

REQUEST FOR PUBLIC
COMMENT ON LOAN APPLICATION
TO THE BOARD OF WATER RESOURCES

June 22, 2010

Dear Water User:

Wellsville City has applied to the Utah Board of Water Resources for a loan to be used in the construction of a 1,000,000 gallon culinary water reservoir. The loan from the Utah Board of Water Resources will be issued for a total of approximately \$216,000 which amount will be repaid to the Board of Water Resources over a period of 15 years at 0% interest. In addition to the water resource loan, the City will also be issuing bonds on the open market not to exceed the amount of approximately \$784,000 for 15 years and not to exceed 6% interest. Security for the loans would be provided through the sale of a "non-voted" revenue bonds. Payments shall be made from the net revenues of the water system.

Wellsville City Council will conduct a public hearing on July 7, 2010 at 7:00 p.m. A presentation shall be made, then a discussion, and then public input received on the possible need to increase culinary water rates for the purpose of constructing a 1,000,000 gallon water reservoir. Said hearing would allow for the adoption of a code amendment increasing the monthly culinary water rates.

It is the policy of the Utah Board of Water Resources to provide a 15-day period for public comment prior to the purchase of any non-voted revenue bonds. In this regard, the Board wishes to solicit the comments of the water users (either favorable or negative). Interested individuals are encouraged to respond in writing before July 23, 2010. All written comments received prior to that date will be reviewed by the Board of Water Resources prior to the final decision on whether to proceed with the bond purchase. Comments should be addressed either to Wellsville City or the Board of Water Resources:

Wellsville City Corp.
P.O. Box 6
Wellsville, UT 84339

OR

Board of Water Resources
P.O. Box 146201
Salt Lake City, UT 84114-6201

Thank you for your consideration in this matter.

Thomas G. Bailey
Mayor

IN FAVOR _____
NOT IN FAVOR _____
COMMENTS: