
CERTIFIED RECORD OF PROCEEDINGS

OF

THE TOWN OF MILLS, WYOMING

**RELATING TO AN ORDINANCE APPROVING THE ISSUANCE OF WATER
REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,765,600;
APPROVING THE SALE OF THE BONDS TO U.S.D.A. RURAL DEVELOPMENT ON
A PRIVATE PLACEMENT BASIS; APPROVING THE EXECUTION AND DELIVERY
OF A SECURITY AGREEMENT AND OTHER DOCUMENTS RELATED TO THE
BONDS**

NOTICE OF REGULAR MEETING

TO THE GOVERNING BODY OF THE TOWN OF MILLS, WYOMING:

NOTICE IS HEREBY GIVEN that a regular meeting of the Governing Body of the Town of Mills, Wyoming, will be held at the City Hall, 704 4th Street, Mills, Wyoming, being the regular meeting place of the Governing Body, on _____, the ____ day of _____, 2021, at _____ .m., at which meeting the Governing Body will consider an ordinance authorizing the issuance of water revenue bonds of the Town, authorizing the sale of said bonds, authorizing the execution and delivery of a loan resolution security agreement, and take up any other business set forth in this or any other appropriate Notice of Meeting. This Notice is given pursuant to the provisions of Title 16, Chapter 4, W.S., relating to meeting of governmental agencies and any additional rules or regulations of the Town applicable thereto. The official minutes of such meeting will be available for inspection by any citizen at the office of the Town Clerk.

GIVEN under our hands and seal of the Town as of the ____ day of _____, 2021.

(S E A L)

Seth Coleman, Mayor

ATTESTED :

Christine Trumbull, Town Clerk

**ACKNOWLEDGMENT OF NOTICE
AND CONSENT TO MEETING**

We, the undersigned, members of the Governing Body of the Town of Mills, Wyoming, do hereby acknowledge receipt of the foregoing Notice of Meeting, and we hereby waive any and all irregularities, (except any irregularities or defects relating to said Notice pursuant to Title 16, Chapter 4, W.S.), if any, in such Notice and in the time and manner of service thereof upon us, and we consent and agree to the holding of such meeting at the time and place specified in said Notice, and to the transaction of any and all business set forth in this or any other appropriate Notice of Meeting.

Seth Coleman

James Hollander

Darla Ives

Sara McCarthy

Brad Neumiller

STATE OF WYOMING)
) ss:
COUNTY OF NATRONA)

A regular meeting of the Governing Body (the “Governing Body”) of the Town of Mills, State of Wyoming, was held at the regular meeting place of the Governing Body at City Hall, 704 4th Street, Mills, Wyoming, on _____, the ___ day of _____, 2021, at the hour of _____ .m., pursuant to notice and call duly given to each of the members by the Governing Body.

The meeting was called to order by the Mayor, and upon roll call, the following members were present, constituting a quorum:

Mayor: Seth Coleman

Council Members: James Hollander
 Darla Ives
 Sara McCarthy
 Brad Neumiller

Absent:

There was also present: Christine Trumbull, Town Clerk
 Patrick Holscher, Town Attorney

Thereupon the following proceedings, among others, were had and taken.

The following Ordinance was introduced and read by title only:

ORDINANCE NO. 772

AN ORDINANCE BY THE TOWN OF MILLS, WYOMING APPROVING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2021, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,765,600; APPROVING THE SALE OF THE BONDS TO U.S.D.A. RURAL DEVELOPMENT ON A PRIVATE PLACEMENT BASIS; APPROVING THE EXECUTION AND DELIVERY OF A SECURITY AGREEMENT AND OTHER DOCUMENTS RELATED TO THE BONDS.

WHEREAS, the Town of Mills, Wyoming (the "Town"), is an incorporated municipality duly organized and operating under the constitution and laws of the State of Wyoming; and

WHEREAS, pursuant to Wyo. Stat. §§ 15-7-101 and 15-7-102(a), the Town is authorized to issue water revenue bonds for the purpose of establishing, constructing, extending, maintaining and regulating a system of water works for extinguishing fires and for domestic manufacturing and other purposes, payable not more than thirty (30) years after their issuance; and

WHEREAS, pursuant to Wyo. Stat. § 15-7-102(c) where repayment of funds borrowed from the United States of America or from the State of Wyoming, or from any subdivision, agency or department of either, is to be made solely from revenues generated by the enterprise with which the financed public improvement project is associated, and where security for the loan is restricted to a claim on the revenues generated from the enterprise with which the purposed public improvement project is associated, and to the assets of that enterprise, any document evidencing the agreement to repay the borrowed funds shall not be considered a bond and no election shall be required; and

WHEREAS, pursuant to Wyo. Stat. § 15-8-101, the Town is authorized to pay, redeem or refund any outstanding lawful indebtedness that it has by issuing bonds of the Town if it can be done at a lower rate of interest, or to the profit and benefit of the Town; and

WHEREAS, the governing body of the Town (the "Governing Body") has determined and hereby determines that it is in the best interests of the Town to issue water revenue bonds for the purpose of (i) financing the cost of replacing, constructing, and installing water lines to provide water to the Buffalo Meadows Subdivision in the Town (the "Subdivision Water System"), and (ii) refinancing and paying off the Town's loan on its current utility building from the State of Wyoming revolving loan fund (the "State Loan"), which is currently secured by a pledge of the Town's water revenues, since the refunding of the State Loan can be done at a lower rate of interest and since a release of the State's lien on the Town's water revenues is necessary for the purpose of issuing water revenue bonds; and

WHEREAS, the Town will issue its Town of Mills, Wyoming Water Revenue Bonds, Series 2021, in the aggregate principal amount of \$4,765,600 (the "Bonds"), pursuant to this Ordinance, the proceeds of which are to be used by the Town for the purpose of (i) paying costs of replacing, constructing and installing the Subdivision Water System, including the repayment

of the interim construction loan (the “Construction Loan”) obtained by the Town from First State Bank to finance the costs of the Subdivision Water System project, (ii) refinancing and paying off the State Loan; and (iii) paying the costs of issuing the Bonds (collectively the “Refunding Project” or the “Project”); and

WHEREAS, it is proposed that the Bonds will be sold and delivered to the United States Department of Agriculture, Rural Development (“USDA, Rural Development”) in return for the delivery of funds from USDA, Rural Development in the aggregate amount of \$4,765,600, plus accrued interest, if any, from the date of issue of the Bonds to the date of their delivery; and

WHEREAS, for the purpose of assigning and pledging all of the Town’s water revenues (the “Revenues”) from the Town’s operation of its water enterprise (the “System”), the Town will execute a Loan Resolution Security Agreement (the “Security Agreement”) in favor of the USDA, Rural Development in the form presented at this meeting for the purpose of pledging a first lien on all of the Revenues in favor of USDA Rural Development; and

WHEREAS, proposed forms of the Bonds, Security Agreement, and other documents related to the issuance of the Bonds have been presented to the Governing Body at this meeting; and

WHEREAS, the Governing Body desires to authorize the execution by the Town of the Bonds, the Security Agreement and other documents related to the issuance and delivery of the Bonds (collectively the “Bond Documents”), all in substantially the form presented at this meeting, and is further desirous of authorizing the issuance of the Bonds by the Town, and approving the participation by the Town in such other transactions as are contemplated thereby, all in accordance with the provisions of this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY AS FOLLOWS:

Section 1. Authorization. For the purpose of financing the costs of the Project, including the repayment in full of the Construction Loan for the Subdivision Water System project, refinancing the State Loan, and paying costs of issuing the Bonds, the Town (sometimes hereinafter referred to as the “Issuer”) shall issue its Town of Mills, Wyoming Water Revenue Bonds, Series 2021, in the aggregate principal amount of \$4,765,600 dated _____, 2021.

Section 2. Bond Details. The Bonds shall be issued as one physical bond in the original principal amount of \$4,765,600. The Bond shall be dated _____, 2021 and shall bear interest from its dated date to maturity, payable annually on _____ of each year until the principal amount of the Bond and all interest thereon has been paid in full. The Bond shall be designated and numbered as “Bond No. R-001”. The outstanding principal amount of the Bond shall bear interest at the rate of _____% per annum.

Section 3. Sale of Bonds. The Bond shall be sold and delivered to USDA, Rural Development as the purchaser of the Bond in accordance with its letter of conditions to the Town

dated April 2, 2020. The Governing Body hereby approves and ratifies the sale of the Bond to USDA, Rural Development under such terms.

Section 4. Payment of the Bonds. Payments shall be delivered to USDA, Rural Development or its successors and assigns (the “Bondholder”) on the date each payment is due through an electronic preauthorized debit system utilized and approved by the Bondholder. Principal and interest on the Bond shall be amortized and paid over thirty (30) years in accordance with the payment schedule attached hereto as the “Bond Payment Schedule.”

Section 5. Optional Prior Redemption of the Bonds. The Town, at its option, shall have the right to redeem the Bonds, prior to their maturity date, in whole or in part, on any date, without a prepayment charge or penalty. The redemption amount shall be equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date. Notice of redemption shall be provided to the bondholders at least 30 days in advance of the redemption date. The Notice shall specify the principal amount of the Bond or Bonds to be redeemed and the date upon which the redemption shall occur. Upon payment of the amount necessary to redeem the Bonds in full, the Bonds and the lien on the Revenues shall be discharged.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Town, with no penalty. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Bonds, shall, after payment of interest, be applied to the installments last to become due under the Bonds and shall not affect the obligation of the Town to pay the remaining installments as scheduled in the Bonds.

Section 6. Form and Execution of the Bonds. The Bonds shall be signed in the name and on behalf of the Town with the manual or facsimile signature of the Mayor of the Town and attested with the manual or facsimile signature of the Town Clerk of the Town. Any such facsimile signature shall have the same force and effect as if said Mayor or Clerk, as the case may be, had manually signed the Bond. The Bond shall bear at least one manual signature of either the Mayor or the Clerk.

In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes.

The Bonds shall be in substantially the following form:

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(Form of Bond)

**UNITED STATES OF AMERICA
STATE OF WYOMING
TOWN OF MILLS
WATER REVENUE BOND, SERIES 2021**

Bond No. R-001

\$4,765,600

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>
_____ %	_____, 20__	_____, 2021

BONDHOLDER: UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT

PRINCIPAL AMOUNT: FOUR MILLION SEVEN HUNDRED SIXTY-FIVE THOUSAND SIX HUNDRED DOLLARS

The Town of Mills, Wyoming, an incorporated municipality organized and existing under the constitution and laws of the State of Wyoming, (the “Town” or the “Issuer”) for value received, hereby acknowledges itself indebted and promises to pay from the sources and as hereinafter provided to the United States Department of Agriculture, Rural Development, as the owner and holder of this Bond, or its successor and assigns, the principal sum hereof (stated above), together with interest on the outstanding principal balance hereof at the interest rate hereon (stated above) until said principal sum in paid.

This Bond is made by the Town pursuant to that certain authorizing Ordinance No. _____ of the Town authorizing this issuance of this Bond, adopted on _____, 2021 (the “Bond Ordinance”), and that certain Loan Resolution Security Agreement adopted by the Town on _____, 2021 (the “Security Agreement”) providing for the assignment and pledge of all water revenues from the Town in favor of the Bondholder as security for the repayment of this Bond and other matters as set forth therein.

This Bond is referenced in the Bond Ordinance and the Security Agreement, and reference is hereby made to the Bond Ordinance and the Security Agreement for the full terms, provisions, and conditions upon which this Bond is made and secured, and by which it will be paid and satisfied, and such terms, provisions, and conditions are incorporated herein by reference.

The principal and interest on this Bond shall be amortized over thirty (30) years and shall be paid in equal monthly installments of \$_____ per year payable on _____ of each year

commencing on _____, 20__, until the principal of and interest on this Bond has been paid in full as shown on the amortization schedule attached to this Bond as “Annex A” and incorporated herein by reference. Payments shall be applied first to the payment of accrued interest and second to the payment of principal.

Payments on this Bond shall be made to the Bondholder or its successors and assigns, and shall be paid through an electronic preauthorized debit system in which payment will be electronically debited from the Town’s bank account on the date each payment is due.

In the event that any due date for a payment on this Bond shall not be a business day, such payment shall be made on the next succeeding business day.

The Town, at its option, shall have the right to redeem this Bond prior to its maturity date, in whole or in part, on any date, without a prepayment charge or penalty. The redemption amount shall be equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date. Notice of redemption shall be provided to the bondholders at least 30 days in advance of the redemption date. The Notice shall specify the principal amount of the Bond or Bonds to be redeemed and the date upon which the redemption shall occur.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Town, with no penalty. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down this Bond, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of the Town to pay the remaining installments as scheduled in this Bond.

This Bond is not a general obligation, but is a special, limited obligation of the Town payable solely from the revenues pledged thereto in the Security Agreement. This Bond and the interest thereon shall never constitute an indebtedness of the Town, within the meaning of any constitutional provision and shall never give rise to any pecuniary liability of the Town, nor shall this Bond or the interest thereon be a charge against the general credit or taxing powers of the Town.

This Bond is issued by the Town for the purpose of (i) financing the cost of replacing, constructing, and installing water lines to provide water to residents of the Buffalo Meadows Subdivision in the Town, (ii) refinancing the Town’s loan from the State of Wyoming Revolving Loan Fund used to finance the Town’s utility building, and (iii) paying costs incurred in connection with issuing the Bonds, by virtue of and in full conformity with the Constitution of the State of Wyoming; W.S. §§ 15-7-101 *et. seq.* (collectively the “Act”); and all other laws of the State of Wyoming thereunto enabling, and pursuant to the duly adopted Ordinance of the Governing Body of the Town authorizing the issuance of this Bond (the “Bond Ordinance”). It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond.

This Bond is secured by and payable solely out of a special fund created in full conformity with law and designated as the “Town of Mills Water Revenue Account” (the “Revenue Account”) into which Account the Town will deposit, immediately upon receipt by the Town all Revenues (as defined in the Bond Ordinance). If necessary, payment of principal and

interest shall be made from the “Bond Reserve Account” as defined in the Bond Ordinance created for such purpose, all as more particularly set forth in the authorizing Bond Ordinance. The Bond is secured by a lien on said Revenues (the “Pledged Revenues”) and the Bond constitutes an irrevocable and first lien on said Pledged Revenues.

NEITHER THIS BOND NOR THE INTEREST HEREON, CONSTITUTES A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE TOWN WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Ordinance and the Security Agreement, and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Town of Mills, Wyoming has caused this Bond to be executed in its name by the manual signature of its Mayor and attested by the manual signature of its Town Clerk, all as of the _____ day of _____, 2021.

TOWN OF MILLS, WYOMING

(Manual or Facsimile Signature)
Seth Coleman, Mayor

ATTESTED:

By: (Manual or Facsimile Signature)
Christine Trumbull, Town Clerk

**ANNEX A
TO
TOWN OF MILLS, WYOMING WATER REVENUE BOND**

BOND AMORTIZATION PAYMENT SCHEDULE

[End of Bond Form]

Section 7. Delivery of the Bonds and Security Agreement. Upon the adoption of this Ordinance, the Town shall proceed to closing at which time the authorized officials of the Town shall execute and deliver the Bonds and the Security Agreement to USDA, Rural Development at the time of delivery of the aggregate sum of \$4,765,600 by USDA, Rural Development, together with such other documents as may be necessary to close the bond transaction.

Section 8. Use of Bond Proceeds. The Bonds shall be issued and sold for the purpose of (i) paying off the Town's interim Construction Loan from First State Bank, (ii) paying off the State Loan, and (iii) paying costs of issuance of the Bonds. The proceeds of the sale of the Bonds shall be applied by the Town as set forth above, and any remaining proceeds of the Bonds, if any, shall be deposited in the Bond Reserve Account (hereinafter defined).

Section 9. Payment of the Bonds.

A. Pledge of Revenues. The Town hereby pledges the Revenues from the System for the payment of the Bonds. Said pledge shall be valid and binding from and after the date of the delivery of the Bonds, and the Town's Revenues shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The Bonds constitute an irrevocable first lien on the Revenues.

B. Deposit of Revenues. The Revenues shall be set aside by the Town and deposited in an account to be designated as the "Town of Mills Water Revenue Account" (the "Revenue Account") pursuant to the terms of this Section 8, and all moneys and securities paid to or held in the Revenue Account are hereby pledged to secure the payment of the principal and interest on the Bonds.

C. Use of Moneys in the Revenue Account. Moneys in the Revenue Account shall be used only in the manner and order as follows: (1) First, for payment of the Town's operation and maintenance expenses of the System; (2) Second, for payments of principal and interest on the Bonds as each become due; (3) Third, for payment to the Bond Reserve Account (as hereinafter defined) to satisfy the Monthly Reserve Requirement (as hereinafter defined) until the Total Reserve Requirement (as hereinafter defined) has been reached; and (4) Fourth, to make prepayments on the Bonds or retained in the Revenue Account as the Governing Body determines in its discretion.

D. Bond Debt Service Reserve Account. An account is hereby authorized and directed to be established and maintained by the Town and known as the Bond Debt Service Reserve Account (the "Bond Reserve Account"). From funds remaining in the Revenue Account, after transfers and payments required in Section 9.C.(1) and (2) above, there shall be set aside into the Bond Reserve Account the amount of [\$1,743.02] each month (the "Monthly Reserve Requirement") until there is accumulated in that account the sum of [\$209,163.00] (the "Total Reserve Requirement") after which deposits may be suspended, except to replace withdrawals from the Bond Reserve Account.

E. Use of Moneys in the Bond Reserve Account. Moneys in the Bond Reserve Account may be used by the Town for the payment of the principal of and interest on the Bonds in the event moneys in the Bond Revenue Account are insufficient to make such payments when due. With the prior written approval of the Bondholder, funds may be withdrawn from the Bond Reserve Account for:

- (1) paying the cost of repairing or replacing any damage to the System which may have been caused by catastrophe, or
- (2) making extensions or improvements to the System.

Whenever disbursements are made from the Bond Reserve Account, monthly deposits in the amount of the Monthly Reserve Requirement shall then be resumed until there is again accumulated an amount equal to the Total Reserve Requirement, at which time deposits may be discontinued. Whenever there shall accumulate in the Revenue Account, amounts in excess of those required in subsections C.(1), C.(2), C.(3), D. and E. of this Section 9, such excess will be used by the Town to make prepayments on the Bonds or retained in the Revenue Account as the Town determines. The Revenue Account and the Bond Reserve Account may be established and maintained as bookkeeping accounts or as separate bank accounts at the election of the Governing Body, unless otherwise directed by the Bondholder. Upon full payment of the Bonds, including all principal of and interest thereon, the lien on the Revenues shall be released and all funds remaining in any accounts established under this Ordinance shall be the sole property of the Town and any lien thereon pledged under this Ordinance shall be released.

F. Short-Lived Asset Reserve Account. The Town shall establish and maintain a short-lived capital asset replacement reserve account (the “Maintenance and Repair Reserve Account”). At the time of closing the Bonds, the Town shall deposit the sum of \$13,170.00 in the Maintenance and Repair Reserve Account which shall be used by the Town solely for the repair, maintenance, and replacement of short-term capital assets of the Town’s water system as needed. The Town shall not be required to request the Bondholder’s prior approval to withdraw and use money from the account. However, in the event moneys are withdrawn from the account, the Town shall replenish the account to the amount of \$13,170.00 (the “Maintenance Reserve Requirement”) as soon as reasonably practical. Notwithstanding the foregoing, for the initial funding of the Maintenance and Repair Reserve Account, or the replenishments of the account as required above, the Town may, at its election make monthly deposits to the account in the amount of \$1,097.50 each until the Maintenance Reserve Requirement is reached, in lieu of funding the Maintenance Reserve Requirement all at once. The Maintenance and Repair Reserve Account may be established and maintained as a bookkeeping account or as a separate bank account at the election of the Town, unless otherwise directed by the Bondholder.

Section 10. Tax Covenants of the Town; Federal Income Tax Exclusion.

(1) The Town intends that the interest on the Series 2021 Bonds shall be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Income Tax Regulations (the “Regulations”). The Town covenants and agrees not to take any action, or

knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Series 2021 Bonds to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes.

(2) The Town will not take or permit to be taken any action that would cause the Bonds to be characterized as private activity bonds within the meaning of Section 141 of the Code, it will take all actions within its power and permitted by law which are or may be necessary to prevent the Bonds from being characterized as private activity bonds, and it will establish reasonable procedures to comply with the covenants in this Section 9. To this end, the Town will not permit more than 10% of the proceeds of the Bonds to be used (directly or indirectly) in the trade or business of nongovernmental persons and will not use (directly or indirectly) any of the proceeds of the Bonds to make or finance a loan (or deemed loan) to nongovernmental persons, in a manner that could cause the Bonds to be characterized as private activity bonds. For this purpose, a person uses the proceeds of the Bonds if (A) it owns or leases all or a portion of the Project financed with the Bonds, (B) it is loaned all or a portion of those proceeds of the Bonds or (C) it has actual or beneficial use of all or a portion of the Project financed with the Bonds pursuant to a management or incentive payment contract, an output contract or another arrangement. A person is *not* treated as using the proceeds for this purpose merely because it uses the Project financed by the Bonds as a member of the general public; however, use will not be treated as general public use if such person has priority rights or other preferential benefits in respect of the Project financed by the Bonds pursuant to an arrangement with the Town.

(3) The Town covenants and agrees that it will make no use of the proceeds of the Bonds authorized herein which might cause such obligations to be "arbitrage bonds" within the meaning of the Code.

(4) The Town further covenants that it will take any and all actions necessary to comply with the "rebate" provisions of the Code. To this end, the Town shall cause to be established a fund designated as the "Rebate Account". The Town agrees to deposit into or cause to be credited to the Rebate Account, from time to time, the amount determined to be payable pursuant to Section 148 of the Code and the regulations thereunder, if any, to the Federal government representing rebateable investment earning required to be paid to the Federal government in order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Series 2021 Bonds.

Section 11. Other Covenants and Agreements of the Town. The Town covenants and agrees that so long as the Bonds remain unpaid:

A. To the extent allowed by law, it will indemnify the Bondholder for any payments made or losses suffered by the Bondholder in connection with the Bonds or this Ordinance.

B. It will comply with applicable state laws and regulations and continually operate and maintain the water system in good condition.

C. It will impose and collect such rates and charges that gross revenues will be sufficient at all times to provide for the payment of the operation and maintenance thereof and the installment payments on the Bonds and the maintenance of the various accounts herein created. All service rendered by or use of the System shall be subject to the full rates prescribed in the rules and regulations of the Town.

D. If, for any reason, the Revenues are insufficient to meet the requirements of Section 9.C.(1) and (2) of this Ordinance, it will cause to be levied and collected such assessments as may be necessary to operate and maintain the System in good condition and meet installment payments on the Bonds as the same become due.

E. It (i) will establish and maintain such books and records relating to the operation of the System and its financial affairs, (ii) will provide for the annual audit thereof in such manner as may be required by the Bondholder, (iii) will provide the Bondholder without its request a copy of each such audit, and (iv) will make and forward to the Bondholder such additional information and reports as the Bondholder may from time to time require.

F. It will provide the Bondholder, at all reasonable times, access to the System and all its books and records so that the Bondholder may ascertain that the Town is complying with the provisions hereof and with the provisions of other instruments incident to the making or securing of the Bonds.

G. It will maintain at least such insurance on the System and fidelity bond or employee dishonesty coverage as may be required by the Bondholder.

H. It will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements to the System, exclusive of normal maintenance, without obtaining the prior written consent of the Bondholder.

I. It will not cause or permit any voluntary dissolution of the Town or merge or consolidate with another organization, without obtaining the prior written consent of the Bondholder. It will not dispose of, or transfer title to the System or any part thereof, including lands and interest in lands by sale, security instrument, lease or other encumbrance, without obtaining the prior written consent of the Bondholder. Revenues, in excess of the amount required to maintain the accounts described by Section 9 herein, will not be distributed or transferred to any other organization or legal entity.

J. It will not modify or amend its organizational documents, including any articles of incorporation without the written consent of the Bondholder.

K. It will provide adequate service to all persons within the service area who can feasibly and legally be served and will obtain Bondholder's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Town or public body.

L. All present and future contract rights, accounts receivable, and general intangibles arising in connection with the System are pledged as security for the loan.

M. It will comply with the measures identified in the Bondholder's environmental impact analysis for the System for the purpose of avoiding or reducing the adverse environmental impacts of the System's construction or operation.

N. It will allow the Bondholder to inspect the System and conduct a review of the Town's operations and records management system and conflict of interest policy every three years for the life of the Bond. The Town shall participate in these inspections and provide the required information.

O. It will submit to the Bondholder an annual financial report at the end of each fiscal year. The annual report will be certified by the appropriate Town official and will consist of financial information and a rate schedule. Financial statements must be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and must include at a minimum a balance sheet and income and expense statement. The annual report will include separate reporting for each water and waste disposal facility, and itemize cash accounts by type (debt service, short-lived assets, etc.) under each facility. The type of financial information to be submitted shall be as further set forth in the loan conditions letter dated April 2, 2020 from USDA, Rural Development to the Town. All records, books and supporting material shall be retained for at least three years after the issuance of the annual report. In addition, within thirty (30) days of each quarter's end, quarterly income and expense statements in a form provided by the Bondholder, signed by the appropriate official of the Town, shall be submitted to the Bondholder until the Bondholder waives that requirement.

The type of financial information that shall be submitted is specified below:

a. **Audits** – An annual audit under the Single Audit Act is required if the Town expends \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits shall be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. The audits required by this paragraph O. are not required to be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, this audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by state law and must be submitted within 9 months of your fiscal year end.

If an audit is required, the Town shall enter into a written agreement with the auditor and submit a copy to the Bondholder prior to the advertisement of bids. The audit agreement may include terms and conditions that the Town and auditor deem appropriate; however, the agreement shall include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of

reports will be generated from the services provided, and how irregularities will be reported.

b. **Financial Statements** – If the Town expends less than \$750,000 in Federal financial assistance per fiscal year, the Town may submit financial statements in lieu of an audit which include at a minimum a balance sheet and an income and expense statement in a form provided by the Bondholder or similar format to provide the financial information. The financial statements shall be signed by the appropriate Town official and submitted within 60 days of the Town’s fiscal year end.

c. **Quarterly Reports** – Quarterly Income and Expense Statements shall be delivered by the Town to the Bondholder until the Bondholder waives this requirement in writing. The reports shall be in a form provided by the Bondholder or similar format, and shall be signed by the appropriate Town official and submitted within 30 days of each quarter’s end.

P. It will, within thirty days prior to the beginning of each fiscal year, submit an annual budget and projected cash flow to the Bondholder. With the submission of the annual budget, the Town shall provide a current rate schedule, and a current listing of the members of the Governing Body and their terms. The budget shall be signed by the appropriate Town official and in a format acceptable to the Bondholder.

Section 12. Security Instruments. In order to secure the payment of the principal and interest of the Bonds, the Mayor and Town Clerk of the Town are hereby authorized and directed to execute and deliver good and sufficient lien instruments, where necessary, encumbering the properties and assets, both real and personal, constituting said System, as completed, or as the same may be thereafter extended, including an assignment and pledge of revenues and such other instruments as may be prescribed by the Bondholder.

Section 13. Refinancing. If at any time the Bondholder shall reasonably determine that the Town is able to refinance the amount of the indebtedness then outstanding, in whole or in part, by obtaining financing for such purposes and periods of time the Town will, upon request of the Bondholder, apply for, and accept, such loan in sufficient amount to repay the Bondholder and will take all such actions as may be required in connection with such financing.

Section 14. Defeasance. The Town shall not be entitled to defease the Bonds. The Bonds and the security for the Bonds shall remain in effect until the Bonds have been fully paid both as to principal and accrued interest. Only upon full payment of the Bonds in accordance with their terms, either at maturity or upon optional redemption as set forth in this Ordinance and the Bonds, shall the pledge of and lien on the Revenues and all obligations under this Ordinance be discharged.

Section 15. Equal Employment Opportunity under Construction Contracts and Nondiscrimination. The Mayor and the Town Clerk of the Town be and they are authorized and directed to execute for and on behalf of the Town, Form RD 400-1, “Equal Opportunity Agreement”, and Form RD 400-4, “Assurance Agreement”.

Section 16. Authorization for Acceptance of Grants. In the case of a grant offered to the Town by the Bondholder, Town hereby accepts the grant under the terms as offered by the Bondholder, the Mayor and Town Clerk of the Town are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant and the Town hereby resolves to operate the System under the terms as offered in said grant agreements.

Section 17. Cross Default. Default on a Bond or any instrument incident to the making or issuing of a Bond may be construed by the Bondholder to constitute default under any other instrument held by the Bondholder and executed or assumed by the Town, and default under such instrument may be construed by the Bondholder to constitute default under both of the Bonds.

Section 18. Ordinance of a Contract. The provisions of this Ordinance and the provisions of all instruments incident to the making or issuing of the Bonds, unless otherwise specifically provided by the terms of such instruments, shall constitute a contract between the Town and the Bondholder or its assignee so long as the Bonds hereby authorized remain unpaid.

Section 19. Ratification and Approval of Prior Action. All actions heretofore taken by the Governing Body, officials and representatives of the Town not inconsistent with the provisions of this Bond Ordinance, relating to the authorization, sale, issuance and delivery of the Bonds are hereby ratified, approved and confirmed.

Section 20. Approval of Bond Documents. The proposed Bonds, Security Agreement and other documents related to the issuance and delivery of the Bonds in substantially the forms presented to this meeting are, in all respects, approved on behalf of the Town. The Mayor and Town Clerk of the Town are authorized to execute, deliver and/or attest such documents.

Section 21. No Indebtedness of the Town or the State. No provision of this Ordinance nor the Bonds or interest thereon, the Security Agreement, nor any other instrument executed in connection therewith, shall constitute a debt, indebtedness or general obligation of the Town, the State of Wyoming, or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or provision.

Section 22. Amendments to Documents by the Town. The appropriate officials of the Town are authorized to make any alterations, changes or additions in the form of the Bonds or the Security Agreement, or any other documents necessary to issue and deliver the Bonds or the security therefore from the forms presented to the Town herein which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Ordinance, any resolution or ordinance adopted by the Town, or the provisions of the laws of the State of Wyoming or the United States of America.

Section 23. Additional Bonds. With the prior written consent of the Bondholder, the Town may issue or incur Parity Obligations (as defined below) for the purpose of providing

funds to complete the Project or to extend or improve the System and may pledge the Revenues to the payment of such Parity Obligations on a parity with the pledge of the Revenues to payment of any Bonds hereunder. Such Parity Obligations shall have no right to, or lien on, any moneys or investments held in any fund, accounts or subaccount other than the Revenue Account. Otherwise, Parity Obligation Instruments (as defined below) may not be issued unless the Net Revenues (as defined below) from the System for the fiscal year preceding the year in which such Parity Obligation Instruments are to be issued, were 120 percent of the average annual debt service requirements on all bonds then outstanding and those Parity Obligation Instruments to be issued; provided, that this limitation may be waived or modified by the written consent of bondholders representing 75 percent of the then outstanding principal indebtedness on all bonds. Junior and subordinate bonds may be issued by the Town at any time. For purposes of this Section, the following capitalized terms shall have the following meanings:

- (a) “Parity Obligations” means any debt or financial obligations of the Town (other than the Bonds) that have a lien on the Revenues on a parity with the lien of the Bonds hereunder, as permitted by this Section.
- (b) “Parity Obligation Instruments” means the ordinances, resolutions, indentures, contracts or other instruments pursuant to which Parity Obligations are issued or incurred.
- (c) “Net Revenues” means the Revenues remaining after payment of the Operation and Maintenance Expenses of the System.
- (d) “Operation and Maintenance Expenses” means the operation and maintenance expenses relating to the System determined in accordance with generally accepted accounting principles. Operation and Maintenance Expenses shall not include depreciation, amortization and interest expenses.

Section 24. Other Actions by the Town. The appropriate officials of the Town are hereby authorized to attest to all signatures and acts of any proper representative of the Town on the Bonds, Security Agreement and any other documents authorized, necessary or proper pursuant to this Ordinance or any ordinance or resolution of the Town. The appropriate officials of the Town, and each of them, are hereby authorized to execute and deliver for and on behalf of the Town any or all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Ordinance and any other ordinance or resolution of the Town.

Section 25. Bond Ordinance Irrepealable. After the Bonds authorized herein have been issued and are outstanding, this Bond Ordinance shall be irrepealable until both the principal of and the interest on said Bonds shall be fully paid, satisfied and discharged.

Section 26. Repealer Clause. All ordinances and resolutions of the Town or parts thereof in conflict with this Bond Ordinance are hereby repealed.

Section 27. Severability. If any part or provision of this Ordinance should ever be judicially determined to be invalid or unenforceable, such determination shall not affect the

remaining parts and provisions hereof, the intention being that each part or provision of this Bond Ordinance is severable.

Section 28. Authorization to Officers, Members and Employees. The officials of the Town and the employees thereof are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance.

Section 29. Successors and Assigns. This Ordinance, and the obligations of the Town hereunder, shall be binding upon the Town and its successors and assigns. Any change in the Town’s designation to a “first class city” pursuant to Wyoming Statutes §§ 15-3-101 *et. seq.*, shall not affect this Ordinance, which shall continue in full force and effect as provided in Wyoming Statute § 15-3-103.

Section 30. Effective Date. This Ordinance shall take effect and be in full force and effect upon its approval and publication.

FIRST READING: _____

SECOND READING: _____

THIRD AND FINAL READING: _____

Adopted this ____ day of _____, 2021.

TOWN OF MILLS, WYOMING

By: _____
Seth Coleman, Mayor

ATTEST:

By: _____
Christine Trumbull, Town Clerk

A motion for the adoption of the foregoing Ordinance was made by council member _____ and was duly seconded by council member _____.

The question being upon the adoption of said Ordinance, on the third and final reading the roll was called with the following results:

Those voting YES:

Those voting NO:

A majority of the members of the Governing Body having voted for the passage and approval of the ordinance on third and final reading, the Mayor declared the ordinance duly passed and adopted. After consideration of other business to come before the Town, the meeting was adjourned.

TOWN OF MILLS, WYOMING

By: _____
Seth Coleman, Mayor

ATTEST:

By: _____
Christine Trumbull, Town Clerk

STATE OF WYOMING)
)
COUNTY OF NATRONA) ss.

I, Christine Trumbull, the duly elected, qualified and acting Town Clerk of Town of Mills, Wyoming, do hereby certify:

1. The foregoing ordinance (Ordinance No._____) was presented, reviewed and approved on third and final reading by the Governing Body of the Town of Mills, Wyoming, at a regular meeting held at the regular meeting place of the Town in the City Hall, 704 4th Street, Mills, Wyoming on _____, 2021, convening at _____ .M., as recorded in the records of the Town kept in the Town Clerk's office.

2. The proceedings of the Town were duly had and taken as therein shown, the meeting therein shown was duly held, due notice and call was given each member, and the persons therein named as present at the meeting were present as shown by the minutes.

3. Notice of said meeting has been given as required by the statutes of the State of Wyoming relating to meetings of governmental agencies (§§ 16-4-401 through 16-4-407). Said meeting was a public meeting, open to the public at all times.

IN WITNESS WHEREOF, I have hereunto subscribed my name this _____ day of _____ 2021.

TOWN OF MILLS, WYOMING

Christine Trumbull, Town Clerk

BOND PAYMENT SCHEDULE