

**RESOLUTION No. 184**

A RESOLUTION PROVIDING FOR THE ISSUANCE BY THE SOUTH DAVIS SEWER DISTRICT, UTAH OF NOT MORE THAN \$90,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS COMBINED UTILITY SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF SUCH BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH SUCH BONDS MAY MATURE, THE MAXIMUM INTEREST RATES THAT SUCH BONDS MAY BEAR AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH SUCH BONDS MAY BE SOLD; PROVIDING FOR THE HOLDING OF A PUBLIC HEARING AND THE PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED WITH RESPECT TO SUCH BONDS; AND PROVIDING FOR RELATED MATTERS.

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WHEREAS, the Board of Trustees (the “*Board*”) of the South Davis Sewer District, Utah (the “*Issuer*”) considers it necessary and desirable and for the benefit of the Issuer to provide for the acquiring, constructing and completing improvements to the Issuer’s north sewer treatment and disposition plant and various other improvements to the Issuer’s system for the collection, treatment and disposition of sewage (the “*Project*”);

WHEREAS, the Issuer does not have sufficient funds on hand to acquire and construct the Project;

WHEREAS, the Issuer desires to issue 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 the Project, provide necessary reserves and pay all costs incident to the authorization and issuance of such Bonds;

WHEREAS, pursuant to the applicable provisions of the Local Government Bonding Act, Title 11, Chapter 14 (the “*Act*”) Utah Code Annotated 1953, as amended (the “*Utah Code*”), the Issuer has the authority to issue the Bonds for the foregoing purposes;

WHEREAS, Section 11-14-316 of the Act provides for the publication of a Notice of Bonds to be Issued (the “*Notice of Bonds to be Issued*”) and the running of a 30-day contest period, and the Issuer desires to cause the publication of such Notice of Bonds to be Issued at this time in compliance with said Section with respect to such Bonds;

WHEREAS, the Issuer desires to direct the publication of the Notice of Bonds to be Issued in compliance with the applicable section of the Act;

WHEREAS, Section 11-14-318 of the Act 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 and that notice of such public hearing be given as provided by law and, in satisfaction of such requirement, the Issuer desires to publish a Notice of

Public Hearing and Intent to Issue Bonds (the “*Notice of Public Hearing*”) pursuant to such Section;

WHEREAS, the Issuer desires (a) to provide for the holding of a public hearing and (b) to direct the publication of the Notice of Public Hearing, as required by law;

WHEREAS, the Issuer has made and is planning to make expenditures relative to the Project from its Capital Improvement Fund (the “*Fund*”);

WHEREAS, all or a portion of the expenditures relating to the Project (the “*Expenditures*”) (i) have been paid from the Fund within the 60 days prior to the passage of this Resolution or (ii) will be paid from the Fund on or after the passage of this Resolution; and

WHEREAS, the Issuer reasonably expects to reimburse the Fund for the Expenditures from the proceeds of the Bonds;

NOW, THEREFORE, Be It Resolved by the Board of Trustees of the South Davis Sewer District, Utah, 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, 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 2. Preliminary Official Statement.* The preparation and distribution of a Preliminary Official Statement for the Bonds in connection with the sale thereof is hereby authorized.

*Section 3. Authorization.* The Board hereby authorizes and approves the issuance of the Bonds pursuant to this resolution and the Bond Resolution, *provided* that the principal amount and maturity of and interest rates and discounts for the Bonds shall not exceed the maximums set forth in Section 1 hereof.

*Section 4. Notice of Bonds to be Issued; Contest Period.* In accordance with the provisions of Section 11-14-316 of the Act, the Clerk or any Assistant Clerk of the Issuer (the “Clerk”) shall cause the Notice of Bonds to be Issued in substantially the form attached hereto as *Exhibit C*, 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 attached copy of the Master Resolution and the form of the Supplemental Resolution, 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 5. Public Hearing.* In satisfaction of the requirements of Section 11-14-318 of the Act, a public hearing shall be held by the Board on Thursday, June 20, 2024, during the Board meeting which begins at 5:00 p.m., at the regular meeting place of the Board at 1800 West 1200 North, in West Bountiful, Utah, to receive input from the public with respect to the issuance by the Issuer of the Bonds and the potential economic impact that the Project will have on the private sector.

*Section 6. Publication of Notice of Public Hearing.* The Clerk shall publish or cause to be published the Notice of Public Hearing as a class A notice under Section 63G-30-102, for no less than 14 days before the day of the public hearing. The Notice of Public Hearing shall be in substantially the form attached hereto as *Exhibit D*.

*Section 7. Reimbursement.* (a) The Issuer reasonably expects to reimburse the Fund for the Expenditures from the proceeds of the Bonds.

(b) The principal amount of the Bonds expected to be issued for the Project (including costs of construction, interest on the Bonds during construction, costs of issuing the Bonds, and any necessary or desirable reserves) is not more than \$90,000,000.

*Section 8. 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 9. 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 10. 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 11. 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 12. Effective Date.* This resolution shall be in full force and effect immediately upon its adoption.

*{Signature page follows.}*

ADOPTED AND APPROVED this 3rd day of June, 2024.

SOUTH DAVIS SEWER DISTRICT, UTAH

By \_\_\_\_\_  
Chair, Board of Trustees

[SEAL]

ATTEST AND COUNTERSIGN:

By \_\_\_\_\_  
Clerk

**EXHIBIT A**

[ATTACH COPY OF MASTER RESOLUTION]

**EXHIBIT B**

[ATTACH FORM OF SUPPLEMENTAL RESOLUTION]

## EXHIBIT C

### 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 (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 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](http://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 3rd day of June, 2024.

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

## EXHIBIT D

### SOUTH DAVIS SEWER DISTRICT, UTAH NOTICE OF PUBLIC HEARING AND INTENT TO ISSUE BONDS

PUBLIC NOTICE IS HEREBY GIVEN that on June 3, 2024 the Board of Trustees (the “*Board*”) of the South Davis Sewer District, Utah (the “*District*”), adopted a resolution (the “*Resolution*”), calling a public hearing to receive input from the public with respect to the issuance of its combined utility system revenue bonds, in one or more series (the “*Bonds*”), to finance all or a portion of the cost of the acquisition, construction and completion of 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*”) 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 District intends to issue the Bonds for the purpose of (1) financing all or a portion of the costs of the acquisition, construction and completion 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 District intends to issue the Bonds in an aggregate principal amount not exceeding \$90,000,000.

#### NO TAXES PROPOSED TO BE PLEDGED

The Bonds will be secured by and paid from 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, and no taxes will be pledged for repayment of the Bonds.

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

The District will hold a public hearing during its Board meeting which begins at 5:00 p.m. on June 20, 2024. The public hearing will be held at the regular meeting place of the Board at 1800 West 1200 North, in West Bountiful, Utah. All members of the public are invited to attend and participate in the public hearing. Written comments may be submitted to the District, to the attention of the Clerk, prior to the public hearing.

PURPOSE FOR HEARING

The purpose of the hearing is 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.

SOUTH DAVIS SEWER DISTRICT, UTAH

By /s/ Susanne Monsen  
Assistant Clerk