

## NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on January 17, 2018, the City Council (the "City Council") of Salem City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Sewer Revenue Bonds, Series 2018 (the "Series 2018 Bonds") and called a public hearing to receive input from the public with respect to (a) the issuance of the Series 2018 Bonds and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2018 Bonds may have on the private sector.

### TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on February 21, 2018, at the hour of 7:00 p.m. at the Community Center, at 151 West 300 South, Salem, Utah. All members of the public are invited to attend and participate.

### PURPOSE FOR ISSUING THE SERIES 2018 BONDS

The Series 2018 Bonds will be issued for the purpose of (a) financing improvements to the System, including the construction of a new mechanical wastewater treatment plan, and all related improvements (collectively, the "Project"), and (b) paying costs of issuance of the Series 2018 Bonds.

### REVENUES TO BE PLEDGED

The Series 2018 Bonds are special limited obligations of the Issuer payable from the net revenues of the Issuer's Sewer system.

### PARAMETERS OF THE SERIES 2018 BONDS

The Issuer intends to issue the Series 2018 Bonds in the aggregate principal amount of not more than Twenty-One Million Dollars (\$21,000,000), to bear interest at the rate or rates of not to exceed three and one-half percent (3.5%) per annum, to mature in not more than thirty-five (35) 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. The Series 2018 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a Master Resolution of Trust ("Master Resolution") which were before the City Council in substantially final form at the time of the adoption of the Resolution. Said Master Resolution is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2018 Bonds will not exceed the maximums set forth above.

### OUTSTANDING BONDS SECURED BY SEWER REVENUES

The Issuer has \$1,043,223 of Notes currently outstanding that are secured by a portion of the Sewer Revenues.

## OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at: <http://auditor.utah.gov/accountability/financial-reports-of-local-governments/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact Jeffrey Nielson at (801) 423-2770.

## TOTAL ESTIMATED COST

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Series 2018 Bonds if held until maturity is \$23,010,694.

A copy of the Resolution and the Master Resolution are on file in the office of the City Recorder, 30 West 100 South, Salem, Utah, where they may be examined during regular business hours of the City Recorder from 7:30 a.m. to 5:30 p.m. Monday through Thursday and 7:30 a.m. to noon on Fridays 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 Master Resolution or the Series 2018 Bonds, or any provision made for the security and payment of the Series 2018 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 January 17, 2018.

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/s/ Jeffrey Nielson  
City Recorder