

AN ORDINANCE PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF IMPROVEMENTS TO THE DOMESTIC WATER SYSTEM OF THE CITY OF DIETRICH, IDAHO; CALLING A SPECIAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY THE QUESTION OF INCURRING AN INDEBTEDNESS AND ISSUING WATER REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000 TO PAY A PORTION OF THE COST THEREOF; ESTABLISHING THE DATE, TIME, AND PLACE OF ELECTION; PROVIDING FOR PUBLIC NOTICE OF ELECTION; PROVIDING FOR REGISTRATION OF VOTERS; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Dietrich, Lincoln County, Idaho (the "City"), is a municipal corporation duly organized and operating under the laws of the State of Idaho; and

WHEREAS, the City owns and operates a domestic water system and collects rates, fees, and charges for the use of the system; and

WHEREAS, it has been determined by the Mayor and the City Council of the City (the "Council") to be necessary and essential to the health, safety, comfort, and welfare of the inhabitants of the City to install, construct, and acquire improvements and betterments to the domestic water facilities of the City and to incur an indebtedness therefor; and

WHEREAS, the Mayor and Council have determined to finance a portion of the cost of the construction and installation of the improvements through the issuance of revenue bonds of the City, pursuant to the provisions of the Revenue Bond Act of the State of Idaho, being Sections 50-1027 to 50-1042, inclusive, Idaho Code; and

WHEREAS, such revenue bonds cannot be issued without the assent of a majority of the qualified electors of the City voting in an election called for such purpose; and

WHEREAS, in order to authorize the incurring of such indebtedness and the issuance of such revenue bonds, the Mayor and Council have determined to call and conduct a special municipal bond election for the aforesaid purposes as required by the Revenue Bond Act.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DIETRICH, Lincoln County, Idaho, as follows:

Section 1: THE PROJECT

A. The Council hereby finds, determines, and declares that it is necessary and essential to the public interest, health, safety, and welfare, and in the best interest of the City and its inhabitants, to acquire and install improvements to the domestic water facilities of the City, consisting generally of the construction of a new well, upgrades to an existing well, the construction of a water storage tank, installation of new water lines, and the replacement of water lines, together with related improvements and costs of engineering, legal, and other services incidental thereto, including the costs of issuance of revenue bonds therefor (the "Project").

B. The cost and expense of the acquisition, construction, and installation of the Project, as estimated by the engineers of the City, is approximately \$2,000,000, including the payment of all preliminary expenses incurred and incident to the Project and properly incident to the issuance of the bonds as such expenses are set forth in the Revenue Bond Act, and including payment of interest on bond anticipation notes or other interim financing during the period to be

covered by the acquisition and construction of the improvements as described in subparagraph A above.

C. Subject to the following subparagraph, the acquisition, construction, and installation of the improvements, as described in subparagraph A, above, are hereby ordered.

D. Subject to the approval thereof by the qualified electors voting at the election for which provision is hereinafter made, water revenue bonds of the City shall be issued pursuant to the provisions of the Revenue Bond Act, being Idaho Code Sections 50-1027 to 50-1042, inclusive, in a principal amount not to exceed \$2,000,000 to pay the costs of the Project. The remainder of the costs, if any, will be paid from other lawfully available funds of the City.

Section 2: SPECIAL ELECTION

A special municipal revenue bond election is hereby called within the City to be held on Tuesday, May 17, 2011, for the purpose of enabling the qualified electors of the City to vote upon the proposition set forth in Section 4 hereof. The ballot proposition to be voted upon at the special revenue bond election, as set forth in Section 4 of this Ordinance, shall be separate from any other proposition being voted upon at or in conjunction with the special revenue bond election. Only those qualified electors of the City casting valid ballots upon the proposition set forth in Section 4 of this Ordinance shall be counted in determining the number of qualified electors voting at or participating in the special bond election.

Section 3: ADMINISTRATION OF ELECTION

The polls of the special bond election shall open at the hour of 8:00 o'clock A.M. and shall remain open continuously until the hour of 8:00 o'clock P.M. on May 17, 2011. The election shall be conducted by the Lincoln County Clerk, the County Clerk shall determine the polling places

The County Clerk shall appoint an election judge and one or more election clerks for the voting place for the special bond election. The election officials shall be qualified City electors. The County Clerk shall notify the election officials of their appointment within five (5) days following appointment. If any election judge or clerk fails to report for duty on the day of election, the County Clerk shall fill such vacancy from among the qualified electors presenting themselves to vote. Compensation for the election judge and clerks shall be at the minimum wage prescribed by federal law.

The administration of the election shall be conducted in accordance with Chapter 4 of Title 50, Idaho Code, as amended, except as provided by Section 50-1035, Idaho Code, and in accordance with this Ordinance.

Section 4: BALLOT PROPOSITION

The ballot proposition for the special bond election shall be in substantially the following form:

CITY OF DIETRICH
Lincoln County, Idaho

SPECIAL REVENUE BOND ELECTION
MAY 17, 2011

SHALL THE CITY OF DIETRICH BE AUTHORIZED TO INCUR AN INDEBTEDNESS AND TO ISSUE AND SELL ITS WATER REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000 TO PAY THE COSTS OF IMPROVEMENTS AND BETTERMENTS TO THE CITY'S DOMESTIC WATER SYSTEM, THE BONDS TO MATURE OVER A PERIOD WHICH MAY BE LESS THAN BUT WHICH SHALL NOT EXCEED FORTY (40) YEARS AND TO BE PAYABLE SOLELY FROM THE REVENUES OF THE DOMESTIC WATER SYSTEM, ALL AS MORE FULLY PROVIDED IN ORDINANCE NO. 2011-02_, ADOPTED ON APRIL 4, 2011?

IN FAVOR OF issuing revenue bonds for the purposes provided by Ordinance No. _____. []

AGAINST the issuance of revenue bonds for the purposes provided by Ordinance No. _____. []

INSTRUCTIONS TO VOTERS: To vote on the foregoing proposition, please make a cross (X) or other mark in the space to the right of the words "IN FAVOR OF issuing revenue bonds for the purposes provided in Ordinance No. _____" or "AGAINST the issuance of revenue bonds for the purposes provided in Ordinance No. _____" according to the way you desire to vote on the question. If you, by mistake or accident, mark, tear, deface, or otherwise mutilate this ballot, please return it to the election Judge and obtain another ballot.

The following information is required by Section 34-439, Idaho Code:

The interest rate anticipated on the proposed bonds is 3.5% per annum. The range of anticipated rates is from 2.0% to 5.0%. The City has no existing indebtedness. The total amount to be repaid over the life of the proposed bonds, principal and interest, based on the anticipated interest rate, is estimated to be \$3,731,349.

Section 5: QUALIFIED ELECTORS

Every person eighteen (18) years of age or older, who at the time of the specified bond election is a United States citizen who has been a legal and bona fide resident of the City for at least thirty (30) days immediately preceding the date of the election, if properly registered as required by law, shall be qualified to vote at said election.

Section 6: REGISTRATION

All electors must be registered to vote at the special water revenue bond election. The Lincoln County Clerk is the registrar for the City. Voter registration shall be conducted pursuant to the provisions of Section 34-1402, Idaho Code.

No qualified elector who is duly registered as a voter, and who continues to reside at the same address or within the same precinct in which he or she is registered, shall be required to re-register.

Persons may register at the office of the Lincoln County Clerk, Lincoln County Courthouse, 111 West B Street, Shoshone, Idaho, or at the office of the City Clerk, as Deputy Registrar, at City Hall, 35 W. First, Dietrich, Idaho, on any business day during normal office hours, until April 18, 2011. Any elector who will complete his or her residence requirement or attain the requisite voting age on or prior to the date of election, but during the period when the register of electors is closed, may register prior to the closing of the register.

Any person who is eligible to vote may register on election day by appearing in person at the polling place established for the election, by completing a registration card, making an oath on the form prescribed by law, and providing proof of residence in the manner provided by Section 34-408A, Idaho Code, as amended.

Section 7: BALLOTS

The County Clerk shall cause the official ballot for the special bond election to be prepared, at least thirty-five (35) days before the special bond election, in a sufficient quantity for the special bond election, and, as required by Idaho Code § 50-440, shall cause to be printed, not less than twenty-nine (29) days before the special bond election, sample ballots containing the question to be submitted, which sample ballots shall be in the same form as the official ballots to be used, except they shall have printed thereon the words "Sample Ballot," shall be on paper of a different color than the official ballots, and shall not be numbered. The County Clerk shall furnish copies of the same on application at her office to anyone applying therefor. The sample ballot shall be published at least twice in the official newspaper of the City, the first publication to be at least twelve (12) days prior to the election, and the last publication to be not less than five (5) days prior to the election.

Section 8: NOTICE

Notice of the special bond election shall be given prior to the election by publishing a notice of election at least twice in the official newspaper of the City, the first publication being not less than twelve (12) days prior to the date of election, and the second publication being at least five (5) days prior to the date of election, which notice shall be in substantially the form attached hereto, marked Exhibit "A," and by this reference incorporated herein.

Section 9: CANVASS

When the polls are closed, the election officials shall immediately proceed to count the ballots cast at the special bond election. The counting shall be continued without adjournment until completed and the result declared. The election judge and clerks shall thereupon certify the returns of the special bond election to the County Clerk, who shall present the results to the Lincoln County Commissioners.

The Board of Lincoln County Commissioners shall meet within ten (10) days following the election, or at such time to which such meeting is continued, at the regular meeting place of the Board of County Commissioners, for the purpose of canvassing the results of the special water revenue bond election. Thereupon, the results shall be entered in the minutes of the Dietrich City Council and proclaimed as final.

Section 10: DEBT DISCLOSURE STATEMENT

A brief official statement containing the information required by Idaho Code § 34-439, as amended, shall be prepared by the City Treasurer.

Section 11: REVENUE BONDS

If, at the special bond election, a majority of the qualified electors of the City voting upon the ballot question set forth in Section 4 of this Ordinance vote in favor of the issuance of water revenue bonds for the purposes set forth herein and designated on the aforesaid ballot, fully registered water revenue bonds of the City shall be authorized, issued, sold, and delivered. The bonds shall be issued in the form and manner, shall be registered, shall mature annually over a period which may be less than but which shall not exceed forty (40) years, shall bear interest at a

rate or rates to be determined by the Council at the time of issuance of such bonds, and shall be payable annually or at such lesser intervals and be subject to such redemption provisions, as may be prescribed by the ordinance authorizing the issuance of such bonds, all of which shall be in accordance with the laws of the State of Idaho.

The net revenues (gross revenues minus normal expenses of maintenance and operation) of the domestic water system of the City will be pledged for the payment of principal of and interest and redemption premiums, if any, on the revenue bonds. The bonds shall not be a debt of the City within the meaning of any State constitutional provision or statutory limitation, nor a charge against the general credit or taxing powers of the City, and the City shall not be liable therefor from its general funds, nor shall the bonds or the interest thereon be payable out of any funds other than the revenues of the domestic water system specified above.

Section 12: OFFICERS AUTHORIZED

The officers of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance.

Section 13: RATIFICATION

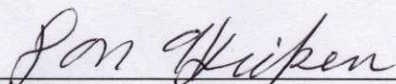
All actions heretofore taken, not inconsistent with the provisions of this Ordinance, by the Mayor and Council directed toward construction and installation of the Project and the issuance of water revenue bonds of the City therefor, and for the holding of a special municipal water revenue bond election, are hereby ratified, approved, and confirmed.

Section 14: PUBLICATION

This Ordinance, or a summary thereof in compliance with Section 50-901A, Idaho Code, substantially in the form annexed hereto as Exhibit "B," shall be published once in the official newspaper of the City, and shall take effect immediately upon its passage, approval, and publication.

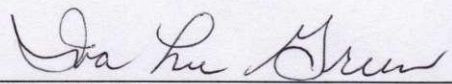
DATED this 4th day of April, 2011.

CITY OF DIETRICH
Lincoln County, Idaho



Mayor

ATTEST:



City Clerk

(S E A L)

