

RESOLUTION NO. 14-1041

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA, ORDERING AND CALLING A SPECIAL ELECTION TO BE HELD ON NOVEMBER 4, 2014, IN AND FOR THE TOWN OF CHINO VALLEY, ARIZONA, TO SUBMIT TO THE QUALIFIED ELECTORS THEREOF A QUESTION OF SELLING AND ISSUING BONDS PAYABLE FROM SECONDARY (AD VALOREM) PROPERTY TAXES

WHEREAS, the Mayor and Common Council of the Town of Chino Valley, Arizona (hereinafter referred to as the "Council"), desire to provide certain, additional water and wastewater utility services to the citizens of the Town of Chino valley, Arizona (hereinafter referred to as the "Town"), at the lowest rates with the fewest rate increases possible for the following purposes:

- To increase its sewer collection and intercept of waste streams to maximize treatment and recharge of same to preserve the Town's aquifer and water resources for future generations;
- To improve fire protection capabilities of the Town;
- To develop the Town's local economy and in connection therewith, to provide more jobs, sales tax proceeds and retail/commercial choices for the citizens of the Town;
- To follow and implement the policies and concepts enumerated in the General Plan of the Town, in order to create infrastructure, jobs and choices for the Town in the most efficient and effective manner as described in such plan and
- To ensure that the General and Strategic Plans of the Town will be implemented on a consistent basis to effect the changes in the development of the Town, as expressed by its citizens through such plans; and

WHEREAS, the foregoing are in the best interests of the health, safety and welfare of the citizens of the Town; and

WHEREAS, provision of such utility services will be accomplished by the following:

- The acquisition of the portion of the domestic water system of the City of Prescott, Arizona, which serves the Town per the acquisition agreement with such city;
- The settlement of the construction manager at risk agreement related to the wastewater treatment plant of the Town per the settlement agreement with Fann Contracting and
- The extension of water and wastewater service along Highway 89 between Road 2 North and Road 3 North; and

WHEREAS, such capital needs of the Town can be financed best through the sale and issuance of bonds of the Town, the debt service with respect to which shall be paid through the levy of secondary (ad valorem) property taxes, which tax levy shall be no more than required to repay such bonds and shall cease when the bonds are paid; and

WHEREAS, pursuant to Section 35-452, Arizona Revised Statutes, the Council must order an election to determine whether such indebtedness shall be authorized (hereinafter referred to as the "Election"); and

WHEREAS, if the issuance of such bonds is approved, the bonds will be sold to the Water Infrastructure Finance Authority of Arizona;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CHINO VALLEY, ARIZONA:

Section 1. That the Election, in and for the Town, be and the same is hereby ordered and called to be held on November 4, 2014, at which time there shall be submitted to the qualified electors of the Town the question of authorizing the sale and issuance of bonds of the Town in the aggregate principal amount and for the purposes set forth in the official ballot for the Election.

Section 2. That the official ballot for the Election (hereinafter referred to as the "Official Ballot") shall be in substantially the form attached hereto as Exhibit "A."

Section 3. (A) That notice of the Election shall be given by mailing an informational pamphlet (hereinafter referred to as the "Informational Pamphlet") and a sample of the Official Ballot in substantially the form attached hereto as Exhibit "B," as revised as hereinafter described, to each household within the Town that contains a registered voter not less than thirty-five days before the Election.

(B) That the Informational Pamphlet shall be prepared by the Clerk of the Town, and the Clerk of the Town is hereby authorized and directed to cause the Informational Pamphlet to be provided as and under the circumstances described herein in the form he deems acceptable. The Clerk of the Town is hereby authorized and directed to submit, within thirty (30) days after the date of the Election, a copy of the Informational Pamphlet to the Arizona Department of Revenue.

(C) That the Clerk of the Town is hereby authorized to request arguments for and against the subject matter of the Election by providing the notice in the form and by the means provided in the form attached hereto and marked Exhibit "C" (hereinafter referred to as the "Request for Arguments"). **The deadline for submitting arguments is August 4, 2014, at 5:00 p.m.**

Section 4. That absentee/early voting with respect to the Election shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.

Section 5. That the Clerk of the Town is hereby authorized and directed to have printed and delivered to the election officials at the polling places, to be by them furnished to the qualified electors of the Town offering to vote at the Election, the Official Ballot.

Section 6. That in order to comply with the Voting Rights Act of 1965, as amended, the following materials pertaining to the Election shall be translated into Spanish and mailed or distributed in each instance where mailing or distributing of such materials is required, to-wit: Request for Arguments, Informational Pamphlet, Official Ballot, "Absentee/Early Voting Materials" and "Instructions At The Polling Places."

Section 7. That, if necessary, the consolidation of precincts for the purposes of the Election is approved as determined by the Clerk of the Town, and such consolidation is hereby deemed necessary for purposes of the Election.

Section 8. (A) That the Election shall be held, conducted and canvassed in conformity with the provisions of the regular election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are qualified electors of the Town.

(B) That the Election may be conducted using either electromechanical or electronic vote recording and ballot counting equipment or paper ballots, as shall be determined to be in the best interests of the Town by the Election Department of the County and the Clerk of the Town. The Clerk of the Town is authorized and directed to enter into a contract with the County Recorder of Yavapai County, Arizona (the "County") to obtain precinct registers for the election and to enter into an agreement with the Elections Department of the County to conduct the Election for the Town.

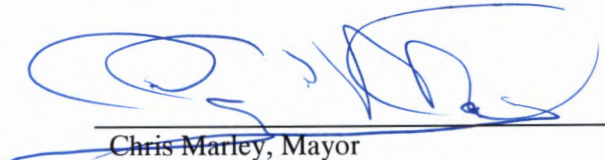
(C) That all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditure shall be paid from current operating funds of the Town.

(D) That the Clerk of the Town is hereby authorized to take all necessary action to facilitate the Election.

Section 9. (A) That the official returns from the Election shall be made to the Mayor and Common Council of the Town within twenty (20) days from the date of the Election and the Election shall be canvassed and the results thereof certified by the Mayor and Common Council of the Town at a meeting to be held within twenty (20) days after the date of the Election, as provided by law.

(B) That the Mayor and Common Council of the Town shall file and record in the office of the County Recorder of the County a certificate disclosing with respect to the Election the purpose of the Election, the total number of votes cast and the total number of votes for and against creating the indebtedness and stating whether or not the indebtedness is ordered in each case.

PASSED AND ADOPTED AND APPROVED by the Mayor and Common Council of the Town of Chino Valley, Arizona this 8th day of July, 2014.



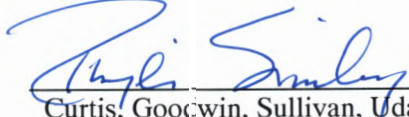
Chris Marley, Mayor

ATTEST:



Jami C. Lewis, Town Clerk

APPROVED AS TO FORM:



Curtis, Goodwin, Sullivan, Udall & Schwab
Town Attorney

CERTIFICATION

I hereby certify that the foregoing Resolution No. 10-1041 was duly passed and adopted by the Mayor and Common Council of the Town of Chino Valley, Arizona, at a regular meeting held on July 8, 2014, that the vote thereon was 7 ayes, 0 nays, and that the Mayor and 6 Council members were present thereat.



Clerk, Town of Chino Valley, Arizona

EXHIBIT "A"

OFFICIAL BALLOT

(FULL FORM)

ISSUANCE OF BONDS PAYABLE FROM SECONDARY (AD VALOREM) PROPERTY TAX

Shall the Town of Chino Valley, Arizona (the "Town"), be authorized to incur indebtedness by the issuance of bonds of the Town in the principal amount of \$13,500,000 for the purpose of providing funds to pay the costs to design, develop, construct, acquire, equip and furnish facilities of the Town for water production and distribution and wastewater collection and treatment, including acquisition of necessary related interests in real estate, appurtenances and equipment and to pay all costs incidental to any of the foregoing and to the sale and issuance of such bonds; such bonds, or any series thereof, to be issued as general obligation bonds of the Town, payable from secondary (ad valorem) property taxes levied upon all of the taxable property in the Town, to mature not more than 30 years from their date and to bear interest at a rate of not to exceed 7% per annum?

The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

FOR THE BONDS AGAINST THE BONDS

(TAG FORM)

A "yes"(For the Bonds) vote shall authorize the Town of Chino Valley, Arizona to sell and issue \$13,500,000 principal amount of general obligation bonds.

A "no" (Against the Bonds) vote shall not authorize the Town of Chino Valley, Arizona to sell and issue such bonds.

FOR THE BONDS AGAINST THE BONDS

EXHIBIT "B"

REQUEST FOR ARGUMENTS FOR AND AGAINST THE AUTHORIZATION OF A PRIMARY (AD VALOREM) PROPERTY TAX IN AND FOR THE TOWN OF CHINO VALLEY, ARIZONA, AND THE ISSUANCE OF BONDS PAYABLE FROM A SECONDARY (AD VALOREM) PROPERTY TAX BY THE TOWN TO BE CONSIDERED BY THE VOTERS OF THE TOWN OF CHINO VALLEY, ARIZONA, AT AN ELECTION TO BE HELD ON NOVEMBER 4, 2014

Pursuant to Resolution No. 10-1041 adopted by the Mayor and Common Council of the Town of Chino Valley, Arizona, (the "Town"), on July 8, 2014 (the "Resolution"), a special election in and for the Town was ordered and called to be held on November 4, 2014 (the "Election"). Notice of the Election will be given by mailing an informational pamphlet. Such information is to include arguments for and against the authorization of the issuance of bonds payable from a secondary (ad valorem) property tax by the Town to be considered at the Election. (The text of the questions to be considered at the Election is included in the Resolution which is available at the Office of the Clerk of the Town at 202 North State Route 89, Chino Valley, Arizona 86323.) Any person interested in providing any such argument is hereby requested to provide the same to the Clerk of the Town at the address indicated above before 5:00 p.m., Arizona time on August 4, 2014. If you have any questions about the foregoing, please contact the Clerk of the Town at (928) 636-2646.

/s/ Jami Lewis

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Town Clerk, Town of Chino Valley, Arizona

This Request (along with Spanish translation thereof) should be posted at all places at which notices of meetings of the Mayor and Common Council of the Town are posted and published once in the *Chino Valley Review*.