is required by the purchaser, such default rate shall not exceed 18.00% per annum) and are to mature over a period not to exceed 30 years from their date or dates. The Bonds are to be sold at a discount from par, expressed as a percentage of principal amount, of not to exceed 2.0%.

The proceeds of sale of the Bonds are to be used for the purpose of obtaining funds to finance a portion of the costs of acquiring, constructing and completing improvements to the District’s north sewer treatment and disposition plant and various other improvements to the District’s system for the collection, treatment and disposition of sewage (the “*Project*”), to provide necessary reserves and to pay all costs incident to the issuance of the Bonds.

The Bonds are to be issued and sold by the District pursuant to the Resolution, including as part of the Resolution (i) a copy of Master Resolution No. 163 Providing for the Issuance of Combined Utility System Revenue Bonds, adopted April 20, 2017, as heretofore supplemented (the “*Master Resolution*”), and (ii) a substantially final form of a supplemental resolution providing specifically for the issuance of the Bonds (the “*Supplemental Resolution*”). A copy of the Master Resolution and the form of the Supplemental Resolution were attached to the Resolution and were before the Board at the time of the adoption of the Resolution. The Supplemental Resolution will be adopted by the Board at a future date 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 Board upon the adoption thereof; *provided* that the principal amount, interest rate or rates, maturity and discount pertaining to the Bonds will not exceed the maximums set forth above.

Under the Resolution, the Bonds will be secured by a pledge of all revenues, fees, income, rents and receipts derived by the District from or attributable to the District’s sewer system and certain other facilities or projects of the District that are designated as additional facilities under the Resolution remaining after the payment of operation and maintenance costs (the “*Net Revenues*”).

The District currently has \$36,664,000 par amount of bonds outstanding that are secured by the Net Revenues. More detailed information relating to the District’s outstanding bonds can be found in the District’s most recent Basic Financial Statements that are available on the Office of the Utah State Auditor’s website (www.sao.state.ut.us).

Assuming a final maturity for the Bonds of 30 years from the date hereof and that the Bonds are issued in an aggregate principal amount of \$90,000,000 and are held until maturity, based on the District's currently expected financing structure and interest rates in effect around the time of publication of this notice, the estimated total cost to the District of the proposed Bonds is \$185,774,552.

A copy of the Resolution (including a draft of the Supplemental Resolution) is on file in the office of the Clerk of the District, 1800 West 1200 North, in West Bountiful, Utah, where it may be examined during regular business hours of the District from 8:00 a.m. to 5:00 p.m. The Resolution 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 (30) 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 Supplemental Resolution) or the Bonds or any provisions made for the security and payment of the Bonds. After such time, no person shall have any cause of action to contest the regularity, formality or legality thereof for any cause.

DATED this 20th day of June, 2024.

Susanne Monsen, Assistant Clerk,
South Davis Sewer District, Utah