

## **Town of Eagle Mountain, Utah**

### **RESOLUTION NO. 09-00**

#### **A RESOLUTION ESTABLISHING A PROTOCOL FOR THE POTENTIAL SALE OF A CITY OWNED UTILITY**

WHEREAS, the Town of Eagle Mountain is responsible to provide adequate utility services to the residents of the Town at reasonable costs under the prevailing circumstances; and

WHEREAS, the time may come when it is in the public interest for the Town to consider selling one or more of the municipally owned utilities to ensure the best possible service to the residents of the Town; and

WHEREAS, the public interest requires that the Town not subsidize the cost of responding to offers to purchase utility property and obtain fair market value for utility facilities which are proposed for purchase by others and assure that all related debt for such utilities is retired upon the sale.

NOW, THEREFORE, be it resolved by the Town Council of the Town of Eagle Mountain, Utah as follows:

1. Every prospective purchaser interested in purchasing any part of or all of any of the utility systems owned by the Town (natural gas, electric power, telecommunications, water or sewer) shall notify the Town in writing directed to the Mayor and Town Council, of the prospective purchasers interest in making a purchase offer stating the utility system or the part of a utility system which is of interest, the qualifications of the prospective purchaser to do business as a public utility, serve residents of the Town and, in the notice of purchase interest, commit to pay to the Town all of the estimated costs incurred by the Town, to investigate the offer and to respond to the offer to purchase, including appraisal costs, document copying, electronic media preparation, personnel costs, engineering and legal costs and every other anticipated cost estimated or to be incurred by the Town to respond to and evaluate the proposed purchasers offer. The Town will evaluate the notice of interest, comment or provide additional questions for the prospective purchaser, and estimate the amount of cost reimbursement required to be deposited in cash with the Town to be paid by the interested party before the Town staff and contracted personnel will be authorized to respond to the prospective purchasers request for information.

2. The Town shall require an independent appraisal to be prepared by a qualified

appraiser selected and engaged by the Town to appraise each utility system or part thereof, described in or effected by a purchase proposal, to determine the fair market value of the property proposed for purchase as a going business, and the effect on any remaining system after the proposed purchase prior to consideration of the offer to purchase and the election required by this resolution.

3. If a fair market value purchase offer, as determined by the appraisal described in paragraph 2 above, is received by the Town, and if acceptance of the offer will not cause a detrimental impact on a part of a utility system not included in the purchase offer and will not be detrimental to the public interest, and if the offer is approved by the Town Council in it's sole and exclusive discretion, the question of whether or not to sell the utility system or property shall be submitted to a binding referendum election of registered voters. If a majority of voters approve the sale the offer to purchase will be accepted on terms negotiated by the Town.

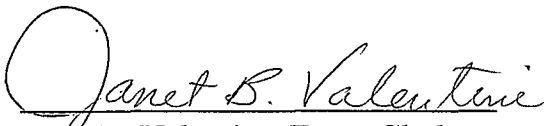
4. Citizens and taxpayers of the Town shall not be required to pay debt service or retire debt from sources of funds not directly received at the sale closing from the utility system purchaser or, in any other way, directly or indirectly subsidize the cost to retire or pay unpaid bonds or other financing of a Town utility system to facilitate a sale transaction or to complete a sale without the retirement of related utility financing.

5. Citizens of the Town who know of potential buyers shall not negotiate on behalf of the Town and shall direct prospective purchasers to negotiate with the Town under the terms of this resolution and not with a citizens group.

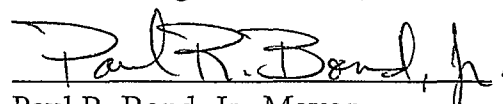
6. The Public Works Board shall be open to the citizens of the Town to discuss the status of the utility systems, connection fees, service charges, rates and conditions of service and shall periodically convene a specific meeting to hear public concerns about the cost, dependability, and service of Town utilities..

ADOPTED by the Town Council of Eagle Mountain, Utah, this 2<sup>ND</sup> day of May 2000.

ATTEST

  
Janet B. Valentine, Town Clerk

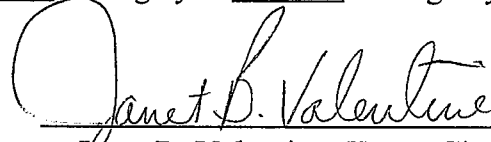
Town of Eagle Mountain, Utah

  
Paul R. Bond, Jr., Mayor



**CERTIFICATION**

The above resolution was adopted by the Town Council of Eagle Mountain on the 2nd  
day of MAY, 2000. 5 voting aye          voting nay

  
\_\_\_\_\_  
Janet B. Valentine, Town Clerk