

The Regular Meeting of the
Brian Head Town Council
Brian Head Town Hall - 56 North Highway 143
Brian Head, UT 84719
MONDAY, AUGUST 12, 2019 @ 1:00 PM

AGENDA

- A. CALL TO ORDER**
- B. PLEDGE OF ALLEGIANCE**
- C. DISCLOSURES**
- D. APPROVAL OF THE MINUTES:** July 22, 2019 Town Council Meeting
- E. REPORTS / PUBLIC INPUT (Limited to three (3) minutes) Non-Agenda Items**
- F. AGENDA ITEMS:**
 - 1. TOWN WATER CHLORINATION & WATER UPDATE DISCUSSION.** Aldo Biasi, Public Works Director. The Council will hold a discussion on whether to chlorinate the town's water system.
 - 2. PUBLIC HEARINGS:**
 - a)** A public hearing to receive input from the public with respect to the issuance of Town of Brian head Water Revenue Bonds, in one or more series in the aggregate principal amount not to exceed \$160,000 for water system improvements, and related matters.
 - b)** Public Hearing to receive comment on a proposed amendment to the Fiscal Year 2020 Brian Head Town Budget affecting the General Fund, Snowmaking Fund, Capital Projects Fund.
 - 3. FINAL BOND RESOLUTION: A RESOLUTION AUTHORIZING \$147,000 WATER REVENUE BONDS, SERIES 2019 TO FINANCE WATER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS, AND RELATED MATTERS.** Bret Howser, Town Manager. The Council will consider a resolution authorizing \$147,000 in water revenue bonds for water system improvements.
 - 4. ORDINANCE AMENDING THE FISCAL YEAR 2020 TOWN BUDGETS.** Cecilia Johnson, Town Treasurer. The Council will consider an ordinance amending the FY 2020 Town budgets.
 - 5. MOTORIZED AND NON-MOTORIZED TRAILS RESOLUTION.** Bret Howser, Town Manager. The Council will consider a resolution supporting an OHV Trail south of Brian Head and expanding the non-motorized trails on Forest Service property.
 - 6. ORDINANCE REINSTATING A PORTION OF THE RESIDENTIAL FIRE SPRINKLER REQUIREMENT.** Bret Howser, Town Manager. The Council will consider an ordinance reinstating a portion of the residential fire sprinkler requirement.
 - 7. POTENTIAL FUTURE AGENDA ITEMS.** The Council will discuss potential items for future agenda items.



G. CLOSED SESSION OF THE TOWN COUNCIL. To discuss the sale, lease or purchase of real property.

H. ADJOURNMENT

Date: August 9, 2019

Available to Board Members as per Resolution No. 347 authorizes public bodies, including the Town, to establish written procedures governing the calling and holding of electronic meetings at which one or more members of the Council may participate by means of a telephonic or telecommunications conference. In compliance with the Americans with Disabilities Act, persons needing auxiliary communications aids and services for this meeting should call Brian Head Town Hall @ (435) 677-2029 at least three days in advance of the meeting.

CERTIFICATE OF POSTING

I hereby certify that I have posted copies of this agenda in three public and conspicuous places within the Town Limits of Brian Head; to wit, Town Hall, Post Office and The Mall on this 9th day of August 2019 and have posted such copy on the Utah Meeting Notice Website and have caused a copy of this notice to be delivered to the Daily Spectrum, a newspaper of general circulation.

Nancy Leigh, Town Clerk





Brian Head Town Council Update

August 1, 2019

BRIAN HEAD MARSHALS OFFICE:

It has been a very busy summer. Since my last report at the first of June we have been extremely busy. As has been reported, we have faced boil orders, power outages, and runaway juveniles who caused a lot of issues on many levels throughout our community. We have faced large crowds including the 4th of July crowd and through it all we feel that we have come out on top. Our incident numbers are up again for the year, and we see no decrease in the number of calls and visitors that we are handling.

As for the 4th of July we are happiest about our proactive response to fireworks and ATV/OHV's. We had NO ATV/OHV incidents, and we had NO Fireworks incidents reported. We did however make a lot of contacts with residents/visitors who were operating OHV's in our community and we did make numerous contacts with people who were wanting to display their private fireworks. All of this contact resulted in no calls or reports of problems from these historical issues we have faced during the 4th of July week. I will attribute a lot of the success to the fact that we were able to hire out the shooting of the fireworks to one of our local volunteers. This made it possible for the few deputies that we have to be out and about making contacts with those in our town. Another statement to the fact that visibility and saturation on any level is effective.

Deputies were on the scene of numerous medicals over the past couple of months. Some of which turned out fantastic and some of which turned out tragic. Deputies responded to a cardiac incident on the 4th of July. CPR was initiated by the patients' family and when deputies arrived the patient was coming around. The patient was transported to the hospital and is making a full recovery. Another cardiac episode came in through one of our hotels. The patients' family again had started CPR. The deputies quickly arrived and continued CPR but it was determined that the patient was deceased and had no signs of recovery. We have had numerous discussions around our office of how amazing and awesome it is to see family, friends and community members engaging in CPR. In years past nothing has been done until deputies or medical arrive on scene. It is great to have people who are giving their loved ones a best chance by initiating lifesaving efforts. These types of incidents are high stress and can carry an impact on deputies for the

rest of their lives. I greatly appreciate the people we have working in our community who put their lives and emotions in check to care for the public.

Speaking of high stress. The runways/criminals were a stressful incident for our agency. A quick and methodical response was made by public safety. We are sad about the victims and the stress and troubles they face possibly for the rest of their lives. But we are happy that we were able to bring the juveniles into custody without any further incident and no physical injury to anybody involved. We had a lot of moving parts with a lot of man power working to resolve this incident. The potential for accident or injury is always high when you have an incident of this nature.

Deputies did respond to a stolen ATV in town, which was recovered. This incident involved the sheep herder who was working in the area of town. He stands by the report that his ATV was stolen. We believe that it was misplaced. Deputy Benson was able to make a search pattern of the area around Brian Head and located the ATV in a grove of trees. The victims backpack and all of his belongings were still with the ATV. Deputy Benson will take the win and recovery, but we will still give him a hard time that he cheated.

SHIFTS AND NUMBER OF INCIDENTS FOR JUNE

- Day Shift = 24
- Swing Shift = 15
- Grave Shift = 4
 - Total Incidents for June = 43

TYPES OF INCIDENTS

- Citizen/Motorist Assist – 7
- 911/Alarms – 8
- Animal Problem – 1
- Vehicle Accident – 2
- Fire – 2
- Medical – 2
- Fire Inspection – 6
- OHV/ATV – 1
- Theft – 1
- Trespassing – 2
- Noise Disturbance - 1
- Welfare Check – 1

SHIFTS AND NUMBER OF INCIDENTS FOR JULY

- Day Shift = 47
- Swing Shift = 28
- Grave Shift = 11
 - Total Incidents for July = 86

TYPES OF INCIDENTS

- Citizen/Motorist Assist –14
- 911/Alarms – 13
- Medicals – 8
- Fire – 3
- Fire Inspections - 6
- Animal Problem – 4
- Parking Problem – 3
- Vehicle Accident – 3
- Alcohol/Drugs – 3
- Suspicious – 3
- Theft – 3
- Burglary – 3
- Unsecure Premise – 4
- Illegal Dumping – 2
- OHV/ATV – 1
- Overdue Party – 1
- Harassment – 1
- Trespassing – 1
- Nuisance – 1
- Illegal Burning – 1
- Domestic – 1
- Civil – 1
- Unattended Death – 1
- Keep the Peace – 1
- Criminal Mischief – 1

BRIAN HEAD FIRE DEPARTMENT:

Brian Head Fire Department had a very busy 4th of July. They did an amazing job with the pancake breakfast. It is a great community effort and I believe that it is the longest standing tradition in the history of Brian Head. Many volunteers help out including the firefighters, their families, and a lot of people who just want to pitch in and help. All service is greatly appreciated and the event was a success.

Members of the fire department made themselves available during the days of the power outage and cooked breakfast and lunch at the public safety building. They made some good donations, but donations weren't expected or required. It was awesome to see our firefighters just trying to help out where they could.

As for our summer fire season, it has been very slow. We hope that this is a trend that continues. The past few years' fire seasons have been out of control so a slower season is welcomed. Across the nation we are not seeing the demand for resources therefore we do not get called out and requested on a national basis. As of this report we have not been called out on any fires out of our area. I have been checking around with some of our other local agencies, and nobody has been out. We will count our blessings and be happy we have our guys home safe and sound.

Brian Head Fire Department did respond to the brush fire in Paragonah which tragically burned down a house. Unkempt properties and a wind change are to blame. Our firefighters did all they could to protect the community from further damage. They did a great job and all returned home safely.

We continue to train on our new fire truck. It is a lot different than what we are used to. But we are feeling more and more confident with it. It is a great apparatus and we are certain that we will soon be as proficient at running it as we are our other apparatus. It seems that technology changes so fast that when you purchase an apparatus every 15 years or so. A lot of things change. We will continue to train and work to get comfortable with it.



Brian Head Town
Public Works Department Update
July 8, 2019

Public Works is moving forward with the projects that have been assigned to us this year with some of them nearing completion this month. We will continue to press forward hard to get as much done as we can before the snow comes. I hate to even mention it, but it will be here before we know it. The following are the updates for each of the departments that we have been working on.

STREETS

- The 2019 Streets project is nearing completion. An overlay on vassals was completed and the chip seal was applied. We tried a new tack to help the chips stick to the new asphalt.
- Patching was completed in Trails at Navajo and chip seal applied in that area.
- Fog coat will still need to be applied and is scheduled for the week of the August 19.

CULINARY

- Public Works continues to take investigative samples on the springs and distribution systems.
- Salt Pile line has begun last week. We are working through the “startup” process and thing should smooth out as we move forward.
- Mountain View Project is moving along at a good pace. Once we move onto Mountain View the pace is expected to increase.
- Public Works has partnered with the gas and phone companies to move some lines out of the way of the water line, this has the potential to save some money for the Town on this project.
- Meter Maintenance and installations of new meters continues as needed.
- Hydrant repair will begin in late August/September.

TRAILS / PARK

- Asphalt repairs along the trail have been completed
- Culverts that were needed to improve drainage have been installed
- Fog coat for the trail and Chair 1 parking lot has been scheduled for August 14.
- Work on the Water line for the park is scheduled to start next week

SEWER

- Twin D is scheduled to be here for routine cleaning on the 19th.

- The manholes for the sewer project have been installed. Public Works will move forward with the rest of this project which includes some cleaning and water infiltration repair.

SOLID WASTE

- Dumpster maintenance continues current dumpsters (paint, labels, welding etc.)
- New stickers have been ordered and will be applied when they are received.

IN-HOUSE PROJECTS

Public works will continue to work on in-house projects and maintaining equipment as needed. If you have any questions or concerns, please do not hesitate to call.



Manhole Project Trails at Navajo (Rex, Jason)



Town Trail Repairs



Asphalt Overlay contractor Western Rock



Chips being applied to Vassels Road



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Chlorination and Culinary Water Update
AUTHOR: Aldo Biasi
DEPARTMENT: Public Works
DATE: August 12, 2019
TYPE OF ITEM: Discussion

SUMMARY:

The purpose of this report is to update council on the current state of the Town's water sources and the distribution system. After the boil order was lifted, staff increased our sampling schedule to gain a better knowledge of how the system was operating. Staff has also investigated what it would take to move the Town from a non-chlorination system to a chlorinating system. This process does take approximately two months to complete from design, to review and approval by the State. Staff is also looking for Council direction on how to proceed forward on the chlorination issue.

BACKGROUND:

Springs

- On June 21, 2019, Brian Head Town had to issue a Boil Order. This report details the issues and the lessons learned from that experience. Staff went to work adding chlorine to the system and flushing mainlines to disinfect the system. Staff was able to get the system cleaned up and the boil order was lifted. It was determined that due to high springtime runoff that the springs that were turned in to the system caused the problem as they tested positive for coliform bacteria.
- The springs have been turned to waste since the positive samples were taken. Staff is receiving clean results on all the springs except the upper Mammoth Spring. Staff has taken samples after the rains that we have received to see if that has had any effect on the samples. So far it has not. The question remains is when will the springs run dirty again.

Sampling

- Brian Head Town is required by the State to take 1 routine sample per month. After the boil order we have increased that amount. Staff has continued to take the routine monthly sample from the distribution system as required by the State. In addition, staff has been taking three investigative samples every two weeks from the distribution system to continue to monitor if any changes are happening (all have come back clean).

Chlorination

- Brian Head Town is permitted with the State of Utah as a non-chlorinating system which means under normal operating conditions, we cannot use any type of chlorination.
- Brian Head Town has been adding chlorine to springs in the springs and summertime construction season to help deal with any potential contamination issues that may arise. This has been routinely going on for quite some time. The State has started to push their education on Batch Chlorination (see attachment of State rules and Information) which in my opinion this practice falls under. At one time a long time ago the Town was running a gas chlorinator.

ANALYSIS:

Springs (not just Brian Heads) have always been sources for contamination due to run off and changing environment. Cedar City and Parowan have treated their springs for years with chlorine to protect the rest of the system. Unfortunately springs are not our only potential contamination sources. Brian Head Town has the following:

- High Ground Water
- Leaks/ Unreported Broken hydrants due to snowplows
- Slide areas
- Bulk Water Dispenser/Backflow issues
- Dead End Lines (flushing will only do so much, but your source has to be clean)
- Sewer and Water Lines running close to the same depth
- Contamination due to construction

(This list is not meant as a scare tactic, just being informative)

In consideration of this list and the boil order, staff has investigated the process of becoming a chlorinating system. First the system would have to be designed by an Engineer. Due to the layout of our distribution system we would need to install three chlorinating sites. The Town has prepared in the past for this option as there are chlorinator buildings at Million-gallon tank and Mammoth Tank. Crystal Mountain Well would have to be fitted with a chlorinator to feed to Half Million-gallon Tank (It could potentially be feed from Wood Bridge, will be sorted out in the design process). I recommend going to a gas chlorine system as the chlorine strength is 100%. If the Town decides to go the route of chlorination, we can look at other options for chlorinators. After the design process, it will have to be submitted to the State for approval and this process can take up to 1 month.

With moving to chlorination, the Town would fall under new monitoring requirements. We would be required to take the same one routine sample, but with minimum of three chlorine residual tests per week to ensure the Town is maintaining a residual throughout the distribution system (A lot more monitoring then we have been required to do in the past). The Town would purchase the residual testing equipment. The chlorine dosage rate would be adjusted to what was needed to maintain the residual. Flushing would still be done on your dead-end lines, but you would be certain that you were pulling clean water into the system. If you did get a boil order and you are a chlorinating system, you are able to return back to normal operating conditions in a quicker amount of time and lift the order sooner then the Town was able to during the boil order.

It has been looked at to just turn the springs out in the spring when the runoff starts. Where this is an ever-moving target, it would be very hard to time this just right. The other issue with this is we do not know the location of the source of our springs. run off may be started in another area before we even see melt in Brian Head.

It has also been discussed to continue to take investigative samples our system. The Town has looked at purchasing this equipment (approx. \$1000.00) to be able to do the test ourselves. This would save the Town some by not having to take the sample to the Cedar Lab. The issue with this is when you do have a positive sample it is already to late as that water has already made it into the system with the 24-hour turnaround time. If we were chlorinating this would be a non-issue as your residuals would show what was going on. I would still test the springs in the springtime and fall just to know what is going on with them.

Brian Head Town cannot support the water needs of the Town or the Resort if it was to lose the use of the springs as a source. The Town and the Resort had record numbers last ski season. The Town needs to be confident in its ability to provide clean drinking water for our residents and guest.

FINANCIAL IMPLICATIONS:

There would be a financial cost to the Town to switch to a chlorinating system. These are estimated costs.

- \$26,000 for chlorination equipment (see attachment)
- \$10,000 for engineering and misc. building repairs if needed that will be determined during the design phase

The Town would also see ongoing chlorine purchases and routine maintenance cost of the equipment. Tank rentals are \$300.00 for the first 5 years of the lease then \$150.00 for the next 5 years. The cost of the chlorine in each tank is \$216.00. After we have the design, we will have a better idea of the cost. Parowan City goes through a tank in about a month and a half.

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

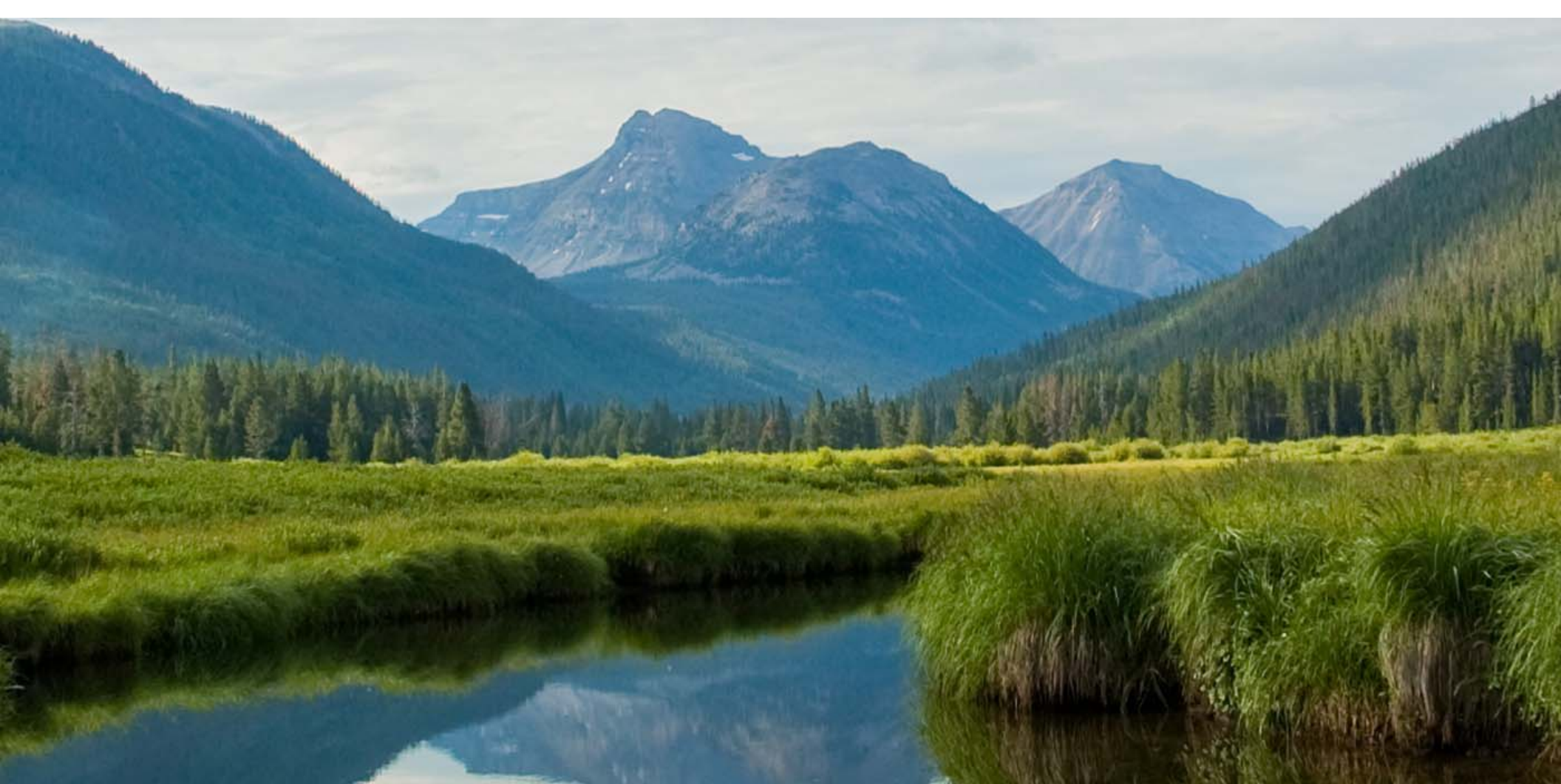
It is my recommendation that the Town move to become a chlorinating system before the Winter Season.

PROPOSED MOTION:

Discussion item only.

ATTACHMENTS:

- A - Batch Chlorination Guidance and Regulation
- B - Scholzen Products Quote for Chlorination Equipment



UTAH DEPARTMENT of
ENVIRONMENTAL QUALITY

**DRINKING
WATER**

Batch Chlorination Guidance and Regulation

Utah Division of Drinking Water



Ryan Dearing

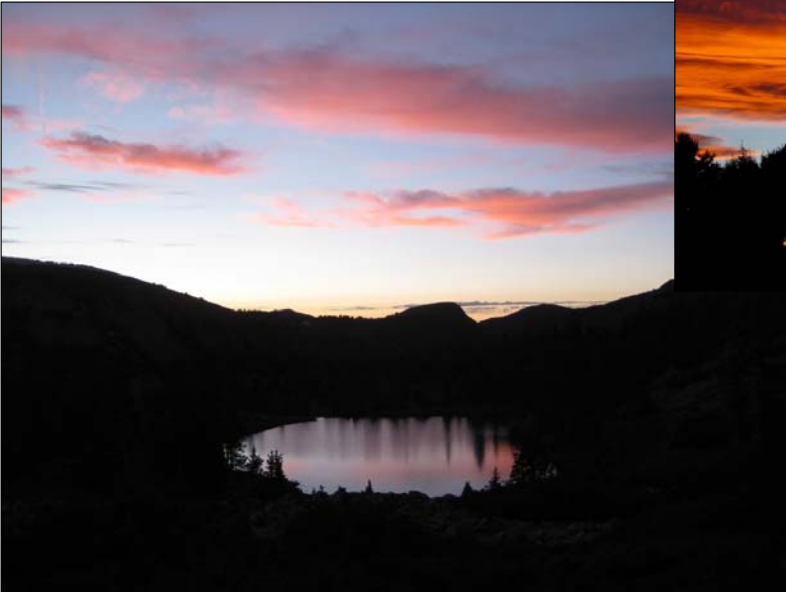
Technical Assistance - Emergency Response

801-536-0048

rdearing@utah.gov

DDW Emergency Response number

801-560-8456



Batch Chlorination

- **Batch disinfection is defined as:**
“the process of periodically adding a disinfecting agent to a water system, in lieu of performing approved continuous disinfection.”
- **Batch disinfection is further defined as:**
“when a system adds a disinfectant to avoid coliform positive samples.”

Batch Chlorination

Examples may include but are not limited to:

- Manually adding disinfecting agent at the source or storage tank to address on-going water quality issues in the distribution system.
- The installation of some type of unapproved mechanical means of dispensing disinfecting agents into the distribution system.



Batch Chlorination – The Rules

R309-200(7) Disinfection

Continuous disinfection is recommended for all water sources. It shall be required of all ground water sources which do not consistently meet standards of bacteriologic quality.

R309-520-5 Secondary Disinfectants

Secondary disinfection provides an adequate disinfectant residual in the distribution system to maintain the quality of treated water by controlling microbiological contamination. Secondary chemical disinfection is achieved by maintaining a detectable disinfectant residual throughout the distribution system. Allowable secondary disinfectants are chlorine and chloramine.

R309-520-6 General

Intermittent or batch disinfection, such as adding hypochlorite tablets or concentrated hypochlorite solution to a tank, is not acceptable for ongoing operation if continuous disinfection is required.

Batch Chlorination

Is it really a thing??

Batch Chlorination - History

➤ Early 2015 –

- DDW starts tracking all emergency response incidents.

➤ August 2017 –

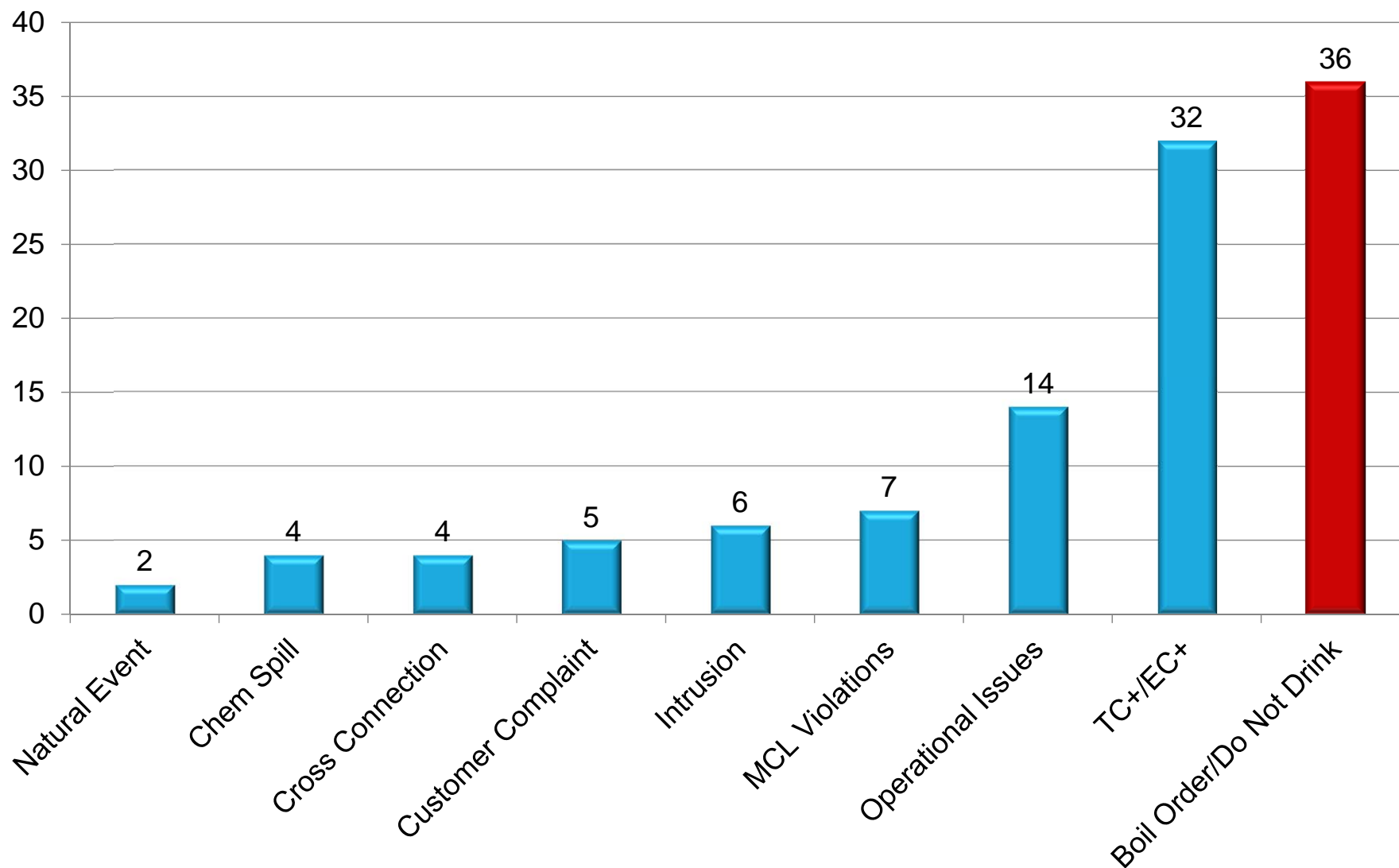
- Emergency Response Workgroup review of past incidents showed a high number of boil orders resulting from batching systems.

➤ January 2018-

- DDW Batch Chlorination Workflow was created.
- Designed to define batch chlorination, provide outline for technical assistance & enforcement.



Emergency Response Events



Batch Chlorination – Why is it bad?

- It masks quality issues and physical deficiencies
- It can harm infrastructure
- Changes water chemistry
- Uneven dispersal
- Unmonitored
- It can be harmful to public health



Why is it bad? - Biology

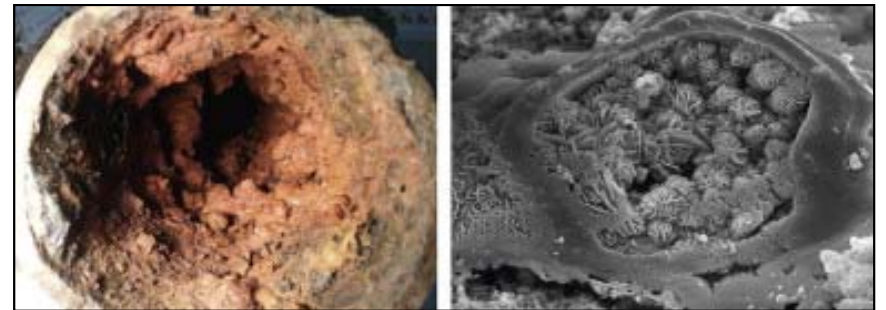
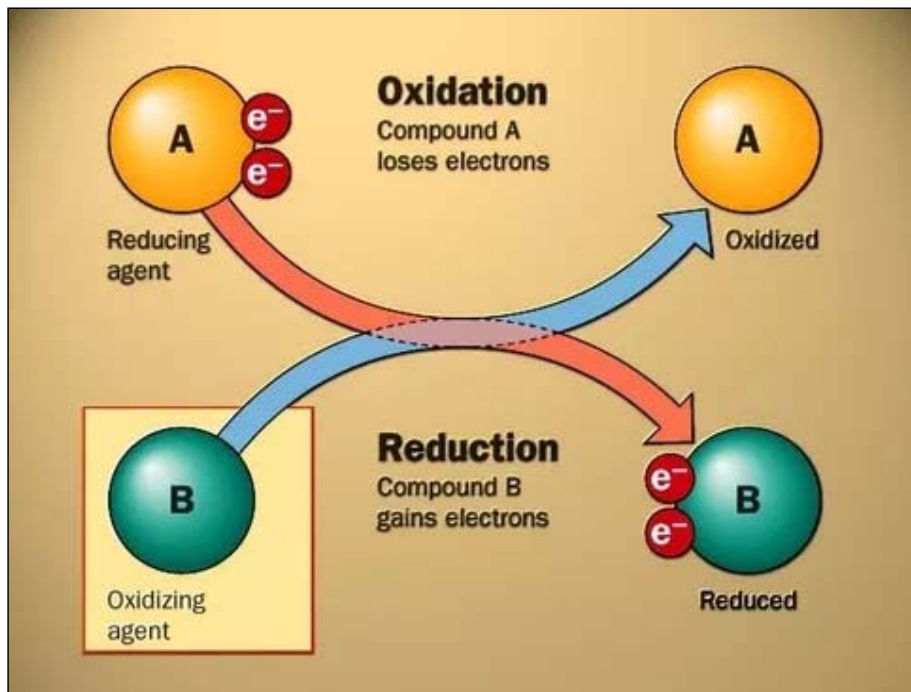
Germ inactivation for chlorinated water*

Germ	Time
<i>E. coli</i> O157:H7 Bacterium	Less than 1 minute
Hepatitis A Virus	About 16 minutes
<i>Giardia</i> Protozoan	About 45 minutes
<i>Cryptosporidium</i> Protozoan	About 15,300 minutes (10.6 days)

* Laboratory testing results using chlorine demand free water with 1ppm (1mg/L) 7.5, 77 °F (25 °C) and in the absence of cyanuric acid.

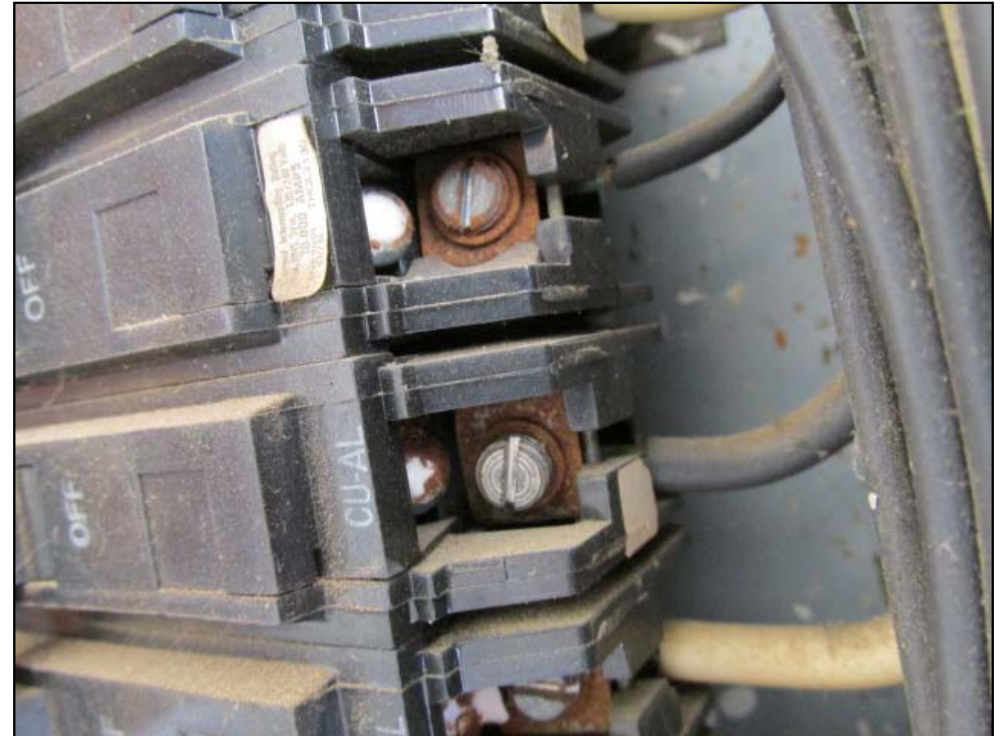
Why is it bad? - Chemistry

- Intermittent chlorination can harm infrastructure and can be harmful to public health



Why is it bad? - Corrosion





Why is it bad? - Aluminum Corrosion



Why is it bad? – Masking problems



Common Stories:

- System only chlorinates once a month to pass Bact-T samples
- System chlorinates between positive sample and repeat samples
- New operator takes over and Bact-T samples start failing

Batch Chlorination – Is it ever ok?

- Emergencies
- Seasonal Start-Up
- Temporary until permanent disinfection is installed



Chlorine Types



← Gas

Liquid (Sodium hypochlorite) →



← Powder (Calcium hypochlorite)

Tablet (Calcium hypochlorite) →



Approved Products and Methods

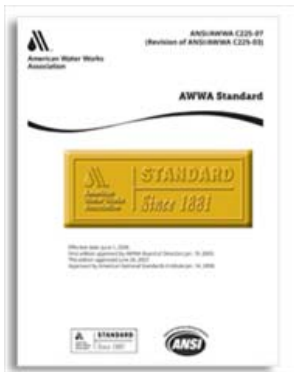


Certified to
NSF/ANSI 60

Approved Products and Methods

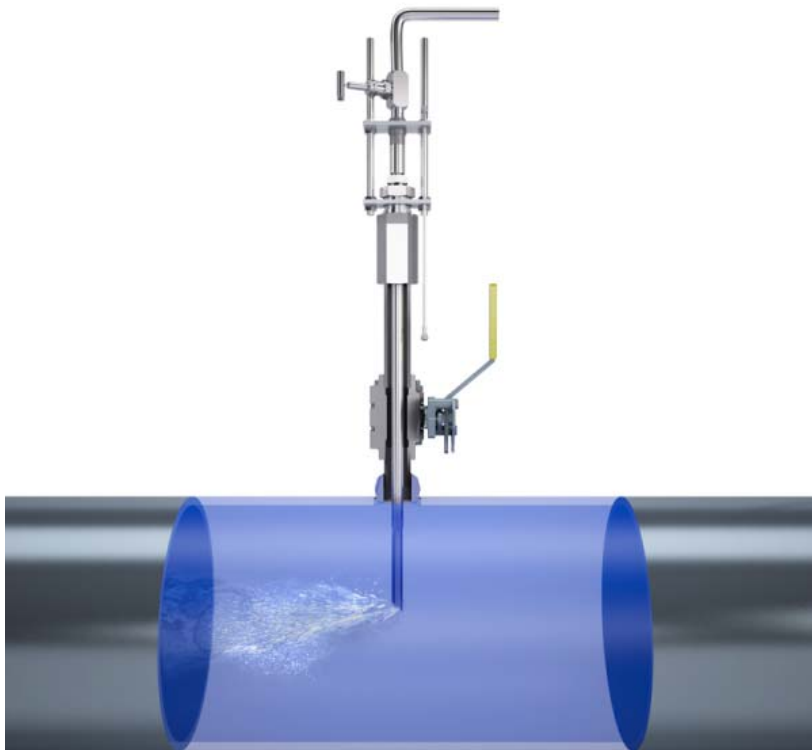


- AWWA C651-
Disinfecting Water Mains



- AWWA C652 –
Disinfection of Water Storage Facilities

Approved Products and Methods - Injector



Temporary Installation



H.E. Anderson Series #2



Batch Chlorination – How can you tell?

- Public calls
- Site visits
- Ask operators
- Random residual testing



Evidence

- **White chalky residue**
- **Excessive corrosion**
- **Empty containers**
- **Undocumented equipment**

Evidence



Evidence



Evidence



Evidence – empty containers



Evidence – empty containers



Undocumented Equipment



Sanitary Survey

GENERAL DISINFECTION

60. Water system follows AWWA disinfection procedures for new, repaired, or seasonal water mains and tanks.

SIG - 10pts - MR - D018 - DOES NOT USE AWWA DISINFECTION STANDARDS : R309-550-8(10) - R309-550-8(10) states that all new and repaired water mains, appurtenances, reservoirs and seasonal operating systems shall be disinfected in accordance with AWWA Standard C651. 10 demerit points shall be assigned.

Comments:

61. How often do you periodically disinfect all or any parts of your water system (ie batch disinfection) other than for repairs or maintenance?

SIG - 35pts - TR - TD25 - CL2 DISINFECTION PROCESS NOT CONTINUOUS: R309-200-5(7) - Rule requires continuous disinfection of groundwater sources that do not consistently meet bacteriological quality standards, all surface water sources, and groundwater sources under the direct influence of surface water. This significant deficiency must be corrected within 120 days of notification or have a compliance action plan approved by DDW.

Comments:

Survey Sections:

General Disinfection

Refresh Survey

Mailed and Lock

Survey Deficiency PDF

Survey PDF

Sanitary Survey

GENERAL DISINFECTION

60. Water system follows AWWA disinfection procedures for new, repaired, or seasonal water mains and tanks.

SIG - 10pts - MR - D018 - DOES NOT USE AWWA DISINFECTION STANDARDS : R309-550-8(10) - R309-550-8(10) states that all new and repaired water mains, appurtenances, reservoirs and seasonal operating systems shall be disinfected in accordance with AWWA Standard C651. 10 demerit points shall be assigned.

Comments:

61. How often do you periodically disinfect any or all parts of your water system (ie batch disinfection) other than for repairs or

SIG - 3 pts - MR - D018 - DISINFECTION PROCESS NOT CONTINUOUS: R309-200-5(7) - Rule requires continuous disinfection of groundwater sources that do not consistently meet bacteriological standards, all surface water sources, and groundwater sources under the direct influence of surface water. This significant deficiency must be corrected within 120 days of the survey date with a corrective action plan approved by DDW.

- 0 - 2 times per year
- 3 - 4 times per year
- 4 - 6 times per year
- every month

Survey Sections:

General Disinfection

Refresh Survey

Mailed and Lock

Survey Deficiency PDF

PDF With Reg

PDF No Reg

Validate

Save

0 of 11 Section(s) completed

DDW Actions When Batch Disinfection is Verified

- DDW adds deficiency TD25 (Cl2 disinfection process not continuous, significant deficiency). This deficiency will show on a system's IPS report.
- If the system does not resolve the TD25 significant deficiency within 120 days then a type 45 groundwater rule violation will be created (35 IPS points), and an NOV sent.
- The system can submit a Corrective Action Plan (CAP) to resolve the deficiency.
- In a Compliance Agreement/Enforcement Order (CA/EO) DDW will give the system a timeline in which to resolve the batch disinfection.

Questions?





STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: CIB Bond Public Hearing & Final Bond Resolution
AUTHOR: Bret Howser
DEPARTMENT: Administration
DATE: August 12, 2019
TYPE OF ITEM: Legislative Action

SUMMARY:

Following a public hearing, Council will consider a resolution authorizing \$147,000 of water revenue bonds to finance a portion of the Cedar Breaks Mountain Estates Fire Flow Line water project and related improvements.

BACKGROUND:

In 2013 the Town Council spent a series of work meetings reviewing a Capital Facilities Plan (CFP) for the water system. The Council discussed each proposed project in depth and gave direction regarding scope, timing, and cost of each project. The resultant list of prioritized projects were included in the Utility Fund Financial Model and Council has adopted a series of utility rate adjustments since FY 2015 in order to fund these projects on a pay-as-you-go basis.

Third on the list of prioritized projects was the 1MG Tank to. Between FY 2017 and FY 2019, the Town saved up nearly \$700,000 for the Salt Pile Tank Transmission Line project. This project was intended to increase the rate at which the Salt Pile Tank could be refilled, thus increasing our service capacity to the Steam Engine subdivision and someday the Cedar Breaks Mountain Estates subdivision (aka: the annex area). The project list also included a two projects which would have begun to run distribution lines into the annex area, but these were not prioritized for funding in the 10-year timeframe the Council was looking at.

Following the 2017 Brian Head Fire, the Town realized the importance of running water to the annex area for fire protection purposes. The Town decided to pursue grant funding from the Community Impact Board (CIB) and include a fire flow line down Mountain View Drive with the 1MG Tank to Salt Pile Tank Line project. The funds the Town saved up for the Salt Pile project would be our matching funds. Alpha Engineering developed total project cost estimates of about \$1.4M. The grant application was submitted to CIB in 2018 and 50/50 grant funds were awarded (up to \$732,000 in grant).

Staff proceeded with the engineering on the project during the fall of 2018, and the project was bid in the spring of 2019. The Mountain View half of the project was bid out in April, and bids came in much higher than expected. Council decided to reject all bids and rebid the entire project together, with the option to select different bidders for each half of the project. Bids were received in May and again came in much higher than expected, at a total of nearly \$2M (before engineering/project mgt costs and the cost of pumphouse upgrades). Staff negotiated with the low-bidders for both the Salt Pile half of the project and the Mountain View half of the project to reduce the total cost of the project to \$1,599,618 (including engineering/project management and an estimate for the cost of pumphouse upgrades).

With total funding of \$1,465,296, the Town still needed to find additional funding. Staff approached the CIB with a supplemental funding request of \$293,326 (a figure based on a projected deficit before staff was done negotiating with the bidders). The CIB granted the supplemental request as half grant (\$146,326) and half loan (\$147,000). The balance will serve as a contingency fund.

On July 8, 2019, Council approved a resolution setting the parameters for the issuance of water revenue bonds related to this project, calling a public hearing for August 12, and initiating a contest period.

ANALYSIS:

This bond resolution authorizes the issuance of water revenue bonds which will be sold to the CIB. This is for the \$147,000 loan portion of the CIB funding. The bond resolution sets the terms of the bond.

Terms set for the bonds:

- Principal: \$147,000
- Term: 15 years (we anticipate we'll pay off within 2-4 years)
- Rate: 2.5%

The project that the bond proceeds may be spent on is also defined in the resolution. In this case it is listed as "Improvements to the Issuer's Water System", which is intentionally broad to provide flexibility should the need arise.

FINANCIAL IMPLICATIONS:

Issuing the bonds will commit the Town to an annual payment of about \$11,873 per year. The Town intends to pay this loan back in 2 to 3 years with water fund revenues. There is a water bond payment that is set to expire in 2020 and the Town was looking to start saving that money toward future projects, but with additional cost to the current projects that savings will be pushed back for a few years. Currently, the Town does not have another water project slated for the next few years.

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends that the Council approve the attached parameters resolution. If Council chooses to do so, staff will follow the steps to appropriately notice residents and gather public input and return with the Final Bond Resolution in August.

PROPOSED MOTION:

I move to adopt resolution number 488 authorizing \$147,000 Water Revenue bonds, Series 2019 to finance water system improvements and related matters.

ATTACHMENTS:

A – Final Bond Resolution

TOWN OF BRIAN HEAD, UTAH
FINAL BOND RESOLUTION
WATER REVENUE BONDS, SERIES 2019

August 12, 2019

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING \$147,000 WATER REVENUE BONDS, SERIES 2019 TO FINANCE WATER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS, AND RELATED MATTERS.

WHEREAS, the Town of Brian Head, Iron County, Utah (the “Issuer”), desires to finance, in part, improvements to its water system, and related improvements (the “Project”) and desires to finance those improvements by issuing its Water Revenue Bonds, Series 2019 in the total principal amount of \$147,000 (the “Series 2019 Bonds”); and

WHEREAS, the Issuer has previously issued its Outstanding Obligations (as defined herein) for improvements to the Issuer’s water system; and

WHEREAS, the Series 2019 Bonds shall be issued on a parity with the Outstanding Obligations such that the Series 2019 Bonds and Outstanding Obligations shall be equally secured by a first lien pledge on the Net Revenues of the Issuer’s System (as those terms are defined herein); and

WHEREAS, the Issuer does not have on hand money to pay the cost of the System improvements and, with the exception of the Issuer's Outstanding Obligations, the revenues to be derived by the Issuer from the operation of the System will not be pledged or hypothecated in any manner or for any purpose at the time of the issuance of the Series 2019 Bonds; and

WHEREAS, the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), provides that the Issuer may issue nonvoted revenue bonds as long as revenues generated from the revenue producing facilities of the Issuer are sufficient to pay for operation and maintenance of such facilities and debt service on all outstanding obligations secured by the revenues of such facilities; and

WHEREAS, the Issuer has been advised that the System will generate sufficient revenues to pay for operation and maintenance of the System as well as debt service on all proposed and Outstanding Obligations secured by the revenues of the System, including the Series 2019 Bonds authorized herein; and

WHEREAS, the State of Utah Permanent Community Impact Fund Board (the “Community Impact Board”) has offered to purchase at par the Issuer’s Series 2019

Bonds in the total principal amount of \$147,000 bearing interest at the rate of two and one-half percent (2.50%) per annum; and

WHEREAS, the Issuer desires to accept the offer of the Community Impact Board and confirm the sale of the Series 2019 Bonds to the Community Impact Board; and

WHEREAS, the Issuer has obtained a grant in the amount of the Community Impact Board for the Project in the amount of \$848,974.

NOW, THEREFORE, Be It Resolved by the Town Council of the Town of Brian Head, Iron County, Utah, as follows:

ARTICLE I

DEFINITIONS

As used in this resolution, the following terms shall have the following meanings unless the context otherwise clearly indicates:

“Annual Debt Service” means the annual payment of principal, premium or penalty, if any, and interest, if any, to be paid by the Issuer during any Sinking Fund Year on the Series 2019 Bonds and all Outstanding Obligations or other forms of indebtedness issued on a parity with the Series 2019 Bonds and which are secured by the Revenues of the System.

“Bondholder” or “Registered Owner” means the registered holder of any Series 2019 Bond, the issuance of which is authorized herein.

“Bonds” means the Outstanding Obligations, the Series 2019 Bonds and any refunding bonds or Parity Bonds issued under section 4.2.

“Code” means the Internal Revenue Code of 1986, as amended.

“Community Impact Board” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“Depository Bank” means a “Qualified Depository” as defined in the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated, 1953, as amended, selected by the Issuer to receive deposits for the Water Revenue Fund as herein described, the deposits of which Bank shall be insured by the Federal Deposit Insurance Corporation.

“Escrow Account” means an account to be held in escrow by the Escrow Agent pursuant to the Escrow Agreement, such account to be used for the purpose of depositing the proceeds of the sale of the Series 2019 Bonds and accounting for those proceeds pursuant to the terms of the Escrow Agreement.

“Escrow Agent” means Utah State Treasurer, Salt Lake City, Utah, who shall so act pursuant to the terms of the Escrow Agreement.

“Escrow Agreement” means the agreement entered into among the Issuer, the Community Impact Board, and the Escrow Agent on the date of delivery of the Series 2019 Bonds.

“Exchange Bonds” means the fully registered Series 2019 Bonds issued in substantially the form set forth in Exhibit A-2, in exchange for the State Bonds representing the Series 2019 Bonds or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof.

“Fully Registered Bond” means any single Bond that is fully registered in the denomination(s) equal to the aggregate principal amount of the applicable Series 2019 Bonds authorized herein.

“Issuer” means the Town of Brian Head, Iron County, Utah or its successors.

“Net Revenues” means the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, including the cost of water and wastewater treatment, whether incurred by the Issuer or paid to any other political subdivision or company pursuant to contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System in efficient operating condition, the cost of audits hereinafter required, fees of the paying agents on the Bonds, payment of premiums for insurance on the System hereafter required and, generally, all expenses, exclusive of depreciation, which under generally accepted accounting practices are properly allocable to operation and maintenance of the System, but only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

“Outstanding Obligations” means collectively the Issuer’s Water Revenue Bonds, Series 2009 with an outstanding amount of \$4,807,729. (NOTE: the Issuer has certain general obligation bonds outstanding that financed or refinanced improvements to the Issuer’s water system and the Issuer has been satisfying the debt service on such bonds from the Net Revenues and intends to continue satisfying debt service on such bonds from Net Revenues; however the Issuer has NOT pledged to satisfy debt service on such bonds from the Net Revenues of its water system.)

“Paying Agent” means the person or persons authorized by the Issuer to pay the principal of and interest on the Series 2019 Bonds on behalf of the Issuer. The initial paying agent for the Series 2019 Bonds is the Town Clerk of the Issuer.

“Project” means financing, in part, improvements to the Issuer’s water system, including all equipment and necessary appurtenances thereof.

“Registrar” means the person or persons authorized by the Issuer to maintain the registration books with respect to the Series 2019 Bonds on behalf of the Issuer. The initial Registrar for the Series 2019 Bonds is the Town Clerk of the Issuer.

“Revenues” means all gross income and revenues of any kind, from any source whatsoever, derived from the operation of the System, including, without limitation, all fees, rates, any impact fees imposed to finance the Project,

connection charges, and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and Revenues.

“Series 2019 Bond or Bonds” means the Issuer’s Water Revenue Bonds, Series 2019 in the total principal amount of \$147,000 bearing interest at the rate of two and one-half percent (2.50%) per annum and purchased by the Community Impact Board.

“Sinking Fund Year” means the twelve-month period beginning on July 1 of the calendar year and ending on the next succeeding June 30; provided, however, that the first Sinking Fund Year will begin on the delivery date of the Series 2019 Bonds and will end on the next succeeding June 30.

“State Bonds” means the fully registered Series 2019 Bonds issued in substantially the form set forth in Exhibit A-1 in the denominations equal to the aggregate principal amount of the Series 2019 Bonds.

“System” means the whole and each and every part of the water system of the Issuer, including the Project to be acquired and constructed pursuant to this Bond Resolution, and all property, real, personal and mixed, of every nature now or hereafter owned by the Issuer and used or useful in the operation of said System, together with all improvements, extensions, enlargements, additions, and repairs thereto which may be made while any of the Bonds remain outstanding.

ARTICLE II

ISSUANCE OF SERIES 2019 BONDS

Section 2.1. Principal Amount, Designation Series and Interest Rate. The Series 2019 Bonds are hereby authorized for issuance for the purpose of providing funds (i) to finance a portion the Project and (ii) to pay the costs of issuing the Series 2019 Bonds. The Series 2019 Bonds shall be limited to \$147,000 in aggregate principal amount, shall be issued (i) if issued as a State Bond(s), in the form set forth in Exhibit A-1 and (ii) if issued as Exchange Bonds, in the form set forth in Exhibit A-2, in fully registered form, shall bear interest at the rate of two and one-half percent (2.50%) per annum, and shall be payable as specified herein. If issued as Exchange Bonds, the Series 2019 Bonds shall be in the denomination of \$1,000 or any integral multiple thereof. The Series 2019 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2019 Bonds shall be designated as, and shall be distinguished from the bonds of all other series by the title, "Water Revenue Bonds, Series 2019."

The Series 2019 Bonds are issued on parity with the Issuer's Outstanding Obligations, such that the Series 2019 Bonds are secured by a pledge of the Net Revenues of the Issuer's System, which pledge is on parity with and equal to the pledge of the Net Revenues securing the Outstanding Obligations.

Section 2.2. Date and Maturities. The Series 2019 Bonds shall be dated as of their date of delivery and shall be paid as provided in this Section. The Series 2019 Bonds shall be initially issued as one Fully Registered State Bond.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the applicable Series 2019 Bond at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent. Payment of interest, if any, shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America.

So long as the Community Impact Board is the Registered Owner of the Series 2019 Bonds, payments of principal and interest on the Series 2019 Bonds shall be made by check or draft and mailed to the Community Impact Board as the Registered Owner at the address shown on the registration books maintained by the Registrar. So long as the Community Impact Board is the Registered Owner of the Series 2019 Bond, in lieu of presentation or the surrender of the Series 2019 Bond to the Paying Agent for notations by the Paying Agent of such payments, the Community Impact Board, by its Chairman or his designee, shall endorse such payments upon the Series 2019 Bond.

Interest shall begin to accrue on the unpaid principal balance of the Series 2019 Bonds on October 1, 2020, and shall be payable on October 1, 2021, and shall be payable annually thereafter on each October 1. The principal of the Series 2019 Bonds shall be payable in installments on October 1 of each year, in the years and the amounts as follows:

<u>October 1</u>	<u>Principal Maturing</u>
2021	\$8,000
2022	8,000
2023	9,000
2024	9,000
2025	9,000
2026	9,000
2027	9,000
2028	10,000
2029	10,000
2030	10,000
2031	10,000
2032	11,000
2033	11,000
2034	11,000
2035	13,000

In the event the bid from the lowest responsible bidder on the Project shows that the costs of the Project will exceed the amount of grant and loan commitments the Issuer has already obtained, then, as authorized in Section 11-14-302 of the Act, the Issuer hereby authorizes the Mayor and Town Manager, as a pricing committee, to approve a final principal amount and repayment schedule for the Series 2019 Bonds within the parameters set forth in the Notice of Public Hearing published once each week for two consecutive weeks with the first publication being at least 14 days before this resolution and also posted on the Utah Public Notice Website at least 14 before this resolution, which parameters are in the aggregate principal amount of not to exceed \$160,000, to bear interest at the rate or rates not to exceed two and one-half percent (2.50%) per annum, to mature in not more than 20 years from their date or dates, and to be sold at a price not less than 99% of the total principal amount thereof, and all other terms of the Series 2019 Bonds, and to approve and execute all documents related to the issuance of the Series 2019 Bonds. The Town Clerk is authorized to attest such signatures and apply the Issuer's seal as appropriate

In the event the Series 2019 Bonds are not issued during the calendar year 2019, then the denomination of the Bonds and series designation shall be modified to correspond to the year in which they are issued.

Section 2.3. Optional Redemption and Redemption Prices. Each principal payment of the Series 2019 Bond is subject to prepayment and redemption at any time, in

whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer, in inverse order of the due dates thereof, and by lot selected by the Issuer if less than all of the Series 2019 Bonds of a particular due date are to be redeemed, upon notice as provided in 2.4 hereof with respect to Exchange Bonds, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the Community Impact Board with respect to the Series 2019 Bonds, and at a redemption price equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption.

Section 2.4. Notice of Redemption for Exchange Bonds.

(a) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.4. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Exchange Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Exchange Bonds, including the series to be redeemed and the identification numbers of the Exchange Bonds being redeemed;

(ii) any other descriptive information needed to identify accurately the Exchange Bonds being redeemed, including, but not limited to, the original issue date of such Exchange Bonds;

(iii) in the case of partial redemption of any Exchange Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and

(vii) the place where such Exchange Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) Upon the payment of the redemption price of Exchange Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Exchange Bonds being redeemed with the proceeds of such check or other transfer.

(c) The Registrar shall not give notice of a redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

Notice of redemption shall be given not more than forty-five (45) days nor less than thirty (30) days prior to the redemption date to Registered Owners of the Exchange Bonds, or portions thereof, to be redeemed. A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Exchange Bonds or portions thereof redeemed but who failed to deliver Series 2019 Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed as provided herein shall be conclusively presumed to have been duly given, whether or not the Registered Owner of such Series 2019 Bonds actually receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure to so receive any such notice by any of the Registered Owners shall not affect the validity of the proceedings for the redemption of the Series 2019 Bonds.

In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Series 2019 Bond, a new Series 2019 Bond in principal amount equal to the unredeemed portion of such Series 2019 Bond will be issued.

Section 2.5. Execution and Delivery of the Series 2019 Bonds. The Mayor is hereby authorized to execute by manual or facsimile signature the Series 2019 Bonds and the Town Clerk to countersign by manual or facsimile signature the Series 2019 Bonds and to have placed on the Series 2019 Bonds the official seal of the Issuer. The Town Clerk is hereby authorized to deliver to the Community Impact Board the Series 2019 Bonds upon payment to the Issuer of the proceeds of the Series 2019 Bonds.

Section 2.6. Delinquent Payment. Payments of principal and/or interest on the Series 2019 Bonds which are delinquent from the due date thereof shall draw interest at the rate of eighteen percent (18%) per annum on the delinquent payment from such due date until paid in full.

Section 2.7. Exchange of State Bonds. As long as the Community Impact Board is the sole Registered Owner of the Series 2019 Bonds, the Series 2019 Bonds shall be issued only as State Bonds in the form prescribed in Exhibit A-1. It is recognized that the Community Impact Board may sell or otherwise transfer the Series 2019 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63B, Chapter 1b, Utah Code Annotated 1953, as amended, or otherwise. In the event the Community Impact Board determines to sell or otherwise transfer all or a portion of the Series 2019 Bonds pursuant to the State Financing Consolidation Act or otherwise, the Series 2019 Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section and Section 3.1 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 3.1 hereof. Any Series

2019 Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the Community Impact Board pursuant to the State Financing Consolidation Act or otherwise shall be in the form of an Exchange Bond prescribed in Exhibit A-2, and shall be executed pursuant to authorization contained in Section 2.5 hereof. Each principal payment on the Series 2019 Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Series 2019 Bonds for Exchange Bonds, provided that the Community Impact Board pay or cause to be paid all costs and other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

ARTICLE III

REGISTRATION, PAYMENT, AND FLOW OF FUNDS

Section 3.1. Execution of and Registration of Series 2019 Bonds; Persons Treated as Owners. The Series 2019 Bonds shall be signed by the Issuer and the Issuer shall cause books for the registration and for the transfer of the Series 2019 Bonds to be kept by the Town Clerk who is hereby appointed the Registrar of the Issuer with respect to the Series 2019 Bonds. Any Series 2019 Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Series 2019 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Series 2019 Bond as provided herein, the Issuer shall execute and deliver in the name of the transferee or transferees, a new Series 2019 Bond of the same maturity and series for a like aggregate principal amount as the Series 2019 Bond surrendered for transfer. Series 2019 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2019 Bonds of the same series or other authorized denominations and the same maturity. The execution by the Issuer of any Series 2019 Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Series 2019 Bond. The Registrar shall not be required to transfer or exchange any Exchange Bond at any time following the mailing of notice calling such Series 2019 Bond for redemption.

Series 2019 Bonds surrendered for payment, redemption or exchange, shall be promptly canceled and destroyed by the Issuer.

The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2019 Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and for all other purposes whatsoever, and neither the Issuer, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of any Series 2019 Bond shall be made only to or upon order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2019 Bond to the extent of the sum or sums so paid.

The Issuer may require the payment by the Registered Owner requesting exchange or transfer of Series 2019 Bonds of any tax or other governmental charge and any service charge which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Series 2019 Bond shall be delivered.

Section 3.2. Deposit of Bond Proceeds. The proceeds from the sale of the Series 2019 Bonds and the grant shall be deposited upon delivery in the Escrow Account and shall be disbursed pursuant to the provisions of the Escrow Agreement. All monies deposited in the Escrow Account shall be used solely for the purpose of defraying all or a portion of the costs of the Project including the payment of costs of issuance of the Series 2019 Bonds. Any unexpended balance remaining in the Escrow Account after completion of the Project shall be transferred as soon as practicable (a) first to each party or entity, other than the Issuer, contributing grant funds to the Project in proportion to the amount of grant funds originally deposited into the Escrow Account and (b) then to the “Sinking Fund” established hereunder, and shall be used only for the prepayment of the Series 2019 Bonds in inverse order of maturity. Proceeds from the sale of the Series 2019 Bonds on deposit in the Escrow Account may, at the discretion of the Issuer, be invested by the Escrow Agent as provided in the Escrow Agreement. Following the transfer of unexpended funds from the Escrow Account to the Sinking Fund, the Escrow Account will be closed.

Section 3.3. The Series 2019 Bonds Constitute Special Limited Obligations. Notwithstanding anything in this Bond Resolution elsewhere contained, the principal and interest, if any, on the Series 2019 Bonds shall be payable out of 100% of the Net Revenues, and in no event shall the Series 2019 Bonds be deemed or construed to be a general indebtedness of the Issuer or payable from any funds of the Issuer other than those derived from the operation of the System. The Net Revenues are pledged to secure the Series 2019 Bonds.

The Issuer may, in its sole discretion, but without obligation and subject to the Constitution, laws, and budgetary requirements of the State of Utah, make available properly budgeted and legally available funds to defray any insufficiency of Revenues to pay the Series 2019 Bonds; provided however, the Issuer has not covenanted and cannot covenant to make such funds available and has not pledged any of such funds for such purpose.

Section 3.4. Flow of Funds. From and after the earlier of the delivery date of the Series 2019 Bonds, and until all the Series 2019 Bonds have been fully paid, the Revenues shall be set aside into the Town of Brian Head, Utah Water Revenue Fund referred to herein as “Revenue Fund,” hereby established, to be held by the Depository Bank. The Issuer will thereafter make accounting allocations of the funds deposited in the Revenue Fund for the following purposes and in the following priority:

- (a) From the amounts in the Revenue Fund there shall first be paid all Operation and Maintenance Expenses of the System. For this purpose the Issuer shall establish on its books an account known as the “Expense Account” to which shall be allocated monthly, on or before the tenth day of each month, such portion of the Revenue Fund as is estimated to be required for Operation and Maintenance Expenses of the System for the following month. There shall be allocated to the Expense Account from time to time during the month such additional amounts as may be required to make payments of Operation and Maintenance Expenses for which the amounts theretofore allocated to the

Expense Account are insufficient. At the end of each Sinking Fund Year all amounts in the Expense Account in excess of that required to pay Operation and Maintenance Expenses then due shall be transferred to the Sinking Fund established as hereinafter provided.

(b) All amounts in the Revenue Fund not allocated to the Expense Account shall be allocated to the “Town of Brian Head, Utah, Water Revenue Bond Sinking Fund” (the “Sinking Fund”) hereby establish:

(i) Of the amounts allocated to the Sinking Fund there shall be allocated to a subaccount established on the books of the Issuer known as the “Bond Account” such amounts as will assure, to the extent of the availability of Net Revenues from the System, the prompt payment of the principal and interest, if any, on the Series 2019 Bonds as shall become due and all bonds or obligations issued in parity therewith, including the Outstanding Obligations. (A) The amount to be set aside monthly on or before the tenth day of each month with respect to the Outstanding Obligations is set forth in the documents authorizing those obligations. (B) The amount to be set aside with respect to the Series 2019 Bonds shall, as nearly as may be practicable, be allocated to the Bond Account monthly, on or before the tenth day of each month, beginning October 1, 2020 and shall equal 1/12 of the amount of the principal on the payment next due on the Series 2019 Bonds, to the end that there will be sufficient funds allocated to the Bond Account to pay the principal and interest, if any, on the Series 2019 Bonds as and when the same become due. (In the event insufficient moneys are available to make prompt payment of the full principal and interest, if any, on the Series 2019 Bonds and all Outstanding Obligations as shall become due, such moneys shall be allocated pro rata based on the amount of principal next coming due on each Bond.) Amounts allocated to the Bond Account shall be used solely for the purpose of paying principal and interest on the Outstanding Obligations and the Series 2019 Bonds and shall not be reallocated, transferred or paid out for any other purpose; and

(ii) Of the amounts allocated to the Sinking Fund after there shall have been allocated the amounts required to be allocated under (i) above, there shall be allocated monthly on a parity basis (1) those amounts, if any, as shall be required for the Outstanding Obligations to be deposited in a reserve account; and (2) on or before the tenth day of each month, beginning October 10, 2020 to the “Reserve Account – Series 2019” established on the books of the Issuer the sum of \$185, plus such additional amount as may be required to meet any monthly installment to the Reserve Account – Series 2019 not theretofore made in whole or in part, such allocation shall continue until there shall have been accumulated an amount equal to \$13,325. (In the event insufficient moneys are available to make full allocation to each reserve account, such moneys shall be allocated pro rata based on the monthly allocation requirement of

each such reserve fund.) Amounts allocated to the reserve accounts for the Outstanding Obligations and the Reserve Account – Series 2019 (collectively, the “Reserve Accounts”) shall be used to pay the principal and interest, if any, falling due on the respective Outstanding Obligations and Series 2019 Bonds at any time when there are not sufficient funds in the Bond Account to pay the same, but pending such use may be invested as hereafter provided. When the Reserve Accounts have been accumulated as in this paragraph provided, no further allocations to the Reserve Accounts need be made unless payments from the Reserve Accounts have reduced the same below the amounts required by this paragraph, in which event allocations shall be resumed until such deficiency has been remedied; and

(iii) All remaining funds, if any, in the Sinking Fund after all of the payments required to be made into the Bond Account and Reserve Accounts have been made, may be used by the Issuer (a) to prepay or redeem the Outstanding Obligations and/or the Series 2019 Bonds in whole or in part, (b) to make extensions, improvements, additions, repairs, and replacements to the System, or (c) to be applied to any other lawful purpose as determined by the Issuer.

(c) If at any time, the Net Revenues derived by the Issuer from the operation of the System shall be insufficient to make any payment to any of the above funds or accounts on the date or dates specified, the Issuer shall make good the amount of such deficiency by making additional payments out of the first available Net Revenues thereafter derived by the Issuer from the operation of the System.

Section 3.5. Investment of Funds. Any funds allocated to the Bond Account and Reserve Accounts may, at the discretion of the Issuer, be invested in accordance with the State Money Management Act. All income derived from the investment of the funds of the Bond Account shall be maintained in that account and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Reserve Accounts shall at the end of each Sinking Fund Year be transferred by the Issuer to the Bond Account so long as after such transfer the Reserve Accounts are fully funded as provided herein. In the event the balance in the Reserve Accounts is less than the amount required herein, then the income from the investment thereof shall be maintained in each respective reserve account until total deposits in the Reserve Accounts shall equal the amount required to fully fund the Reserve Accounts. There shall not be required to be in the Bond Account and the Reserve Accounts at any time more than the total amount required to pay the total principal of and interest due on the Outstanding Obligations and the Series 2019 Bonds. Whenever the money in the Bond Account and the Reserve Accounts equal the total principal amount of the Outstanding Obligations and Series 2019 Bonds outstanding plus accrued interest thereon, the money in those accounts shall be used to prepay all of the Outstanding Obligations and Series 2019 Bonds then outstanding.

ARTICLE IV

COVENANTS

Section 4.1. Covenants of Issuer. The Issuer hereby covenants and agrees with each and every holder of the Series 2019 Bonds the following:

(a) The rates for all water service supplied by the System to the Issuer and its inhabitants and to all customers within or without the boundaries of the Issuer shall be sufficient for the retirement and/or redemption of the Series 2019 Bonds and the Outstanding Obligations, provided such rates must be reasonable rates for the type, kind, and character of the service rendered. There shall be no free service and there shall be charged against all users of the System, including the Issuer, such rates and amounts as shall be adequate to meet the debt service payments on the Series 2019 Bonds, the Outstanding Obligations and any Parity Bonds (as defined in Section 4.2) when due. The rates charged for water services provided by the System shall be sufficient to produce Net Revenues that are equal to 125% of Annual Debt Service. All Revenues, including those received from the Issuer, shall be subject to distribution for the payment of the Operation and Maintenance Expenses of the System and the payment of the Series 2019 Bonds and the Outstanding Obligations, as herein provided. Balances held in the Revenue Fund on the last day of each Fiscal Year in excess of 25% of the amount of the Operation and Maintenance Expenses for that Fiscal Year, after payment of all Operation and Maintenance Expenses and all deposits required by Section 3.4 of this Bond Resolution to that date have been made, shall be considered to be Revenues available for the next Fiscal Year.

(b) Each Bondholder shall have a right, in addition to all other rights afforded it by the laws of Utah, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge and collect reasonable rates for services supplied by the System sufficient to meet all requirements of this Bond Resolution and the resolutions authorizing the Outstanding Obligations.

(c) The Issuer will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost.

(d) So long as any Series 2019 Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System and all properties constituting the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Sinking Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants,

showing the receipts and disbursements for account of the System, and that such audit will be available for inspection by Bondholders upon request; provided, however, during such periods of time as the Community Impact Fund Board is the Registered Owner of the Series 2019 Bonds, each such audit will be supplied to the Community Impact Board as soon as completed without prior request therefor by the Community Impact Board. At a minimum, each such audit shall include the following:

- (i) A statement in detail of the income and expenditures of the System for such Sinking Fund Year;
- (ii) A balance sheet as of the end of such Sinking Fund Year;
- (iii) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Bond Resolution, and the accountant's recommendations for any change or improvement in the operation of the System;
- (iv) A list of the insurance policies in force at the end of the Sinking Fund Year, setting out as to each policy, the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy;
- (v) An analysis of all funds and accounts created in this Bond Resolution, setting out all deposits and disbursements made during the Sinking Fund Year and the amount in each fund or account at the end of the Sinking Fund Year;
- (vi) The number of water connections within the boundaries of the Issuer, and applications for water service on hand at the end of the Sinking Fund Year;
- (vii) The total billings for such Sinking Fund Year and all schedules of rates and charges imposed for water service during the Sinking Fund Year.

The Bondholder may, upon written request from the Issuer setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular Sinking Fund Year set forth in this Section 4.1(d), provided, however, that such waiver shall not apply to the reporting requirements of the Issuer set forth in Section 4.1(e) herein.

(e) In addition to the reporting requirements set forth in Section 4.1(d) above, the Issuer shall submit to the Community Impact Board within one hundred eighty (180) days following the close of each Sinking Fund Year, a summary report substantially in the form as provided by the Community Impact Board to the Issuer upon purchase of the Series 2019 Bonds.

All expenses incurred in compiling the information required by this section shall be regarded and paid as an Operation and Maintenance Expense. If a Bondholder is other than the Community Impact Board, the Issuer agrees to furnish a copy of such information to such Bondholder at its request after the close of each Sinking Fund Year. Any Bondholder shall have the right to discuss with the accountant compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

(f) The Bondholder shall have the right at all reasonable times to inspect the System, and all records, accounts and data of the Issuer relating thereto, and upon request, the Issuer will furnish to it financial statements and other information relating to the Issuer and the System as it may from time to time reasonably require.

(g) The Issuer, in its operation of the System, will carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Sinking Fund.

(h) The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all Bonds have been paid in full, except that the Issuer may sell any portion of the System which shall have been replaced by other property of at least equal value, or which shall cease to be necessary for the efficient operation of the System, provided, however, that in the event of any sale as aforesaid, the proceeds of such sale shall be paid into the Sinking Fund.

(i) The Issuer shall charge for water services and require that each be paid in full. Any bill not paid within thirty (30) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer hereby agrees that if any water bill remains delinquent for more than sixty (60) days, it will take action to collect such bill.

(j) The Issuer shall commence and complete the acquisition and construction of the Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

(k) The Issuer will from time to time duly pay and discharge or cause to be paid all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the System or the Revenues or any part thereof or

which might impair the security of the Bonds, except when the Issuer in good faith contests its liability to pay the same.

(l) The Issuer will not grant a franchise for the operation of any competing water system within its limits, as long as the Series 2019 Bonds authorized herein remain outstanding.

(m) The Issuer, in order to assure the efficient management and operation of the System and to assure the Bondholders from time to time that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character, and will use its best efforts to see that Operation and Maintenance Expenses are at no time in excess of the Revenues reasonably available for the payment thereof.

(n) All payments falling due on the Series 2019 Bonds shall be made to the Bondholder thereof at par and all charges made by the Depository Bank for its services shall be paid by the Issuer.

(o) The Issuer will maintain its identity, will make no attempt to cause its existence to be abolished and will resist all attempts by other political subdivisions to annex all or any part of the territory now or hereafter in the Issuer or served by the System.

(p) The Issuer will file or cause to be filed with the Internal Revenue Service Center, Ogden, UT 84201, on or before the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2019 Bonds are issued, a Form 8038-G, Information Return for Tax-Exempt Governmental Bond Issues, with respect to the Series 2019 Bonds.

(q) The Issuer further covenants and agrees to and for the benefit of the registered owners of the Series 2019 Bonds that the Issuer (i) will not take any action that would cause interest on the Series 2019 Bonds to become includible in gross income for purposes of federal income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the Series 2019 Bonds to become includible in gross income for purposes of federal income taxation and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Series 2019 Bonds in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on such Series 2019 Bonds.

(r) The Mayor and Town Clerk of the Issuer are hereby authorized and directed to execute such certificates as shall be necessary to establish that the Series 2019 Bond is not an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations promulgated or proposed in relation thereto.

The Issuer covenants and certifies to and for the benefit of the Registered Owners of the Series 2019 Bonds that no use will be made of the proceeds from the issue and sale of the Series 2019 Bonds, or any funds or accounts of the Issuer which may be deemed to be gross proceeds of the Series 2019 Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of the Series 2019 Bonds, would have caused the Series 2019 Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of the Series 2019 Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated with respect thereto.

Section 4.2. Additional Indebtedness. No additional indebtedness, bonds or notes of the Issuer payable out of Net Revenues of the System and on a priority superior to the Series 2019 Bonds shall be created or incurred by the Issuer without the prior written consent of all holders of the Series 2019 Bonds. Furthermore, the Series 2019 Bonds shall not be entitled to any priority one over the other in application of the Net Revenues of the System, regardless of the time or times of their issuance, it being the intention of the Issuer that there shall be no priority among the Series 2019 Bonds authorized to be issued pursuant to this Bond Resolution regardless of the fact that they may be actually issued and delivered at different times. It is expressly agreed and covenanted that the Issuer will not hereafter issue any bonds or obligations payable from the Net Revenues of the System, or any part thereof, or which constitutes a lien on such Net Revenues or on the System until all Series 2019 Bonds have been paid in full unless such additional bonds are issued in such manner that they are in all respects subordinate to the Series 2019 Bonds.

The provisions of the foregoing paragraph are subject to the following two exceptions:

(a) The Series 2019 Bonds or any part thereof may be refunded. The refunding bonds so issued shall enjoy a lien on the Net Revenues on a parity with the Series 2019 Bonds except that if fewer than all of the Series 2019 Bonds outstanding at the time are so refunded, no refunding bonds shall bear interest at a rate higher or mature at a date earlier than the corresponding Bond refunded thereby without the consent of the owners and holders of all of the Series 2019 Bonds that are not refunded. In all other respects, refunding bonds may be secured in such manner and may be payable from such sources and be subject to other terms and provisions that may be provided in the resolution authorizing their issuance. With the consent of the Bondholders, refunding bonds may be exchanged for not less than a like principal amount of the Series 2019 Bonds authorized to be refunded, may be sold or may be exchanged in part or sold in part. If sold, the proceeds of the sale not required for the payment of expenses shall be used to refund that portion of the Series 2019 Bonds refunded.

(b) Additional bonds may be issued on a parity with the Series 2019 Bonds herein authorized if all of the following conditions are met at the time of the issuance of such additional bonds (herein referred to as “Parity Bonds”):

(i) The Net Revenues for the Sinking Fund Year preceding the year in which the Parity Bonds are to be issued were 125% of the average Annual Debt Service on all of the Bonds then outstanding (other than those to be refunded by the Parity Bonds proposed to be issued) and the Parity Bonds proposed to be issued. For purposes of this subsection (b)(i), Net Revenues for the preceding Sinking Fund Year may include an amount equal to ninety-five percent (95%) of the amount by which such Net Revenues would increase due to any water rate increase which became effective prior to and in anticipation of the issuance of the proposed Parity Bonds. The requirements of this subsection (b)(i) may be waived or modified by the written consent of the Registered Owners of 100% of the principal amount of the Bonds then outstanding.

(ii) All payments required by this Bond Resolution to be made into the Sinking Fund must have been made in full and there must be in each reserve account the full amount required by this Bond Resolution to be accumulated therein.

(iii) The proceedings authorizing such Parity Bonds must provide that the aggregate amount required to be accumulated in the Reserve Accounts shall be (a) no less than the highest future Annual Debt Service of all Outstanding Obligations, Bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued and (b) accumulated within six (6) years after delivery of such Parity Bonds.

(iv) The Parity Bonds must be payable as to principal on October 1 of each year in which principal falls due.

(v) The proceeds of the Parity Bonds must be used for the making of improvements, extensions, renewals, replacements or repairs to the System.

(c) The Issuer acknowledges that the additional bonds tests applicable to the Outstanding Obligations are as set forth in Sections 5.2, 5.3 and 5.4 in Exhibit C attached hereto and the Issuer hereby covenants and agrees to abide by such tests so long as any of the Outstanding Obligations remain outstanding.

Section 4.3. Bank Designation. For purposes of and in accordance with Section 265 of the Code, the Issuer hereby designates the Series 2019 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section

265(b)(3)(C)(ii) of the Code) which will be issued by the Issuer and by any aggregated issuer during calendar year 2019 will not exceed \$10,000,000. For purposes of this Section, “aggregated issuer” means any entity which, (i) issues obligations on behalf of the Issuer, (ii) derives its issuing authority from the Issuer, or (iii) is directly or indirectly controlled by the Issuer within the meaning of Treasury Regulation Section 1.150-1(e). The Issuer hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Issuer and all aggregated issuers for the calendar year 2019, does not exceed \$10,000,000.

Section 4.4. Arbitrage Rebate Exemption for Small Issuer. The Issuer hereby certifies for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Series 2019 Bonds (the “Rebate Exemption”) as follows:

(a) The Series 2019 Bonds are issued by the Issuer which has general taxing powers.

(b) Neither the Series 2019 Bonds nor any portion thereof is a private activity bond as defined in Section 141 of the Code (“Private Activity Bond”).

(c) Ninety-five percent (95%) or more of the net proceeds of the Series 2019 Bonds are to be used for local government activities of the Issuer (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Issuer).

(d) Neither the Issuer nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt bonds other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during calendar year 2019, which in the aggregate would exceed \$5,000,000.

For purposes of this Section 4.4, “aggregated issuer” means any entity which (a) issues obligations on behalf of the Issuer, (b) derives its issuing authority from the Issuer, or (c) is subject to substantial control by the Issuer.

The Issuer hereby represents that it has not created, does not intend to create, and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(IV) of the Code.

Accordingly, the Issuer will qualify for the Rebate Exemption granted to small governmental units under Section 148(f)(4)(D) of the Code, and the Issuer shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to the Series 2019 Bonds.

ARTICLE V

MISCELLANEOUS

Section 5.1. Default and Remedies. Failure of the Issuer to perform any covenant or requirement of the Issuer under this Bond Resolution within thirty (30) days after having been notified in writing by a Bondholder of such failure shall constitute an event of default hereunder and shall allow each Bondholder to take the following enforcement remedies:

(a) The Bondholder may require the Issuer to pay an interest penalty equal to eighteen percent (18%) per annum of the outstanding principal amount on the Series 2019 Bonds (the “Interest Penalty”), the Interest Penalty to accrue from the date of the notice of the Bondholder to the Issuer referenced hereinabove until the default is cured by the Issuer. The Interest Penalty shall be paid on each succeeding payment date until the default is cured by the Issuer.

(b) The Bondholder may appoint a trustee bank to act as a receiver of the Revenues of the System for purposes of applying the Revenues toward the Revenue allocations required in Section 3.4 herein and in general, protecting and enforcing each Bondholder's rights thereto, in which case, all administrative costs of the trustee bank in performing said function shall be paid by the Issuer.

No remedy conferred herein is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to each Bondholder hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon a default shall impair any such right, power or remedy or shall be construed to be a waiver of any default or acquiescence therein; and every such right, power or remedy may be exercised from time to time as may be deemed expedient.

Section 5.2. Amendments to Bond Resolution. Provisions of this Bond Resolution shall constitute a contract between the Issuer and the Bondholder; and after the issuance of the Series 2019 Bonds, no change, variation or alteration of any kind in the provisions of this Bond Resolution shall be made in any manner until such time as all of the Series 2019 Bonds have been paid in full except as hereinafter provided.

The Bondholders shall have the right from time to time to consent to and approve the adoption by the Issuer of resolutions modifying or amending any of the terms or provisions contained in this Bond Resolution in the manner and to the extent set out below.

Whenever the Issuer shall propose to amend or modify this Bond Resolution under the provisions of this section, it shall cause notice of the proposed amendment (the “Amendment Notice”) to be sent to all Bondholders of all Series 2019 Bonds then outstanding. The Amendment Notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in

the office of the Town Clerk for public inspection. Should a Bondholder consent to the proposed amendment to this Bond Resolution, it shall submit to the Issuer a written instrument which shall refer to the proposed amendatory resolution described in the Amendment Notice and shall specifically consent to and approve the adoption thereof. Upon receipt of Bondholder consents representing at least 75% of the principal of the respective Series 2019 Bonds outstanding, the governing body of the Issuer may adopt the amendatory resolution and it shall become effective. Nothing in this Section shall permit or be construed as permitting an amendment to this Bond Resolution which would (a) extend the stated maturity or reduce the principal amount of the Series 2019 Bonds or reduce the rate of or extend the time for paying the interest on delinquent payments of principal of on the Series 2019 Bonds, without the consent of the holders of all the Series 2019 Bonds, (b) reduce the amount of or extend the time for making any payment required by any fund or account established hereunder without the consent of the holders of all the Series 2019 Bonds which would be affected by such reduction or extension, and (c) change the rights of the holders of less than all Series 2019 Bonds then outstanding, without the consent of the holders of all the Series 2019 Bonds at the time outstanding which would be affected by such changes.

If a Bondholder at the time of the adoption of such amendatory resolution shall have consented to and approved the adoption thereof as herein provided, such Bondholder shall not have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provision therein contained or to the operation thereof or to enjoin or restrain the Issuer from taking any action pursuant to the provisions thereof. Any consent given by a Bondholder pursuant to the provisions of this section shall be conclusive and binding upon all successive Bondholders.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction that the person signing such instrument acknowledged before him or her the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 5.3. Maintenance of Proceedings. A certified copy of this Bond Resolution and every amendatory or supplemental ordinance or resolution shall be kept on file in the office of the Town Clerk where it shall be made available for inspection by any Bondholder or his or her agent. Upon payment of the reasonable cost of preparing the same, a certified copy of this Bond Resolution, any amendatory or supplemental ordinance or resolution will be furnished to any Bondholder. The Bondholders may, by suit, action, mandamus, injunction or other proceedings, either at law or in equity, enforce or compel performance of all duties and obligations required by this Bond Resolution to be done or performed by the Issuer. Nothing contained herein, however, shall be construed as imposing on the Issuer any duty or obligation to levy any tax either to pay the principal of or interest, if any, on the Series 2019 Bonds authorized herein or to meet any obligation contained herein concerning the Series 2019 Bonds.

Section 5.4. Defeasance of Series 2019 Bonds. If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to the Registered Owner of the Series 2019 Bonds for the payments due or to become due thereon at the times and in the manner stipulated therein, then the first lien pledge of the Net Revenues under this Bond Resolution and any and all estate, right, title and interest in and to any of the funds and accounts created hereunder (except moneys or securities held by a Depository Bank for the payment of the Series 2019 Bonds) shall be cancelled and discharged.

Any Series 2019 Bond shall be deemed to be paid within the meaning of this section when payment of the Series 2019 Bonds (whether such due date be by reason of maturity or upon prepayment or redemption as provided herein) shall have been made in accordance with the terms thereof. At such time as the Series 2019 Bonds shall be deemed to be paid hereunder, they shall no longer be secured by or entitled to the benefits hereof (except with respect to the moneys and securities held by a Depository Bank for the payment of the Series 2019 Bonds).

Section 5.5. Sale of Series 2019 Bonds Approved. The sale of the Series 2019 Bonds to the Community Impact Board, at par, is hereby ratified, confirmed and approved.

Section 5.6. Bondholders Not Responsible. The Bondholders shall not be responsible for any liabilities incurred by the Issuer in the acquisition or construction of the Project or for the failure of the System to function successfully after completion of the Project.

Section 5.7. Notice of Public Hearing and Bonds to be Issued. In accordance with the provisions of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, the Issuer has (a) designated the Sun Advocate, a newspaper having general circulation in the Issuer, as the official newspaper of the Issuer authorized to publish legal notices for the Issuer, (b) the Town Clerk has caused a "Notice of Public Hearing and Bonds to be Issued" calling a public hearing to receive input from the public with respect to the issuance of the Series 2019 Bonds (the "Notice") to be published once each week for two consecutive weeks in said newspaper with the first publication being not less than (14) days before the date set for the public hearing, and (c) has also caused the Notice to be posted on the Utah Public Notice Website not less than (14) days before the date set for the public hearing. The Town Clerk shall cause a copy of this Bond Resolution to be kept on file in the office of the Issuer for public examination during regular business hours for at least thirty (30) days from and after the publication thereof. Such Notice is hereby reaffirmed and approved.

Section 5.8. Additional Certificates, Documents, and Other Papers. The appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents, and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Bond Resolution and the documents authorized and approved herein.

Section 5.9. Severability. If any section, paragraph, clause or provision of this Bond Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Bond Resolution.

Section 5.10. Statutory Authority for the Series 2019 Bonds. The Series 2019 Bonds are issued under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Bonding Act”), and each Series 2019 Bond certificate shall so recite. By the adoption of this Bond Resolution, it is the intention of the Issuer to comply in all respects with the applicable provisions of the Bonding Act and the Series 2019 Bonds issued hereby shall be incontestable for any reason whatsoever after their delivery for value.

Section 5.11. Record of Proceedings. The Town Clerk of the Issuer is hereby authorized and directed to complete and execute the Record of Proceedings attached hereto to officially record the proceedings at which this Bond Resolution was considered for adoption.

Section 5.12. Resolutions in Conflict. All resolutions or parts thereof in conflict with the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

APPROVED AND ADOPTED this August 12, 2019.

Mayor

ATTEST:

Town Clerk

(S E A L)

EXHIBIT A-1

(FORM OF STATE BONDS)

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF IRON
TOWN OF BRIAN HEAD
WATER REVENUE BONDS
SERIES 2019

\$147,000

THIS BOND HAS BEEN DESIGNATED BY THE ISSUER AS A QUALIFIED TAX-EXEMPT OBLIGATION FOR PURPOSES OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

The Town of Brian Head, Iron County, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the State of Utah acting through the Permanent Community Impact Fund Board or the registered assigns last noted in the Registration Certificate attached to the end of this Bond (the "Registered Owner"), the principal amount of \$147,000 together with interest accruing on the unpaid principal balance at the rate of two and one-half percent (2.50%) per annum (calculated on the basis of a year of 360 days consisting of twelve 30-day months). Interest shall begin to accrue on October 1, 2020, and principal together with accrued but unpaid interest shall be payable in registered installments on October 1 of each of the years as set forth in the following Repayment Schedule:

REPAYMENT SCHEDULE

<u>October 1</u>	<u>Principal Maturing</u>
2021	\$8,000
2022	8,000
2023	9,000
2024	9,000
2025	9,000
2026	9,000
2027	9,000
2028	10,000
2029	10,000

<u>October 1</u>	<u>Principal Maturing</u>
2030	10,000
2031	\$10,000
2032	11,000
2033	11,000
2034	11,000
2035	13,000

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon surrender of this Bond at the offices of the Town Clerk of the Issuer (the “Paying Agent”). Payments of interest, if any, shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his or her address as it appears on the registration books of the Issuer maintained by the Registrar, or at such other address as is furnished to the Registrar in writing by such Registered Owner.

As long as the State of Utah Permanent Community Impact Fund Board (the “Community Impact Board”) is the registered holder of this Bond, installment payments of principal and interest for delinquent installments shall be made by check or draft mailed to the Community Impact Board as the registered holder at the address shown on the registration books maintained by the Registrar.

If any installment payment of Bond principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the unpaid amount at the rate of eighteen percent (18%) per annum from such due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest, if any, and then to principal.

This Bond is issued on a parity with the Issuer’s Water Revenue Bonds, Series 2009 with an outstanding amount of \$4,807,729 (the “Outstanding Obligations”), such that this Bond and the Outstanding Obligations are equally and ratably secured by a pledge of Issuer’s Net Revenues (as defined in the resolution adopted by the governing body of the Issuer on August 12, 2019 (the “Bond Resolution”)).

This Bond is payable solely from a special fund designated “Town of Brian Head, Utah, Water Revenue Bond Sinking Fund,” into which fund and into a reserve therefor, to the extent necessary to assure prompt payment of this Bond, shall be pledged 100% of the Net Revenues derived and to be derived from the operation of the Issuer’s water system (the “System”), all as more fully described and provided in the Bond Resolution.

This Bond is issued pursuant to (i) the parameters resolution adopted July 8, 2019, and Final Bond Resolution dated August 12, 2019 (collectively, the “Bond Resolution”), and (ii) the Utah Local Government Bonding Act as amended and renamed as the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, for the purposes of financing, in part, (i) improvements to the Issuer’s water

system, and related improvements; and (ii) paying the costs of issuing the Bonds. This Bond is a special limited obligation of the Issuer payable solely from the Issuer's Revenues (as defined in the Bond Resolution) and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Issuer's Revenues.

As provided in the Bond Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Bond Resolution, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Bond Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Bond Resolution.

The issuance of this Bond shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefore or to make any appropriation for its payment.

This Bond is subject to prepayment and redemption at any time, in whole or in part (and if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of the due date of the principal installments hereof and by lot selected by the Issuer if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

Notice of redemption shall be mailed by the Issuer, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the registered owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Bond Resolution, the Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 and any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water service sufficient to pay when due this Bond, and the principal and interest on all bonds and obligations issued on a priority to or parity with this Bond, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the Revenues (as defined in the Bond Resolution) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds and obligations issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Bond Resolution, the Bond Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Bond Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Bond Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Bond Resolution.

This Bond shall be registered in the name of the initial purchaser and any subsequent purchasers in the appropriate book in the office of the Town Clerk of the Issuer, who shall be the Registrar. This Bond is transferable only by notation upon such book by the registered owner hereof in person or by his or her attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Issuer, duly executed by the registered owner or his or her attorney duly authorized in writing; thereupon, this Bond shall be delivered to and registered in the name of the transferee.

It is hereby declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues to be derived from the operation of the System have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of this Bond and all bonds and obligations issued on a parity with this Bond, if any, and that with the exception of the pledge of the Revenues of the System for the payment of the Outstanding Obligations and the Series 2019 Bonds the Net Revenues are not pledged, hypothecated or anticipated in any way other than by the issue of this Bond and all bonds and obligations issued on a parity with this Bond, if any. This Bond shall be incontestable for any reason whatsoever after the delivery hereof for value.

IN TESTIMONY WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its Town Clerk under the seal of the Issuer this _____, 2019.

/s/ _____ (Do Not Sign)
Mayor

Countersigned:

/s/ _____ (Do Not Sign)
Town Clerk

(S E A L)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by
the Bond Registrar)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT A-2

(FORM OF EXCHANGE BOND)

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF IRON
TOWN OF BRIAN HEAD
WATER REVENUE BONDS, SERIES 2019

THIS BOND HAS BEEN DESIGNATED BY THE ISSUER AS A QUALIFIED TAX-EXEMPT OBLIGATION FOR PURPOSES OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

INTEREST RATE

2.50%

MATURITY DATE

October 1, 20____

ISSUE DATE

_____, 2019

Registered Owner: _____

Principal Amount: _____ Dollars

The Town of Brian Head, Iron County, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender thereof, the Principal Amount identified above. Interest at the Interest Rate specified above on the Principal Amount hereof (calculated on the basis of a year of 360 days consisting of twelve 30-day months) shall be payable by check or draft mailed by the Town Clerk of the Issuer (the "Paying Agent") to the Registered Owner hereof beginning October 1, 20__ and on each October 1 thereafter until this Bond is paid in full. Payments shall be payable by the Town Clerk, in Brian Head, Utah (the "Paying Agent") to the Registered Owner. Principal and redemption price of this Bond shall be payable upon presentation of this Bond to the Paying Agent, or its successor as such paying agent, for payment at maturity.

If this Bond or any installment of interest hereon is not paid when due and payable, the Issuer shall pay interest on the unpaid amount at the rate of eighteen percent (18%) per annum from the due date thereof until paid in full.

This Bond is issued on a parity with the Issuer's Water Revenue Bonds, Series 2009 in the outstanding amount of \$4,807,729 (the "Outstanding Obligations"), such that this Bond and the Outstanding Obligations are equally and ratably secured by a pledge of Issuer's Net Revenues (as defined in the resolution adopted by the governing body of the Issuer on August 12, 2019 (the "Bond Resolution")).

This Bond is one of an authorized issue of bonds of like date, term and effect except as to maturity, in the aggregate principal amount of _____ Dollars (\$ _____), issued in exchange for the conversion of the Issuer's Water Revenue Bond, Series 2019, in the total principal sum of \$147,000, authorized by a Parameters Resolution of the Issuer duly adopted on July 8, 2019 (the "Parameters Resolution") and a Bond Resolution of the Issuer duly adopted on August 12, 2019 (the "Bond Resolution"). This Bond and the issue of Bonds of which it is a part is issued pursuant to (i) the Parameters Resolution and the Bond Resolution and (ii) the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, for the purpose of financing, in part, (i) improvements to the Issuer's water system, and related improvements (the "Project") and is secured by the Net Revenues of the Issuer's water system (collectively, the "System"), including all equipment and necessary appurtenances thereof. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Bond Resolution) of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues of the System.

As provided in the Bond Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Bond Resolution, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Bond Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Bond Resolution.

The issuance of this Bond shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefore or to make any appropriation for its payment.

The Bonds are subject to redemption prior to maturity at any time, in whole or in part (and if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of maturity and by lot within each maturity if less than the full amount is redeemed, upon not less than thirty (30) days' nor more than forty-five (45) days' prior notice, at a

redemption price equal to 100% of the principal amount of each Bond to be redeemed. Notice of redemption shall be mailed by the Issuer, postage prepaid, to the registered owners of the Bonds addressed to such owners at their address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Bond Resolution, the Series 2019 Bonds (as defined in the Bond Resolution) are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 or any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water service sufficient to pay this Bond when due, and principal and interest on all bonds and obligations issued on a priority to or parity with this Bond, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the Revenues (as defined in the Bond Resolution) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Bond Resolution) to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds and obligations issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Bond Resolution, the Bond Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Bond Resolution. The Registered Owner of this Bond shall have no right to enforce the provisions of the Bond Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Bond Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Bond Resolution.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the Town Clerk (the "Registrar") in Brian Head, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond and the issue of which it forms a part do exist, have happened and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that this Bond and the issue of which it forms a part does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that one hundred percent (100%) of the Net Revenues to be derived from the operation of the System, including any future improvements, additions and extensions thereto, have been pledged and will be set aside into a special fund by the Issuer to be used for the payment of this Bond and the issue of which it forms a part and all bonds and obligations issued on a parity with this Bond, if any, and that with the exception of the

Outstanding Obligations and Series 2019 Bonds the Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than by the issue of Series 2019 Bonds of which this Bond is one and all bonds and obligations issued on a parity with this Bond, if any. This Bond shall be incontestable for any reason whatsoever after the delivery hereof for value.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its Town Clerk with the seal of said Issuer affixed, all as of _____, 20__.

By /s/ (Do Not Sign)
Mayor

COUNTERSIGNED:

/s/ (Do Not Sign)
Town Clerk

(S E A L)

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto

_____ (Tax Identification or Social Security No. _____) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO SEC RULE 17Ad-15.

EXHIBIT B

RECORD OF PROCEEDINGS

The Town Council (the “Town Council”) of the Town of Brian Head, Utah (the “Issuer”), met in public session at the Town Council’s regular public meeting place on August 12, 2019 (the “Meeting”), at the hour of 1:00 p.m., or as soon thereafter as feasible, with the following members of the Town Council being present:

Clayton Calloway	Mayor
Larry Freeberg	Councilmember
Lynn Mulder	Councilmember
Shad Hunter	Councilmember
Kelly Marshall	Councilmember

Also present:

Nancy Leigh	Town Clerk
Bret Howser	Town Manager

Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and after other matters not pertinent to this resolution were discussed, the foregoing resolution (the “Resolution”) was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by Councilmember _____ and seconded by Councilmember _____, and the Resolution was put to a vote and carried, the vote being as follows:

Those voting YEA:

Those voting NAY:

Those Abstaining:

The Town Clerk presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this August 12, 2019 meeting, a copy of which is attached hereto. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF TOWN CLERK

I, Nancy Leigh, the duly appointed and qualified Town Clerk of the Town of Brian Head, Iron County, Utah (the "Issuer"), do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the Town Council of the Issuer at a public meeting duly held and conducted by the Town Council in the Town of Brian Head, Iron County, Utah, on August 12, 2019 commencing at the hour of 1:00 p.m., or as soon thereafter as feasible (the "Meeting"). The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited in my office on August 12, 2019, and is officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the Issuer, this August 12, 2019.

(S E A L)

Town Clerk

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Nancy Leigh, the undersigned Town Clerk of the Town of Brian Head, Iron County, Utah (the "Issuer"), do hereby certify, according to the records of the Issuer 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 August 12, 2019, public meeting (the "Meeting") held by the governing body of the Issuer as follows:

(a) By causing a notice, in the form attached hereto (the "Meeting Notice"), to be posted at the principal office of the Issuer at least twenty-four (24) hours prior to the convening of the Meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the Meeting; and

(b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the geographic jurisdiction of the Issuer at least twenty-four (24) hours prior to the convening of the Meeting; and

(c) By causing the Meeting Notice to be posted on the Utah Public Notice Website at least twenty-four (24) hours prior to the convening of the Meeting.

(d) By causing a copy of the Meeting Notice to be delivered to each member of the Town Council of the Issuer at least twenty-four (24) hours prior to the convening of the Meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this August 12, 2019.

Town Clerk

(SEAL)

(Attach Meeting Notice, including proof of posting thereof on the Utah Public Notice Website)

EXHIBIT C

CERTIFICATE OF COMPLIANCE WITH ADDITIONAL BONDS TEST

(See Transcript Document No. __)

4851-7585-8773, v. 1



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Public Hearing & Ordinance for FY 2020 Budget
Adjustments from General Fund, Capital Projects Fund,
Asset Replacement Fund, and Enterprise Funds (Water
& Snow Making Funds)
AUTHOR: Cecilia Johnson, Town Treasurer
DEPARTMENT: Administration Department
DATE: August 12, 2019
TYPE OF ITEM Legislative Action

SUMMARY:

The Council hold a public hearing to receive public comment on proposed budget adjustments for the Towns FY 2020 budgets. Following the public hearing, the Council will consider an ordinance amending the following budget adjustments:

1) Within the past couple of years, Brian Head Town has been awarded grants for the following projects:

A) Brian Head Town Post Fire Recreational Reconstruction Project (several Town trails are being restored after the 2017 fire – Sidney Peak, Left and Right Fork of Bunker Creek, Dark Hollow and Scout Camp Loop trails). Project cost is \$204,000. The award amount is: \$102,000 (it is a 50/50 grant, which means Brian Head Town will spend \$102,000 towards the project and will receive \$102,000 in grant funding). The following entities are contributing towards the grant match: **Brian Head Town is committed to provide cash funding of \$30,000;** the US Forest Service is also committed to provide funding of \$30,000; and Cedar City-Brian Head Tourism Bureau has granted \$33,000 towards the project. Brian Head Resort is contributing an in-kind match by improving an upgraded down-hill mountain bike lift; and Utah's Patchwork Parkway is working to secure funding for an interpretive sign at the Sydney Valley Peak overlook and for planting seedlings and wildflowers along the trails.

B) Manzanita Trail Improvements, Phase I. Project cost is \$137,800. The award amount is: \$36,400 (it is a 50/50 grant, which means **Brian Head Town is required to spend \$36,400 towards the project** and will receive \$36,400 in grant funding). As you can see, the Town will be expending even more towards the project than what is required.

2) Brian Head Town budgeted \$22,200 to purchase six (6) Police radios in the FY 2020 budget. One radio was purchased last year; therefore, this line needs to be adjusted from \$22,200 to \$19,600.

3) Brian Head Town is selling its old grader and purchasing a new grader. This needs a budget adjustment.

4) The final snow-making bond payment is due in September 2019. This fund has been audited by the Town Auditor. Brian Head Resort has paid all they are obligated to pay on this bond – Brian Head Town is responsible for the rest (*which is \$147,634.25*). The payment will come from the water fund.

BACKGROUND:

Some of the grant funds were budgeted for in the FY 2019 budget. The two above trail projects have not yet been completed and all the funding has not been received. Brian Head Town needs to adjust the FY 2020 budget so the spent funds will be recorded in the proper budget year. It will be better for tracking purposes if the trails projects were recorded in the Capital Projects Fund. The grader purchase will be tracked in the Asset Reserve Fund. The Final snow making lease bond payment will be transferred from the water fund to the snow making fund.

ANALYSIS:

If approved, the following budget adjustments will be made:

GENERAL FUND (10): General Ledger # 3890 – Fund Balance Appropriated will be amended from \$11,588 to \$26,588 (*this is the balancing entry*); General Ledger # 10-4560.632 – Recreation – Bike Trails will be amended from \$15,000 to -0-; and General Ledger # 4846 – Transfer to Capital Projects Fund will be amended from \$236,400 to \$266,400 (*this allows for the \$15,000 from last year's budget and the \$15,000 from this year's budget for the \$30,000 required match on the Post Fire Trail Project*).

CAPITAL PROJECTS FUND (46): General Ledger # 3341 – General Government State Grant will be amended from \$119,400 to \$221,400 (*this is where the \$102,000 grant funding will be received*); General Ledger # 3810 – Transfer from General Fund will be amended from \$236,400 to \$266,400 (*the extra \$30,000 is for the Manzanita Trail Project*); General Ledger # 3890 – Fund Balance Appropriated – will be amended from \$130,200 to \$127,600 (*this is the balancing entry*); General Ledger # 4210.730 – Capital Project – Police Equipment will be amended from \$22,200 to \$19,600 (*which subtracts one of the radios that was paid for in last year's budget*); A new General Ledger Line will be created - # 4560.710 – Capital Project – Mountain Bike Trails – and will be budgeted for \$132,000 (*this is for both of the trail grants*).

ASSET REPLACEMENT FUND (47): General Ledger # 3640 – Sale of Assets – will be amended from \$92,800 to \$197,800 (*for the sale of the grader of \$105,000*); General Ledger # 3890 – Fund Balance Appropriated will be amended from \$15,700 to \$14,700 (*this is the balancing entry*); and General Ledger # 4400.740 – Public Safety – Equipment Replacement will be amended from \$44,500 to \$148,500 (*this is for the \$104,000 Brian Head Town will be paying towards the new grader*).

WATER FUND (51): General Ledger # 4895 – Transfer to Snowmaking Fund – will be amended from \$17,490 to \$147,634.25 (*to pay off the snow-making bond*).

SNOWMAKING LEASE FUND (55): General Ledger # 3851 – Transfer from Water Fund – will be amended from \$17,490 to \$147,634.25 (*to pay off the snow-making bond*).

DEPARTMENT REVIEW:

Staff has reviewed the budget adjustments and feel they are appropriate.

FINANCIAL IMPLICATIONS:

The budget adjustments will bring the funds into compliance with revenues and expenditures for Town projects.

BOARD/COMMISSION RECOMMENDATION:

Not Applicable.

STAFF RECOMMENDATION:

Staff recommends that the budget adjustments be approved as presented.

PROPOSED MOTIONS:

“I move to adopt Ordinance No. 19-010 amending the fiscal year 2020 budget for the General Fund, Capital Projects Fund, Asset Replacement Fund, and Water and Snow Making Lease Funds as presented.”

ATTACHMENTS:

A – Ordinance Amending FY 2020 Budget

B – FY 2020 Budgets



ORDINANCE NO. _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2020 BUDGET OF FUNDS AND ACCOUNTS ENDING JUNE 30, 2020 FOR THE TOWN OF BRIAN HEAD, UTAH.

WHEREAS, in accordance with the Uniform Fiscal Procedures Act for Utah Towns, Brian Head Town, Utah, has amended its budget for the fiscal year ending June 30, 2020; and

WHEREAS, in accordance with Utah State law, a public hearing was held on August 12, 2019 on the amended budget and comments received relating thereto, and;

WHEREAS, the Town Council determined an adjustment was needed for the purpose of unforeseen expenditures that have taken place since the adoption of the fiscal year 2020 town budget, and;

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF BRIAN HEAD, STATE OF UTAH:

ADOPTION: The Fiscal Year 2020 budget hereby be amended, including all funds and accounts as follows and as identified on Attachment A FY2020 Budget Adjustment:

GENERAL FUND (10): General Ledger # 3890 – Fund Balance Appropriated will be amended from \$11,588 to \$26,588 (*this is the balancing entry*); General Ledger # 10-4560.632 – Recreation – Bike Trails will be amended from \$15,000 to -0-; and General Ledger # 4846 – Transfer to Capital Projects Fund will be amended from \$236,400 to \$266,400 (*this allows for the \$15,000 from last year's budget and the \$15,000 from this year's budget for the \$30,000 required match on the Post Fire Trail Project*).

CAPITAL PROJECTS FUND (46): General Ledger # 3341 – General Government State Grant will be amended from \$119,400 to \$221,400 (*this is where the \$102,000 grant funding will be received*) ; General Ledger # 3810 – Transfer from General Fund will be amended from \$236,400 to \$266,400 (*the extra \$30,000 is for the Manzanita Trail Project*); General Ledger # 3890 – Fund Balance Appropriated – will be amended from \$130,200 to \$127,600 (*this is the balancing entry*); General Ledger # 4210.730 – Capital Project – Police Equipment will be amended from \$22,200 to \$19,600 (*which subtracts one of the radios that was paid for in last year's budget*); A new General Ledger Line will be created - # 4560.710 – Capital Project – Mountain Bike Trails – and will be budgeted for \$132,000 (*this is for both of the trail grants*).

ASSET REPLACEMENT FUND (47): General Ledger # 3640 – Sale of Assets – will be amended from \$92,800 to \$197,800 (*for the sale of the grader of \$105,000*); General Ledger # 3890 – Fund Balance Appropriated will be amended from \$15,700 to \$14,700 (*this is the balancing entry*); and General Ledger # 4400.740 – Public Safety – Equipment Replacement will be amended from \$44,500 to \$148,500 (*this is for the \$104,000 Brian Head Town will be paying towards the new grader*).

WATER FUND (51): General Ledger # 4895 – Transfer to Snowmaking Fund – will be amended from \$17,490 to \$147,634.25 (*to pay off the snow-making bond*).

SNOWMAKING LEASE FUND (55): General Ledger # 3851 – Transfer from Water Fund – will be amended from \$17,490 to \$147,634.25 (*to pay off the snow-making bond*).

PASSED AND ADOPTED BY THE TOWN COUNCIL OF BRIAN HEAD on this _____ day of August 2019.

TOWN COUNCIL VOTE:

Mayor Clayton Calloway	Aye_____	Nay_____
Council Member Lynn Mulder	Aye_____	Nay_____
Council Member Larry Freeberg	Aye_____	Nay_____
Council Member Kelly Marshall	Aye_____	Nay_____
Council Member Shad Hunter	Aye_____	Nay_____

BRIAN HEAD TOWN

By: _____
Clayton Calloway, Mayor

ATTEST:

Nancy Leigh, Town Clerk

(SEAL)

CERTIFICATE OF PASSAGE AND POSTING

I hereby certify that the above Ordinance is a true and accurate copy, including all attachments, of the Ordinance passed by the Town Council on the _____ day of August 2019, and have posted a complete copy of the ordinance in three conspicuous places within the Town of Brian Head, to-wit: Town Hall, Post Office and the Mall.

Nancy Leigh, Town Clerk

Brian Head Town
Budgeting Worksheet
10 10 General Fund - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
Change In Net Position								
Revenue:								
Taxes								
3110 General Property Tax (Current Year)	718,218	730,984	742,447	693,500	0	721,300	721,300	
3120 General Property Tax (Delinquent)	55,693	120,657	37,351	91,300	0	93,600	93,600	
3130 Sales and Use Taxes	134,323	127,363	153,024	141,700	3,187	135,800	135,800	
3135 PAR Tax	19,383	21,426	27,929	23,400	464	25,400	25,400	
3136 Transportation Local Option Sales Tax	5,303	0	0	0	0	0	0	
3140 Franchise Tax	3,505	3,400	3,789	3,500	0	3,500	3,500	
3145 Telecommunication Tax	4,692	4,300	4,094	4,100	382	4,500	4,500	
3151 Resort Tax	392,949	342,098	444,538	420,000	7,408	406,100	406,100	
3152 Highway Tax	73,977	64,241	83,757	70,000	1,394	76,000	76,000	
3153 Municipal Energy Tax	117,294	113,957	122,800	120,500	0	119,000	119,000	
3154 Municipal Transient Room Tax	76,285	62,658	80,231	68,000	2,605	74,000	74,000	
3170 Fee in Lieu	5,161	5,237	6,050	5,000	0	5,200	5,200	
3190 Penalties on Delinquent Taxes	1,562	4,691	1,425	4,200	0	4,100	4,100	
3200 Personal Property Taxes	32,637	27,776	27,470	27,500	0	28,100	28,100	
Total Taxes	1,640,982	1,628,788	1,734,905	1,672,700	15,440	1,696,600	1,696,600	
Licenses and permits								
3210 Business Licenses	14,760	11,577	12,898	15,400	360	26,300	26,300	
3215 Alcohol Licenses	400	350	550	700	0	600	600	
3220 Enhanced Services Business License Fee	296,343	257,033	339,048	315,000	0	309,000	309,000	
3221.1 Building Permit Fees	8,305	9,509	4,505	7,900	397	11,800	11,800	
3221.2 Plan Check Fee	0	0	250	3,900	0	0	0	
3221.3 Other Building Fee	0	0	50	500	0	0	0	
3222 Land Use Permit Fees	1,400	(708)	1,050	0	(50)	500	500	
3230 Other Permits	1,050	1,300	3,971	800	1,200	800	800	
Total Licenses and permits	322,258	279,061	362,322	344,200	1,907	349,000	349,000	
Intergovernmental revenue								
3314 Public Safety State Grant	0	2,000	2,618	0	0	0	0	
3341 General gov't state grant	13,515	42,152	19,100	34,100	60	69,600	69,600	
3356 Class C Road Funds	59,689	64,566	61,880	61,600	0	66,500	66,500	
3358 State Liquor Fund Allotment	3,712	2,863	4,100	4,000	0	4,000	4,000	
3373 County - fire agreements	40,000	40,000	40,000	40,000	0	40,000	40,000	
Total Intergovernmental revenue	116,916	151,581	127,698	139,700	60	180,100	180,100	
Charges for services								
3419 Administrative Charges	122,342	111,207	62,637	62,637	6,372	76,464	76,464	
3422 Retail Fuel	73,362	77,668	70,724	71,500	15,547	86,100	86,100	
3426 Fire Department Revenue	1,770	630	450	1,875	30	700	700	
3427 Volunteer Fire Revenue	12,203	25,454	0	0	0	0	0	
3428 Misc Police Revenue (Police Reports)	10	30	628	0	5	0	0	
3435 Shop Charges	70,624	66,867	73,304	73,304	8,392	100,700	100,700	
3441 Streets, trails, services	0	0	0	625	0	0	0	
Total Charges for services	280,311	281,856	207,743	209,941	30,346	263,964	263,964	
Fines and forfeitures								

Brian Head Town
Budgeting Worksheet
10 10 General Fund - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
3510 Court Fines	432	1,062	629	1,450	199	700	700	
Total Fines and forfeitures	432	1,062	629	1,450	199	700	700	
Interest								
3610 Interest	10,972	22,722	42,714	10,150	0	12,800	12,800	
Total Interest	10,972	22,722	42,714	10,150	0	12,800	12,800	
Special Events								
3540 Registration Fees	1,086	0	384	2,500	0	1,000	1,000	
3560 Grants	0	6,261	0	0	0	0	0	
3570 Other Revenue	23,281	0	20,000	20,000	0	0	0	
Total Special Events	24,367	6,261	20,384	22,500	0	1,000	1,000	
Miscellaneous revenue								
3640 Sale of Fixed Assets/Materials	0	60	0	0	0	0	0	
3650 Sales of materials and supplies	0	320	75	0	0	0	0	
3680 Building/Pavilion Rentals	700	14,510	5,750	4,350	(2,325)	5,000	5,000	
3690 Sundry (Miscellaneous)	9,473	13,756	2,365	13,550	0	10,900	10,900	
Total Miscellaneous revenue	10,173	28,646	8,190	17,900	(2,325)	15,900	15,900	
Contributions								
3802.2 Public Safety Impact Fee/3059	459	1,071	459	0	306	0	0	
Total Contributions	459	1,071	459	0	306	0	0	
Transfers from other funds								
3825 Transfer from RDA	8,667	8,667	8,667	8,667	0	8,667	8,667	
3890 Fund Balance Appropriated	0	0	0	300,185	0	11,588	26,588	
Total Transfers from other funds	8,667	8,667	8,667	308,852	0	20,255	35,255	
Total Revenue:	2,415,537	2,409,715	2,513,711	2,727,393	45,933	2,540,319	2,555,319	
Expenditures:								
General government								
Council								
4111.110 Council - Salaries	14,763	16,000	16,159	16,300	0	16,000	16,000	
4111.130 Council - Benefits	1,129	1,336	1,598	1,246	0	1,224	1,224	
4111.210 Council - Books/Subscriptions/Memberships	50	16	0	100	0	0	0	
4111.230 Council - Travel, Conferences & Training	3,383	2,721	1,875	5,350	22	5,100	5,100	
4111.240 Council - Office Supplies & Expense	0	126	288	250	0	250	250	
4111.290 Council - Telephone/Data Plans	1,226	755	721	250	40	600	600	
4111.330 Council - Training & Education	0	810	0	0	0	0	0	
4111.610 Council - Miscellaneous Expense	0	0	0	250	0	250	250	
Total Council	20,551	21,764	20,641	23,746	62	23,424	23,424	
Administrative								
4140.110 Admin - Salaries & Wages	80,441	87,095	90,167	92,359	7,213	93,914	93,914	
4140.111 Admin - Overtime Wages (Administrative)	186	218	512	0	75	0	0	
4140.121 Admin - Part-Time Salaries/Code Enforcement	3,260	120	0	0	0	0	0	
4140.130 Admin - Employee Benefits	36,716	42,582	40,698	42,793	3,081	43,485	43,485	
4140.140 Admin - Unemployment Costs	0	407	106	0	0	0	0	
4140.210 Admin - Books/Subscriptions/Memberships	2,012	2,180	2,345	2,045	165	2,145	2,145	
4140.220 Admin - Publishing/Legal Notices	2,214	380	672	2,500	157	2,000	2,000	

Brian Head Town
Budgeting Worksheet
10 10 General Fund - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
4140.230 Admin - Travel, Conferences & Training	5,995	1,344	4,680	5,400	314	7,750	7,750	
4140.240 Admin - Office Supplies/Reimb Expenses	4,718	4,358	3,646	4,800	448	4,700	4,700	
4140.245 Admin - Bank Charges	273	486	409	500	0	500	500	
4140.250 Admin - Equipment Supplies/Maintenance	7,625	5,501	2,205	5,550	160	2,050	2,050	
4140.254 Admin - Vehicle Repair & Maintenance	1,550	1,208	272	1,000	0	1,000	1,000	
4140.255 Admin - Fuel & Oil	1,538	871	1,404	1,500	0	1,500	1,500	
4140.260 Admin - Retail Fuel (Town Pump)	72,990	69,806	57,408	56,750	5,493	70,400	70,400	
4140.270 Admin - Bldgs/Grounds - Supplies/Maint	10,351	10,260	10,818	9,870	1,083	10,300	10,300	
4140.275 Admin - Lease Expense (MBA)	52,034	51,155	0	0	0	0	0	
4140.280 Admin - Utilities	5,240	4,885	4,703	5,500	254	5,500	5,500	
4140.290 Admin - Telephone	8,006	7,120	6,178	6,700	533	6,400	6,400	
4140.310 Admin - Professional & Technical Services	34,305	14,783	10,502	10,050	3,000	10,700	10,700	
4140.312 Admin - Audit & Accounting	15,000	15,000	15,000	15,000	0	15,000	15,000	
4140.450 Admin - Elections	73	234	0	0	0	500	500	
4140.485 Admin - Transportation Service	169,310	114,207	130,914	131,000	984	130,000	130,000	
4140.510 Admin - Insurance Expense	57,210	55,131	55,085	56,650	0	54,650	54,650	
4140.540 Admin - Promotions/Incentives	5,552	4,371	3,512	4,750	0	5,300	5,300	
4140.610 Admin - Miscellaneous Expense	1,080	1,592	311	1,175	0	450	450	
Total Administrative	577,679	495,294	441,547	455,892	22,960	468,244	468,244	
Legal								
4145.310 Legal - Professional & Technical Services	4,423	1,563	4,115	7,000	0	7,000	7,000	
Total Legal	4,423	1,563	4,115	7,000	0	7,000	7,000	
Building department								
4160.110 BldgDept - Salaries & Wages	8,624	12,872	13,242	13,312	1,070	14,602	14,602	
4160.111 BldgDept - Overtime Wages (Building)	17	22	77	0	(19)	0	0	
4160.130 BldgDept - Employee Benefits	5,639	8,150	8,089	8,388	604	9,537	9,537	
4160.210 BldgDept - Books/Subscriptions/Membership	135	0	0	0	0	0	0	
4160.230 BldgDept - Travel, Conferences & Training	125	0	0	0	0	0	0	
4160.240 BldgDept - Office Supplies & Expenses	287	0	584	500	0	500	500	
Total Building department	14,827	21,044	21,992	22,200	1,655	24,639	24,639	
Planning and zoning								
4180.110 P&Z - Salaries & Wages	27,173	16,464	16,769	16,831	1,025	14,881	14,881	
4180.111 P&Z - Overtime Wages (P & Z)	22	0	43	0	(43)	0	0	
4180.130 P&Z - Employee Benefits	14,132	9,291	9,217	9,501	665	7,992	7,992	
4180.230 P&Z - Travel, Conferences & Training	366	0	0	500	0	500	500	
4180.240 P&Z - Office Supplies & Expense	0	0	163	0	5	100	100	
4180.310 P&Z - Professional & Technical Services	733	390	25,373	25,800	16	1,100	1,100	
Total Planning and zoning	42,426	26,145	51,565	52,632	1,668	24,573	24,573	
Marketing & Events								
4660.230 Marketing & Events - Travel and Training	9	0	0	0	0	0	0	
4660.250 Marketing & Events - Equip Supplies/Maint	1,126	576	1,426	2,400	1,200	1,900	1,900	
4660.290 Marketing & Events - Telephone	68	0	0	0	0	0	0	
4660.310 Marketing & Events - Prof & Technical Serv	1,566	351	229	1,350	0	1,200	1,200	
4660.610 Marketing & Events - Miscellaneous Expense	25,967	500	0	200	0	0	0	
4660.611 Marketing & Events - Permits	260	100	100	400	0	400	400	

Brian Head Town
Budgeting Worksheet
10 10 General Fund - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
4660.612 Marketing & Events - Advertising/Marketing	29,564	61,566	82,400	124,700	38,500	122,200	122,200	
4660.615 Marketing & Events - Entertainment	20,860	10,550	15,514	17,100	0	17,300	17,300	
4660.616 Marketing & Events - Food	0	490	385	500	259	500	500	
Total Marketing & Events	79,420	74,133	100,054	146,650	39,959	143,500	143,500	
Total General government	739,326	639,943	639,914	708,120	66,304	691,380	691,380	
Public safety								
Police								
4210.110 Police - Salaries & Wages	224,644	230,992	239,492	240,668	19,045	245,772	245,772	
4210.111 Police - Overtime Wages (Police)	18,063	13,406	17,423	18,000	3,432	19,940	19,940	
4210.120 Police - Part-time Officers	28,348	26,410	24,764	30,000	3,600	33,000	33,000	
4210.130 Police - Employee Benefits	188,206	186,066	185,267	191,010	14,666	195,955	195,955	
4210.210 Police - Books/Subscriptions/Memberships	1,346	1,220	604	1,035	50	1,200	1,200	
4210.230 Police - Travel, Conferences & Training	5,109	7,266	3,554	5,450	519	5,600	5,600	
4210.240 Police - Office Supplies & Expense	489	548	664	500	80	600	600	
4210.250 Police - Equipment Supplies & Maintenance	11,279	4,584	6,258	8,150	0	11,100	11,100	
4210.254 Police - Vehicle Repair & Maintenance	9,257	4,585	6,181	6,400	177	5,900	5,900	
4210.255 Police - Fuel	10,828	12,391	11,922	12,000	0	13,000	13,000	
4210.270 Police - Bldg/Grounds Supplies & Maintenance	5,080	4,915	8,037	8,000	385	5,175	5,175	
4210.275 Police - Public Safety Building Payment (MB)	60,888	61,088	60,763	60,763	0	60,925	60,925	
4210.280 Police - Utilities	4,120	4,142	4,145	4,500	156	4,500	4,500	
4210.290.1 Police - Telephone	6,819	4,084	7,037	7,250	341	4,580	4,580	
4210.290.2 Police - Communications	26,022	22,664	23,711	28,950	0	30,850	30,850	
4210.310 Police - Professional & Technical Services	3,271	10,338	7,469	4,120	0	3,810	3,810	
4210.450 Police - Uniforms	1,882	1,825	942	2,000	533	2,000	2,000	
4210.451 Police - EMT Supplies	1,966	788	26	1,250	0	1,250	1,250	
4210.452 Police - EMT Training & Travel	1,867	3,328	1,410	3,000	440	3,150	3,150	
4210.453 Police - Search & Rescue	815	0	0	500	0	500	500	
4210.610 Police - Miscellaneous Expense	0	0	238	250	0	500	500	
Total Police	610,299	600,640	609,907	633,796	43,424	649,307	649,307	
Fire								
4220.110 Fire - Salaries & Wages	79,525	77,597	80,257	89,203	6,348	90,904	90,904	
4220.111 Fire - Overtime Wages (Fire)	6,021	4,468	5,808	6,000	1,144	6,647	6,647	
4220.120 Fire - Part Time Wages	0	4,104	3,293	0	96	0	0	
4220.130 Fire - Employee Benefits	62,684	61,556	61,506	64,415	4,780	66,345	66,345	
4220.210 Fire - Books/Subscriptions/Memberships	300	300	144	1,300	0	700	700	
4220.230 Fire - Travel, Conferences & Training	1,517	1,860	2,909	2,575	(1,568)	2,575	2,575	
4220.240 Fire - Office Supplies & Expense	4	351	228	200	80	300	300	
4220.250 Fire - Equipment - Supplies & Maintenance	7,618	10,010	6,302	4,200	134	4,400	4,400	
4220.254 Fire - Vehicle Repair & Maintenance	3,584	7,840	4,436	7,070	0	7,070	7,070	
4220.255 Fire - Fuel	915	895	2,600	2,500	0	1,200	1,200	
4220.270 Fire - Bldgs/Grounds - Supplies & Maintenance	5,083	4,936	8,041	7,500	385	4,975	4,975	
4220.275 Fire - Public Safety Building Payment (MBA)	60,888	61,088	60,763	60,763	0	60,925	60,925	
4220.280 Fire - Utilities	4,120	4,142	4,145	4,500	156	4,500	4,500	
4220.290 Fire - Telephone	5,260	4,062	3,909	4,260	341	4,580	4,580	
4220.310 Fire - Professional & Technical Services	1,034	2,347	3,291	2,050	0	5,300	5,300	
4220.450 Fire - Uniforms	446	0	479	750	0	750	750	

Brian Head Town
Budgeting Worksheet
10 10 General Fund - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
4220.451 Fire - Volunteer Fire Fund	6,134	56,284	0	0	0	0	0	
4220.453 Fire - State Grants	0	1,858	0	0	0	0	0	
4220.610 Fire - Miscellaneous Expense	0	0	1,627	1,750	0	2,000	2,000	
Total Fire	245,133	303,698	249,738	259,036	11,896	263,171	263,171	
Total Public safety	855,432	904,338	859,645	892,832	55,320	912,478	912,478	
Highways and public improvements								
Highways								
4410.110 Streets - Salaries & Wages	41,514	43,804	46,938	47,956	6,846	87,744	87,744	
4410.111 Streets - Overtime Wages (Streets)	1,804	1,349	3,631	3,500	504	2,000	2,000	
4410.130 Streets - Employee Benefits	30,254	28,654	31,202	31,761	4,949	60,406	60,406	
4410.230 Streets - Travel, Conferences & Training	3,329	515	5,091	5,000	0	2,000	2,000	
4410.240 Streets - Office Supplies & Expense	128	0	0	0	0	100	100	
4410.250 Streets - Equipment - Supplies & Maintenance	0	650	0	0	681	600	600	
4410.253 Streets - Snow Removal	19,757	13,305	73,732	73,252	3,600	38,300	38,300	
4410.269 Streets - Equipment Rental	8,671	13,386	15,665	18,100	4,550	18,500	18,500	
4410.270 Streets - Bldgs/Grounds - Supplies & Maint	210	0	0	0	0	0	0	
4410.280 Streets - Utilities (Area Lights)	14,569	13,734	13,694	15,000	1,147	15,000	15,000	
4410.310 Streets - Professional & Technical Services	10,971	40,932	605	4,300	0	5,800	5,800	
4410.411 Streets - Street Signs & Signals	128	359	1,100	2,000	0	10,000	10,000	
4410.415 Streets - Skier bridge O&M	0	0	0	1,500	0	1,500	1,500	
4410.420 Streets - Road Maintenance/Improvements	19,740	23,455	10,275	15,700	2,560	24,500	24,500	
4410.700 Streets - Capital Outlay	17,800	0	0	0	0	0	0	
Total Highways	168,875	180,143	201,933	218,069	24,837	266,450	266,450	
Shop & garage								
4440.230 Shop - Travel, Conferences & Training	390	378	986	900	0	500	500	
4440.240 Shop - Office Supplies & Expenses	814	216	365	1,000	57	800	800	
4440.250 Shop - Equipment - Supplies & Maintenance	5,122	5,596	5,149	6,950	674	6,950	6,950	
4440.252 Shop - Heavy Equipment Maintenance	25,540	29,711	27,752	26,000	141	20,000	20,000	
4440.254 Shop - Vehicle Repair & Maintenance	5,939	4,267	3,909	5,000	433	5,000	5,000	
4440.255 Shop - Fuel	37,642	44,116	68,201	70,000	4,612	50,000	50,000	
4440.261 Shop - Equipment Lease (operating)	94,550	81,407	86,599	90,250	6,250	91,734	91,734	
4440.270 Shop - Bldgs/Grounds - Supplies & Maint	2,372	1,867	2,181	1,960	149	4,310	4,310	
4440.280 Shop - Utilities	9,383	9,396	8,328	10,000	264	10,000	10,000	
4440.290 Shop - Telephone	7,697	5,621	6,079	5,600	546	5,600	5,600	
4440.310 Shop - Professional & Technical Services	1,090	1,355	1,228	1,700	0	1,450	1,450	
4440.330 Shop - Training & Education	0	0	0	0	0	0	0	
4440.450 Shop - Uniforms	6,960	3,691	3,702	5,500	262	6,100	6,100	
4440.610 Shop - Miscellaneous Expense	0	1,320	0	0	0	0	0	
Total Shop & garage	197,499	188,941	214,479	224,860	13,388	202,444	202,444	
Total Highways and public improvements	366,374	369,084	416,412	442,929	38,225	468,894	468,894	
Parks, recreation, and public property								
Recreation								
4560.110 Recreation - Salaries & Wages	12,807	8,922	3,471	5,040	1,042	6,930	6,930	
4560.111 Recreation - Overtime Wages (Recreation)	158	21	90	0	76	0	0	
4560.130 Recreation - Employee Benefits	1,042	1,022	29	522	113	2,187	2,187	

Brian Head Town
Budgeting Worksheet
 10 10 General Fund - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
4560.230 Recreation - Travel, Conferences & Training	0	85	0	0	0	0	0	
4560.240 Recreation - Office Supplies & Expense	0	0	0	0	0	100	100	
4560.250 Recreation - Supplies & Maintenance	628	1,549	1,836	1,300	356	800	800	
4560.254 Recreation - Vehicle Repair & Maintenance	1,156	115	807	800	453	800	800	
4560.265 Recreation - Fuel	487	419	768	800	0	800	800	
4560.269 Recreation - Equipment Rental	0	2,266	0	1,400	0	1,200	1,200	
4560.270 Recreation - Blds/Grounds - Supplies & Maint	2,564	5,340	3,073	5,650	30	1,950	1,950	
4560.310 Recreation - Professional & Technical Service	2,472	322	470	3,800	0	3,700	3,700	
4560.450 Recreation - Uniforms	91	0	110	200	41	200	200	
4560.621 Recreation - Beautification	1,198	829	123	1,000	272	4,000	4,000	
4560.631 Recreation - Walking Trails	332	0	0	0	0	0	0	
4560.632 Recreation - Bike Trails	0	0	0	0	0	15,000	0	
4560.633 Recreation - ATV/Snowmobile Trails	2,944	90	4,497	2,500	0	3,000	3,000	
4560.634 Recreation - Trail Signs	741	126	0	500	0	500	500	
Total Recreation	26,620	21,106	15,274	23,512	2,383	41,167	26,167	
Total Parks, recreation, and public property	26,620	21,106	15,274	23,512	2,383	41,167	26,167	
Miscellaneous								
4900 Operating Contingency	34,633	25,799	29,787	40,000	0	40,000	40,000	
Total Miscellaneous	34,633	25,799	29,787	40,000	0	40,000	40,000	
Transfers								
4846 Transfer to Capital Projects	280,000	302,300	300,000	300,000	0	236,400	266,400	
4847 Transfer to Asset Replacement	0	0	320,000	320,000	0	150,000	150,000	
Total Transfers	280,000	302,300	620,000	620,000	0	386,400	416,400	
Total Expenditures:	2,302,385	2,262,570	2,581,032	2,727,393	162,232	2,540,319	2,555,319	
Total Change In Net Position	113,152	147,145	(67,321)	0	(116,299)	0	0	

Brian Head Town
Budgeting Worksheet
46 46 Capital Projects - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
Change In Net Position								
Revenue:								
Intergovernmental revenue								
3312 Public Safety Federal Grant	0	123,300	76,700	76,700	0	0	0	
3314 Public Safety State Grant	0	0	150,000	150,000	0	45,000	45,000	
3341 General Gov't State Grant	0	0	191,522	200,000	0	119,400	221,400	
Total Intergovernmental revenue	0	123,300	418,222	426,700	0	164,400	266,400	
Interest								
3610 Interest revenue	4,193	8,279	6,818	0	0	0	0	
Total Interest	4,193	8,279	6,818	0	0	0	0	
Miscellaneous revenue								
3640 Sales of Fixed Assets/Materials	75,000	28,500	0	0	0	0	0	
Total Miscellaneous revenue	75,000	28,500	0	0	0	0	0	
Transfers from other funds								
3810 Transfers from General Fund	280,000	302,300	300,000	300,000	0	236,400	266,400	
3817 Transfer from Wildlands Fire Fund	21,401	25,000	0	0	0	25,000	25,000	
3825 Transfer from RDA Fund	0	50,000	277,000	277,000	0	0	0	
3847 Transfer from Asset Replacement Fund	0	0	25,000	25,000	0	0	0	
3890 Fund Balance Appropriated	0	0	0	367,448	0	130,200	127,600	
Total Transfers from other funds	301,401	377,300	602,000	969,448	0	391,600	419,000	
Total Revenue:	380,594	537,379	1,027,040	1,396,148	0	556,000	685,400	
Expenditures:								
General government								
Administrative								
4100.720 Capital Project - Town Hall	0	25,000	0	0	0	0	0	
4100.730 Capital Project - Asset Management	6,185	20,431	0	0	0	0	0	
4100.740 Capital Project - Wayfinding Signs	0	0	106,424	120,000	0	0	0	
Total Administrative	6,185	45,431	106,424	120,000	0	0	0	
Total General government	6,185	45,431	106,424	120,000	0	0	0	
Public safety								
Police								
4210.700 Capital project - Police Public Safety Vehicles	102,283	79,668	269	0	0	0	0	
4210.730 Capital Project - Police Equipment	0	0	2,618	2,600	0	22,200	19,600	
Total Police	102,283	79,668	2,887	2,600	0	22,200	19,600	
Fire								
4220.700 Capital project - Fire	0	123,300	269,674	276,700	0	0	0	
4220.730 Capital Project - Fire Equipment	0	0	0	0	0	90,000	90,000	
Total Fire	0	123,300	269,674	276,700	0	90,000	90,000	
Total Public safety	102,283	202,968	272,561	279,300	0	112,200	109,600	
Highways and public improvements								
Highways								
4410.250 Street Non-Capital	0	0	(349)	0	0	0	0	
4410.700 Capital project Streets	37,035	242,865	310,045	389,877	477	200,000	200,000	

Brian Head Town
Budgeting Worksheet
46 46 Capital Projects - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
4410.720 Capital Project - Pedestrian Improvements	0	33,735	222,584	250,000	0	16,000	16,000	
4410.740 Capital Project - Public Works Vehicle	46,262	0	0	0	0	0	0	
Total Highways	83,297	276,600	532,280	639,877	477	216,000	216,000	
Total Highways and public improvements	83,297	276,600	532,280	639,877	477	216,000	216,000	
Parks, recreation, and public property								
Recreation								
4560.700 Capital project - Recreation	0	0	0	0	0	72,800	72,800	
4560.710 Capital project - Mountain Bike Trails	0	0	0	0	0	0	132,000	
4560.751 Project construction - Chair 1 Parking	0	32,523	142,702	257,000	0	5,000	5,000	
4560.752 Project construction - Chair 1 Restrooms	0	0	3,617	0	0	150,000	150,000	
Total Recreation	0	32,523	146,319	257,000	0	227,800	359,800	
Total Parks, recreation, and public property	0	32,523	146,319	257,000	0	227,800	359,800	
Transfers								
4847 Transfer to Asset Replacement Fund	0	0	99,971	99,971	0	0	0	
Total Transfers	0	0	99,971	99,971	0	0	0	
Total Expenditures:	191,765	557,522	1,157,555	1,396,148	477	556,000	685,400	
Total Change In Net Position	188,829	(20,143)	(130,515)	0	477	0	0	

Brian Head Town
Budgeting Worksheet
47 47 Asset Replacement Fund - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
Change In Net Position								
Revenue:								
Miscellaneous revenue								
3640 Sale of Assets	0	0	4,350	22,000	105,000	92,800	197,800	
3670 Loan Proceeds	0	0	50,000	50,000	0	0	0	
Total Miscellaneous revenue	<u>0</u>	<u>0</u>	<u>54,350</u>	<u>72,000</u>	<u>105,000</u>	<u>92,800</u>	<u>197,800</u>	
Transfers from other funds								
3810 Transfer from General Fund	0	0	320,000	320,000	0	150,000	150,000	
3846 Transfer from Capital Projects Fund	0	0	99,971	99,971	0	0	0	
3851 Transfer from Water Fund	0	0	20,000	20,000	0	0	0	
3852 Transfer from Sewer Fund	0	0	20,000	20,000	0	0	0	
3890 Fund Balance Appropriated	0	0	0	0	0	15,700	14,700	
Total Transfers from other funds	<u>0</u>	<u>0</u>	<u>459,971</u>	<u>459,971</u>	<u>0</u>	<u>165,700</u>	<u>164,700</u>	
Total Revenue:	<u>0</u>	<u>0</u>	<u>514,321</u>	<u>531,971</u>	<u>105,000</u>	<u>258,500</u>	<u>362,500</u>	
Expenditures:								
General government								
Administrative								
4100.310 Admin - Professional and Technical Services	0	0	0	2,000	0	0	0	
4100.720 Admin - Town Hall (Fuel Tank Replacement)	0	0	72,236	75,000	417	0	0	
4100.721 Admin - FF&E Replacement/Renewal	0	0	127	14,000	0	5,000	5,000	
4100.741 Admin - Vehicle Replacement	0	0	0	0	0	20,000	20,000	
4100.742 Admin - Computer/Electronic Replacement	0	0	1,651	5,250	121	5,250	5,250	
Total Administrative	<u>0</u>	<u>0</u>	<u>74,014</u>	<u>96,250</u>	<u>538</u>	<u>30,250</u>	<u>30,250</u>	
Total General government	<u>0</u>	<u>0</u>	<u>74,014</u>	<u>96,250</u>	<u>538</u>	<u>30,250</u>	<u>30,250</u>	
Public safety								
Police								
4200.721 Public Safety - FF&E Replacement/Renewal	0	0	0	1,000	0	0	0	
4200.740 Public Safety - Equipment Replacement	0	0	20,410	41,736	0	60,800	60,800	
4200.741 Public Safety - Vehicle Replacement	0	0	20,652	39,300	0	80,000	80,000	
4200.742 Public Safety - Computer/Electronics Replace	0	0	3,531	6,500	0	6,500	6,500	
Total Police	<u>0</u>	<u>0</u>	<u>44,593</u>	<u>88,536</u>	<u>0</u>	<u>147,300</u>	<u>147,300</u>	
Total Public safety	<u>0</u>	<u>0</u>	<u>44,593</u>	<u>88,536</u>	<u>0</u>	<u>147,300</u>	<u>147,300</u>	
Highways and public improvements								
Special improvements								
4400.721 Streets - FF&E Replacement/Renewal	0	0	990	2,800	0	0	0	
4400.740 Streets - Equipment Replacement	0	0	182,505	181,000	0	44,500	148,500	
4400.741 Streets - Vehicle Replacement	0	0	0	82,800	0	33,200	33,200	
4400.742 Streets - Computer/Electronics Replacement	0	0	1,679	3,250	150	3,250	3,250	
Total Special improvements	<u>0</u>	<u>0</u>	<u>185,174</u>	<u>269,850</u>	<u>150</u>	<u>80,950</u>	<u>184,950</u>	
Total Highways and public improvements	<u>0</u>	<u>0</u>	<u>185,174</u>	<u>269,850</u>	<u>150</u>	<u>80,950</u>	<u>184,950</u>	
Transfers								
4846 Transfers To Capital Projects Fund	0	0	25,000	25,000	0	0	0	
4890 Budgeted Increase in Fund Balance	0	0	0	52,335	0	0	0	

Brian Head Town
Budgeting Worksheet
47 47 Asset Replacement Fund - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
Total Transfers	0	0	25,000	77,335	0	0	0	
Total Expenditures:	0	0	328,781	531,971	688	258,500	362,500	
Total Change In Net Position	0	0	185,540	0	104,312	0	0	

Brian Head Town
Budgeting Worksheet
51 51 Water - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
Income or Expense								
Income From Operations:								
Operating income								
3712 Water - Bulk Water Sales	27,473	34,092	28,909	27,000	751	31,000	31,000	
3717 Rental revenue	9,600	0	0	0	0	0	0	
3718 Water Lease Revenue	1,231,949	1,255,732	1,264,919	1,310,000	107,035	1,242,000	1,242,000	
3719 Penalties	(27,331)	(30,052)	(1,831)	6,000	233	6,000	6,000	
3720 Water Connection Fees	6,500	16,300	5,250	7,600	3,500	8,400	8,400	
3725 Miscellaneous operating income	0	0	0	0	2,575	0	0	
3749 Resort - Water Pumping Fee	40,712	65,703	77,232	43,000	0	46,000	46,000	
Total Operating income	1,288,903	1,341,775	1,374,479	1,393,600	114,094	1,333,400	1,333,400	
Operating expense								
4751.110 Salaries & Wages	199,022	212,433	218,583	226,161	17,528	228,165	228,165	
4751.111 Overtime Wages - Utilities	5,950	4,455	11,657	11,200	831	7,000	7,000	
4751.130 Employee Benefits	72,638	131,482	125,133	133,377	10,932	142,171	142,171	
4751.210 Books/Subscriptions/Memberships	385	395	405	400	0	400	400	
4751.230 Travel, Conferences & Training	4,392	3,577	5,080	6,500	0	6,500	6,500	
4751.240 Office Supplies/Reimbursement Expenses	558	740	967	1,200	291	1,300	1,300	
4751.245 Bank Charges - Utilities	2,781	2,910	2,164	2,500	0	1,800	1,800	
4751.250 Equipment Supplies & Maintenance	8,633	9,673	10,708	11,000	6,298	25,200	25,200	
4751.255 Fuel	0	0	1,380	0	0	0	0	
4751.256 Shop Charges	28,691	27,165	29,978	29,780	4,196	50,350	50,350	
4751.265 System Repairs	22,349	74,661	31,800	62,500	29,933	128,000	128,000	
4751.268 Leases - Water	76,066	58,738	30,445	37,825	0	37,825	37,825	
4751.270 Bldgs/Grounds - Supplies & Maintenance	3,021	7,803	11,413	11,500	0	5,000	5,000	
4751.280 Utilities	114,610	126,544	120,302	114,000	11,469	120,000	120,000	
4751.290 Telephone	0	0	1,115	0	0	0	0	
4751.310 Professional & Technical Services	8,630	16,795	8,366	20,725	140	25,325	25,325	
4751.311 Legal Services	345	0	0	1,000	0	1,000	1,000	
4751.550 Administrative Charges	62,572	56,811	32,356	32,356	3,309	39,707	39,707	
4751.610 Miscellaneous Expense	0	0	(117)	0	0	0	0	
4751.620 Bad debt expense	0	(32,284)	0	0	0	0	0	
4751.690 Depreciation	192,837	192,353	313,278	300,000	0	353,592	353,592	
Total Operating expense	803,480	894,251	955,013	1,002,024	84,927	1,173,335	1,173,335	
Total Income From Operations:	485,423	447,524	419,466	391,576	29,167	160,065	160,065	
Non-Operating Items:								
Non-operating income								
3730 USDA Grant	0	0	0	700,000	0	0	0	
3793 USDA Water Bond Interest	2,184	3,994	6,988	0	646	0	0	
3794 Interest Earnings	1,817	4,465	14,513	2,100	632	1,600	1,600	
3795 Water Impact Fees	2,939	59,324	(5,251)	0	10,502	0	0	
3830 Transfer from Debt Service	0	185,410	181,393	181,393	0	0	0	
3871 Transfer from water impact fund	29,575	0	0	0	0	0	0	
Total Non-operating income	36,515	253,193	197,643	883,493	11,780	1,600	1,600	
Non-operating expense								

Brian Head Town
Budgeting Worksheet
51 51 Water - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
4751.820 Debt Payment - Interest	210,234	209,547	215,926	201,741	15,905	193,617	193,617	
4751.830 Administrative Fees	0	1,000	500	500	0	500	500	
4847 Transfer to Asset Replacement Fund	0	0	20,000	20,000	0	0	0	
4895 Transfer to Snowmaking	16,178	16,918	16,918	16,918	0	17,490	147,634	
Total Non-operating expense	226,412	227,465	253,344	239,159	15,905	211,607	341,751	
Total Non-Operating Items:	(189,897)	25,728	(55,701)	644,334	(4,125)	(210,007)	(340,151)	
Total Income or Expense	295,526	473,252	363,765	1,035,910	25,042	(49,942)	(180,086)	

Brian Head Town
Budgeting Worksheet
55 55 Snowmaking Lease - 07/01/2019 to 06/30/2020

	2017 Actual	2018 Actual	2019 Actual	2019 Budget	2020 Actual	Original Budget	Revised Budget	Worksheet Notes
Income or Expense								
Income From Operations:								
Operating income								
3731 Snowmaking Lease Revenue	288,072	293,711	0	0	0	0	0	
Total Operating income	<u>288,072</u>	<u>293,711</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Operating expense								
4755.690 Depreciation	101,609	101,609	101,609	101,609	0	101,609	101,609	
Total Operating expense	<u>101,609</u>	<u>101,609</u>	<u>101,609</u>	<u>101,609</u>	<u>0</u>	<u>101,609</u>	<u>101,609</u>	
Total Income From Operations:	<u>186,463</u>	<u>192,102</u>	<u>101,609</u>	<u>101,609</u>	<u>0</u>	<u>101,609</u>	<u>101,609</u>	
Non-Operating Items:								
Non-operating income								
3794 Interest Earnings	3,448	5,324	5,195	0	386	0	0	
3851 Transfers from Water Fund	16,178	16,918	16,918	16,918	0	17,490	147,634	
Total Non-operating income	<u>19,626</u>	<u>22,242</u>	<u>22,113</u>	<u>16,918</u>	<u>386</u>	<u>17,490</u>	<u>147,634</u>	
Non-operating expense								
4755.820 Debt Payments - Interest	48,157	27,867	30,975	22,115	7,523	7,523	7,523	
4755.830 Administrative fees	500	0	2,000	500	0	500	500	
Total Non-operating expense	<u>48,657</u>	<u>27,867</u>	<u>32,975</u>	<u>22,615</u>	<u>7,523</u>	<u>8,023</u>	<u>8,023</u>	
Total Non-Operating Items:	<u>(29,031)</u>	<u>(5,625)</u>	<u>(10,862)</u>	<u>(5,697)</u>	<u>(7,137)</u>	<u>9,467</u>	<u>139,611</u>	
Total Income or Expense	<u>157,432</u>	<u>186,477</u>	<u>(112,471)</u>	<u>(107,306)</u>	<u>(7,137)</u>	<u>(92,142)</u>	<u>38,002</u>	



STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Brian Head Trails Support Resolution
AUTHOR: Bret Howser
DEPARTMENT: Administration
DATE: August 12, 2019
TYPE OF ITEM: Legislative Action

SUMMARY:

The Council will consider a resolution supporting new trails in Dixie National Forest, namely an Off-Highway Vehicle (OHV) trail giving more direct access between Town and Red Desert/Duck Creek area, as well as non-motorized trails connecting the Marathon Trail and the Rattlesnake Trail and an expansion of the mountain biking trails in the Louder Ponds/Sidney Peaks area.

BACKGROUND:

The Town has long been kicking around the concept of building an OHV trail south out of Brian Head taking people into Dixie National Forest (DNF) and eventually to the Red Desert OHV trail system. Currently, OHV's have to travel north out of Brian Head through Dry Lakes and Parowan Canyon, up to Yankee Meadow, and over into Panguitch Lake before they can proceed into the Red Desert area – basically an entire day's ride. The idea has been looked at with varying degrees of seriousness by DNF staff. Supposedly, the National Environmental Policy Act (NEPA) process was even begun at one point and it was quickly concluded that the area between Brian Head Peak and Cedar Breaks Nat'l Monument was too rich with archeological remains to make the project viable.

Town Council has directed staff multiple times, including in the FY 2020 Strategic Plan, to work with DNF to find a workable solution for an OHV trail south out of Brian Head. DNF commonly responds to staff that the Town has not shown a solid enough commitment to the idea. So two years ago, the Town Council held a discussion in the strategic planning retreat devoted directly to the topic of the OHV trail – with the question being “Do we really want to have that trail knowing the amount of OHV traffic and related issues it may bring in to Town.” The Council's answer was “Yes.” So staff proceeded to develop a Sustainable Recreation & Tourism Master Plan (Recreation Plan) with DNF, Cedar Breaks Nat'l Monument (CBNM), and Iron County. In the final draft of the Recreation Plan, which was adopted by the Town Council, it is declared that we wish to find an OHV route south out of Brian Head.

ANALYSIS:

The attached resolution is intended to be a formal request to the DNF that they begin the NEPA process for an OHV trail south out of Brian Head. The resolution is attached along with a map showing potential routing for the trail.

The resolution also contains statements of support for non-motorized trails in a few areas.

FINANCIAL IMPLICATIONS:

The resolution contains a statement that the Town is willing to participate financially in the construction and maintenance of the trails. This is not a definite commitment of a certain sum of money, but obviously the DNF wants to see some financial ownership from the community. Certainly, this would include helping DNF acquire grants for construction and helping provide matching funds for those grants, as we've done in the past. Also, we've had preliminary discussions of a cooperative agreement for jointly funding a summer maintenance crew.

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends that Council adopt the attached resolution

PROPOSED MOTION:

I move to adopt resolution number 489 expressing the Town's support to Dixie National Forest pre-planning and environmental studies to be performed for certain potential trails, including a potential OHV trail south out of Brian Head connecting Brian Head Town to the Red Desert OHV trail system.

ATTACHMENTS:

A – Proposed Resolution & Trail Maps



RESOLUTION NO. _____

A RESOLUTION OF THE BRIAN HEAD TOWN COUNCIL EXPRESSING STRONG SUPPORT FOR THE PRE-PLANNING AND ENVIRONMENTAL STUDIES TO BE COMPLETED FOR MOTORIZED OHV TRAIL SOUTH OF BRIAN HEAD TO THE RED DESERT TRAIL SYSTEM. AND NON-MOTORIZED TRAILS IN THE DIXIE NATIONAL FOREST.

WHEREAS, the Brian Head Town Council recognized the need to form a partnership with the Forest Service, Cedar Breaks National Monument, and Iron County in order to provide designated trail systems throughout the Dixie National Forest, Counties and Town areas linking Brian Head to other communities for recreational purposes and access, and;

WHEREAS, Brian Head Town, Dixie National Forest Service, Iron County and Cedar Breaks National Monument representatives participated in establishing the Brian Head Area Sustainable Tourism and Recreational Master Plan (Recreation Plan) as a coordinated effort. The Recreation Plan calls out for certain trail improvements, and;

WHEREAS, Brian Head Town is known as a recreational resort community that has identified trails as an important factor in providing safe and enjoyable experiences to the residents and guests of Brian Head Town in which the local and regional economy benefit from OHV (Off-Highway Vehicle) trails, and:

WHEREAS, the Brian Head Town Council recognizes the increasing demand in OHV travel throughout the Dixie National Forest and seeks to connect a motorized trail from Brian Head to the Red Desert OHV trail system as a designated route that would allow OHV users a reasonable route to access the Red Desert Trail System and protect the environment from unauthorized cross country travel, and;

WHEREAS, The Town Council recognizes the challenges in the current OHV trail system in which the travel to the Red Desert Trail System is hampered by long distance and frequent trail closures due to the 2017 Brianhead Fire, and;

WHEREAS, The Town has established a successful working partnership with the Forest Service in establishing mountain bike trails throughout the Dixie National Forest and wishes to expand the working relationship and opportunities, and;

DRAFT

WHEREAS, The Town has made and is currently making improvements to non-motorized trails which lead into the existing Marathon Bike Trail and desires to connect such non-motorized trails to Cedar Breaks National Monument which is consistent with the Recreation Plan.

NOW THEREFORE BE IT RESOLVED by the Brian Head Town Council of Brian Head, Iron County, State of Utah:

1. Brian Head Town supports OHV trails connecting Brian Head to the Red Desert Trail system, consistent with the Recreation Plan.
2. Brian Head Town's desired route may include the following segments:
 - a) Connect Snowflake Drive to the Summit Subdivision traveling through Forest Service lands (Exhibit A)
 - b) Connect the Summit Subdivision to the Brian Head Resort Access Road on existing OHV tracks (Exhibit A).
 - c) Connect the trail from Brian Head Resort Access Road to the Brian Head Peak Road along the shoulder of Highway 143 (Exhibit A) or on Highway 143 with the approval from the Utah Department of Transportation (UDOT).
 - d) Travel from Brian Head Peak Road to Ireland Meadows on logging roads (Exhibit B).
 - e) From Ireland Meadows travel to Rainbow Meadow on County Roads, then via Forest Service Road 2372 connector into the Red Desert (Exhibit B).
 - f) Brian Head Town believes this route avoids areas designed by the Recreation Plan as non-motorized, such as Cedar Breaks National Monument and Louder Pond/Sidney Peaks mountain biking area.
3. Brian Head Town is open to other alternatives proposed by the Forest Service for a more direct OHV route between Brian Head Town and Red Desert than what currently exists.
4. Brian Head Town also supports non-motorized trails connecting the Marathon Trail to the Rattlesnake Trail (Exhibit C). This would connect hikers from Dry Lakes Ranch to Cedar Breaks National Monument.
5. Brian Head Town is in support of expansion of mountain bike trails in the Louder Pond/Sidney Peaks Area.
6. Brian Head Town desires these trails to be considered along with any other trails the Forest Service is considering for pre-planning and studies related to the National Environmental Policy Act.
7. Brian Head Town is willing to corporate and participate financially with Dixie National Forest Service, Iron County, private and volunteer organizations on the maintenance of these trails.
8. Brian Head Town desires to cooperate in seeking matching grants for future construction of these trails.

DATED this _____ day of August 2019

DRAFT

TOWN COUNCIL VOTE:

Mayor Clayton Calloway	Aye_____	Nay_____
Council Member Lynn Mulder	Aye_____	Nay_____
Council Member Larry Freeberg	Aye_____	Nay_____
Council Member Kelly Marshall	Aye_____	Nay_____
Council Member Shad Hunter	Aye_____	Nay_____

BRIAN HEAD TOWN

CLAYTON CALLOWAY, MAYOR

ATTEST:

NANCY LEIGH, TOWN CLERK

(SEAL)

Exhibit A: Motorized Trail Connecting Brian Head Town to Brian Head Peak Road



Exhibit B: Motorized Trail Connecting Brian Head Peak Road to Red Desert

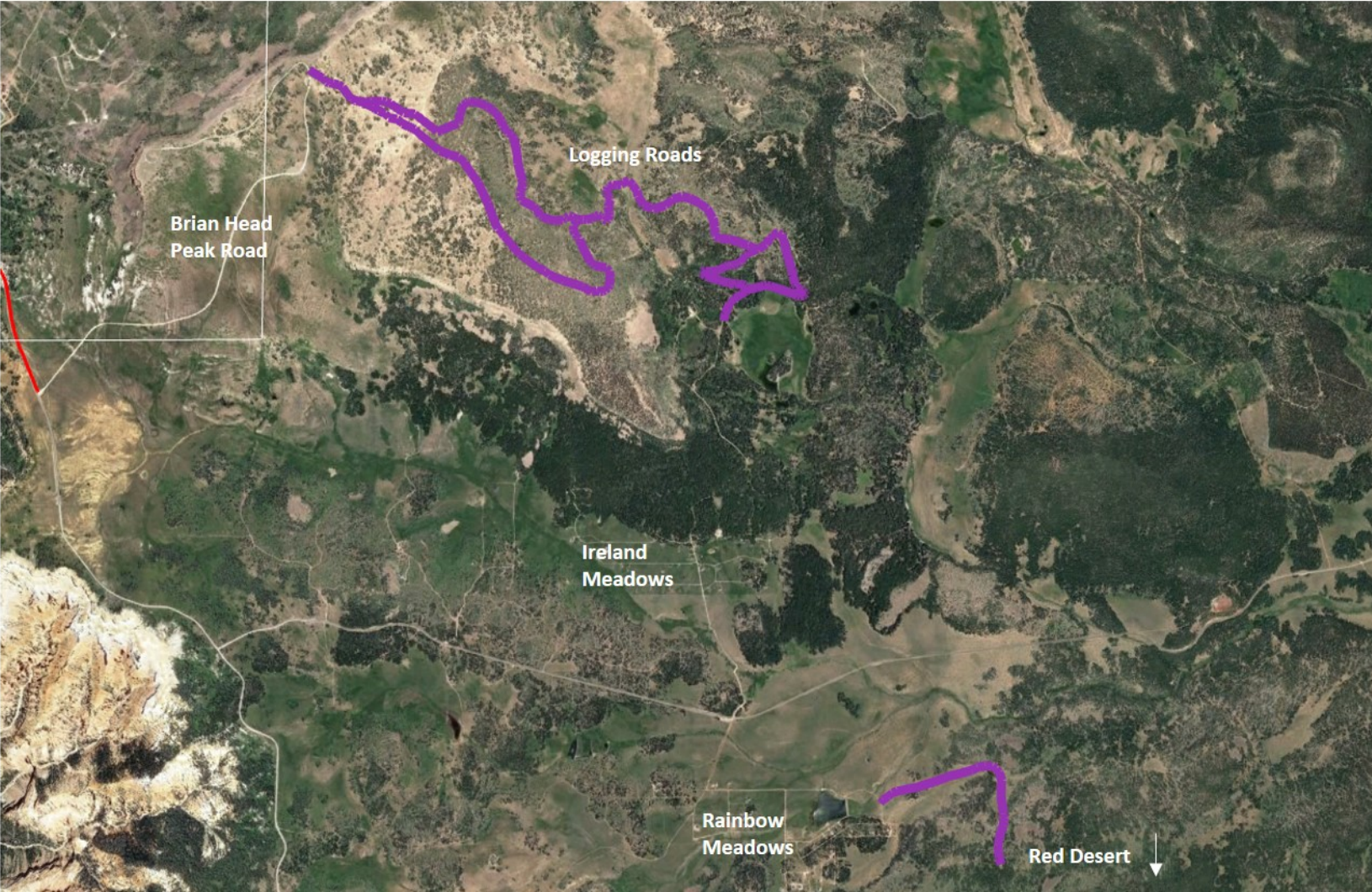


Exhibit C: Non-Motorized Trail Connector from Marathon Trail to Rattlesnake Trail





STAFF REPORT TO THE TOWN COUNCIL

SUBJECT: Residential Fire Sprinkler Requirement
AUTHOR: Bret Howser
DEPARTMENT: Administration
DATE: August 12, 2019
TYPE OF ITEM: Legislative Action

SUMMARY:

Council will consider an ordinance reinstating a portion of the recently repealed §8-1-4 of the Brian Head Town Code which would allow the Town to require residential fire sprinklers under certain conditions.

BACKGROUND:

In 2010 the Town adopted an ordinance requiring automatic fire suppression sprinklers to be installed in all residential buildings over 3,000 square feet. The ordinance is codified in §8-1-4 of the Brian Head Town Code as follows:

8-1-4: RESIDENTIAL AUTOMATIC FIRE SPRINKLER REQUIREMENT:

- A. The town requires automatic fire sprinklers shall be installed in all new one- and two-family and townhouse buildings over three thousand (3,000) square feet in size of defined living space (garage is excluded from defined living space) in accordance with section 903.3.1 of the international building code currently adopted by the state code commission.
- B. In areas not served by the town culinary water services, NFPA standard 1142 for water supplies for rural firefighting shall apply.
- C. Any one- and two-family dwelling and townhouse that is difficult to locate or access, as determined by the authority having jurisdiction, shall be required to follow the guidelines as set forth in NFPA standard 1142, regardless of the size of the building. (Ord. 10-003, 4-13-2010, eff. 4-13-2010)

During the course of the Town's recent revisiting of nightly rental policies a few questions have arisen regarding the application of this ordinance. First, as with all residential development in Town, some have sprinklers and some don't depending on the size, how the livable space was measured, and when it was built (before or after the requirement). This has prompted some to contend that the "gamesmanship" of scaling a project to just under 3,000 ft livable space to avoid the sprinkler requirement is putting neighbors and perhaps the whole town at risk. This raises the question whether the square footage trigger should be reduced or eliminated altogether to counter those who would game the system. Second, reconsidering the square footage limit offers a good opportunity for the Town to revisit the purpose of the sprinkler requirement and re-evaluate if the requirement should exist at all.

Council held a discussion on May 13, 2019 regarding the sprinkler requirement and did not reach a conclusion, asking for further information. One alternative that was brought up in the discussion was to increase the square footage threshold. On May 28, 2019, the Council heard a presentation from the Deputy State Fire Marshal and the Iron County Building Inspector regarding residential sprinkler requirements.

Discussion was held again during the Council Meeting on 6-10-19 in which the Council discussed a compromise position of requiring residential sprinklers on structures over 4,000

square feet. Ultimately, the Council decided that it was not appropriate for the Town to require residential sprinklers at all and requested that staff return with an ordinance repealing the requirement.

On June 24, 2019, Council repealed §8-1-4 of the Town Code.

ANALYSIS:

Since the repeal of the sprinkler ordinance, Town staff has encountered a situation involving a steep driveway where residential sprinklers may be appropriate. The Land Mgt Code requires driveways to be a 12% grade or below. Anything over 12% requires approval of the Public Safety Director. A recent building permit application included a driveway at 32.5%. The Public Safety Director reviewed the driveway and denied approval. Typically, we would just tell the applicant to reduce modify their project to reduce the slope of the driveway. However, in this circumstance the project was already underway, and the driveway was built. In order to be as accommodating as we could be, we suggested an alternative – that the applicant mitigate the fire safety issues through some additional measure such as residential sprinklers. If they were to do so, the Public Safety Director would approve the steep driveway. The applicant complained that we are not allowed to require sprinklers, to which we responded that we are not requiring sprinklers – we require a 12% grade, but we'd be willing to overlook that requirement if they did something like sprinklers to reduce the fire risk. The situation remains unresolved at the writing of this report.

As steep driveways are likely to be an ongoing issue as the Town approaches buildout and fewer and fewer of the flattest lots remain, staff suggests that this issue be clarified in our code by explicitly allowing the Town to require sprinklers under such circumstances.

State Code §15A-5-203 allows local governing bodies to require residential sprinklers by ordinance under any of the following conditions:

- Located in an urban-wildland interface area and does not meet Minimum Standards for County Wildland Fire Ordinance
- No public water system/fire hydrants present
- Access road has a grade greater than 10% for more than 500 continual feet
- Building is over 10,000 square feet or double the average square footage of homes in subdivision
- Exceptions: Can't require if located outside wildland-urban interface, one-lot subdivision, 50 ft defensible space

The first bullet point covers all of Brian Head. Staff proposes that

The attached ordinance would reinstate a modified portion of the old §8-1-4 of the Town Code, which would allow Town staff to require residential fire sprinklers for residences that are difficult or dangerous for fire personnel/equipment to access. This would include, but not be limited to, residences with steep driveways.

8-1-4: RESIDENTIAL AUTOMATIC FIRE SPRINKLER REQUIREMENT:

A. The town requires automatic fire sprinklers shall be installed in any new one- and two-family and townhouse buildings that are difficult or dangerous to locate or access by public safety personnel and apparatus, as determined by the Public Safety Director, in accordance with

section 903.3.1 of the international building code currently adopted by the state code commission.

FINANCIAL IMPLICATIONS:

N/A

BOARD/COMMISSION RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends that Council consider the attached ordinance.

PROPOSED MOTION:

I move that we adopt ordinance # 19-011 reinstating a limited residential automatic fire sprinkler requirement for Brian Head Town

ATTACHMENTS:

A – Residential Fire Sprinkler Requirement Ordinance

DRAFT



BRIAN HEAD TOWN

ORDINANCE NO. _____

AN ORDINANCE REINSTATING A PORTION OF THE RESIDENTIAL AUTOMATIC FIRE SPRINKLER REQUIREMENT AS TITLE 8, CHAPTER 1.4 OF THE BRIAN HEAD TOWN CODE.

WHEREAS, in 2007, the Brian Head Town Council adopted ordinance No. 07-006, requiring all residential homes over 3,000 square feet of living space to install residential automatic fire sprinklers and amended by ordinance No. 10-003; and,

WHEREAS, The Brian Head Town adopted the International Code by State mandate and in 2010, the exception identified in state mandate was removed due to the reasoning that Brian Head Town qualifies as a Wildland Urban Interface Community; and,

WHEREAS, The Town Council determined the residential automatic fire sprinkler requirement was an undue burden on the homeowner financially and did not have the impact it was originally intended for and repealed the code in its entirety by adopting ordinance number 19-006 on June 24, 2019; and,

WHEREAS, The Town Council determined that a limited portion of the residential fire sprinkler requirement should be reinstated as Title 8, chapter 1.4 of the Town Code; and,

WHEREAS, The Town Council desires to ensure the public's health, safety and welfare by repealing the residential automatic fire sprinkler code.

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF BRIAN HEAD, UTAH that a limited portion of Ordinance No. 10-003, Residential Automatic Fire Sprinkler Requirement be reinstated as Title 4.8.1 of the Brian Head Town Code as follows:

8-1-4: RESIDENTIAL AUTOMATIC FIRE SPRINKLER REQUIREMENT:

- A. The town requires automatic fire sprinklers shall be installed in any new one- and two-family and townhouse buildings that are difficult or dangerous to locate or access by public safety personnel and apparatus, as determined by the Public Safety Director, in accordance with section 903.3.1 of the International Building Code currently adopted by the State Code Commission.

Ordinance No. _____

DRAFT

SECTION 2. Effective Date. Upon this Ordinance being adopted by the Brian Head Town Council of Iron County, Utah.

SECTION 3. Conflict. To the extent of any conflict between other Town, County, State, or Federal ordinances or regulations, and this ordinance, the more restrictive is deemed to be controlling.

SECTION 4. Severability Clause. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason, held invalid or unconstitutional by any court or competent jurisdiction, such portions shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED BY THE BRIAN HEAD TOWN COUNCIL OF BRIAN HEAD TOWN, IRON COUNTY, UTAH this ____ day of August 2019 with the following vote.

Town Council Vote:

Mayor Clayton Calloway	Aye_____	Nay_____
Council Member Larry Freeberg	Aye_____	Nay_____
Council Member Lynn Mulder	Aye_____	Nay_____
Council Member Shad Hunter	Aye_____	Nay_____
Council Member Kelly Marshall	Aye_____	Nay_____

BRIAN HEAD TOWN

Attest:

Mayor Clayton Calloway

Nancy Leigh, Town Clerk

(SEAL)

CERTIFICATE OF PASSAGE AND POSTING

I hereby certify that the above Ordinance is a true and accurate copy, including all attachments, of the Ordinance passed by the Town Council on the ____ day of August 2019, and have posted a complete copy of the ordinance in three conspicuous places within the Town of Brian Head, to-wit: Town Hall, Post Office and the Mall.

Nancy Leigh, Town Clerk

Ordinance No. ____