

ORDINANCE NO. 973

AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF IMPROVEMENTS TO THE DOMESTIC WATER SYSTEM OF THE CITY; CALLING A SPECIAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY THE QUESTION OF INCURRING AN INDEBTEDNESS AND ISSUING REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$2,800,000 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 Ketchum, Blaine 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 municipal domestic water treatment and distribution 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 system 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 KETCHUM, Blaine 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 design, acquire, and install improvements to the domestic water system, consisting generally of replacement of the Ketchum Spring Water System in the City, including replacement of main and service lines and other related improvements and costs of design and engineering, legal, and other services incidental thereto, interest on bond anticipation notes or other interim financing obligations, and 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 \$2,800,000, including the payment of all preliminary expenses incurred and incidental 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 the principal amount of \$2,800,000, to pay a portion of the costs of the Project. The remainder of the costs 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, February 7, 2006, 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 February 7, 2006. The City, as its boundaries and corporate limits are now fixed and established, shall consist of one voting precinct, the polling place for which shall be:

Ketchum City Hall
480 E. Avenue North
Ketchum, Idaho

The City Clerk shall appoint election judges and clerks for the voting places for the special bond election. The election officials shall be qualified City or County electors. The City Clerk shall notify the election officials of their appointment. If any election judge or clerk fails to report for duty on the day of election, the City Clerk shall fill such vacancies from among the qualified electors presenting themselves to vote. Compensation for the election judges and clerks shall be not less than the minimum wage prescribed by laws of the state of Idaho.

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 KETCHUM
Blaine County, Idaho

SPECIAL REVENUE BOND ELECTION
FEBRUARY 7, 2006

SHALL THE CITY OF KETCHUM BE AUTHORIZED TO INCUR AN INDEBTEDNESS AND TO ISSUE AND SELL ITS REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$2,800,000 TO PAY A PORTION OF THE COSTS OF IMPROVEMENTS AND BETTERMENTS TO THE DOMESTIC WATER SYSTEM OF THE CITY, THE BONDS TO MATURE OVER A PERIOD WHICH MAY BE LESS THAN BUT WHICH SHALL NOT EXCEED THIRTY (30) YEARS AND TO BE PAYABLE SOLELY FROM THE REVENUES OF THE DOMESTIC WATER SYSTEM, ALL AS MORE FULLY PROVIDED IN ORDINANCE NO. 973, ADOPTED ON DECEMBER 5, 2005?

IN FAVOR OF issuing revenue bonds for the purposes provided by Ordinance No. 973. []

AGAINST the issuance of revenue bonds for the purposes provided by Ordinance No. 973. []

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. 973" or "AGAINST the issuance of revenue bonds for the purposes provided in Ordinance No. 973" 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 34-440, Idaho Code:

The interest rate anticipated on the proposed bonds is 4.80% per annum. The range of anticipated rates is from 3.0% to 5.25%. The City has existing indebtedness of \$5,109,386. 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 \$4,332,275.

Section 5: ELECTION EXPENSES

The City Clerk is hereby authorized and directed to procure such supplies and incur such expenses as may be appropriate and necessary for the proper conduct of the special bond election.

Section 6: 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 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 7: REGISTRATION

All electors must be registered to vote at the special water revenue bond election. The Blaine 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 Blaine County Clerk, Blaine County Courthouse, Hailey, Idaho, or at the office of the Ketchum City Clerk, as Deputy Registrar, at Ketchum City Hall, on any business day during office hours, until January 13, 2006. 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 8: BALLOTS

The City Clerk shall cause the official ballot for the special bond election to be prepared 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 fifteen (15) 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 City 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 last publication to be on the last available publication date prior to said election.

Section 9: NOTICE

Notice of the special bond election shall be given prior to the election by publishing a notice of election in the official newspaper of the City, the first publication being at least 45 days prior to the election, followed by two additional publications, once a week on the same day of the week for two (2) consecutive weeks, the last publication being not less than fifteen (15) days prior to the election, which notice shall be in substantially the form attached hereto, marked Exhibit "A," and by this reference incorporated herein.

Section 10: CANVASS

The City, having duplicate ballot boxes, can begin counting after five (5) ballots have been cast, in accordance with Idaho Code 50-463. The counting shall be continued until completed and

the result declared. The election judge and clerks shall thereupon certify the returns of the special bond election to the City Clerk, who shall present the results to the Council.

The Mayor and Council shall meet within six (6) days following the election, or at such time to which such meeting is continued, at the regular meeting place of the City Council, at City Hall, Ketchum, Idaho, 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 Council and proclaimed as final.

Section 11: DEBT DISCLOSURE STATEMENT

A brief official statement containing the information required by Idaho Code § 34-440, as amended, shall be prepared by the City Treasurer.

Section 12: 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 revenue bonds for the purposes set forth herein and designated on the aforesaid ballot, fully registered 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 thirty (30) 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 13: 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 14: RATIFICATION

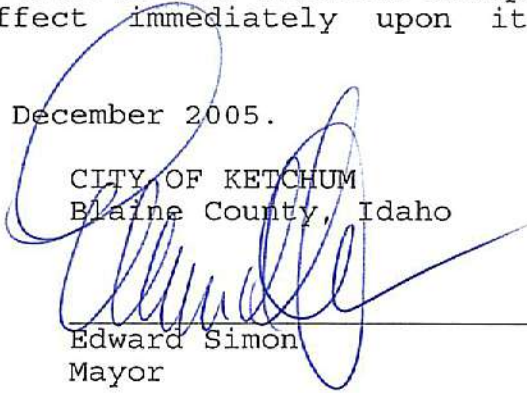
All actions heretofore taken, not inconsistent with the provisions of this Ordinance, by the Mayor and Council directed toward construction and installation of the Project and the issuance of water revenue bonds of the City therefore, and for the holding of a special municipal water revenue bond election,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

Section 15: PUBLICATION

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

DATED this 5th day of December 2005.


CITY OF KETCHUM
Blaine County, Idaho



Edward Simon
Mayor

ATTEST:

APPROVED AS TO FORM
AND CONTENT

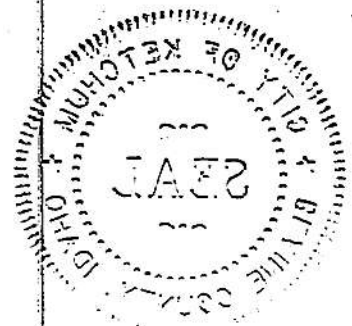


Sandra E. Cady, CMC
City Treasurer/Clerk



By: _____
Benjamin W. Worst,
City Attorney

(S E A L)



SUMMARY OF
ORDINANCE NO. 973

AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF IMPROVEMENTS TO THE DOMESTIC WATER SYSTEM OF THE CITY; CALLING A SPECIAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY THE QUESTION OF INCURRING AN INDEBTEDNESS AND ISSUING REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$2,800,000 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

A summary of the principal provisions of Ordinance No. 973 of the City of Ketchum, Blaine County, Idaho, adopted on December 5, 2005, is as follows:

Section 1: Defines the domestic water system capital improvement project, estimates the total cost, and provides for issuance of revenue bonds, subject to approval of the qualified electors of the City, in the amount of \$2,800,000 to pay a portion of the cost of the Project.

Section 2: Provides for a special revenue bond election to be held within the City on Tuesday, February 7, 2006, for the purpose of enabling the qualified electors of the City to vote upon the proposition of issuing revenue bonds in the amount of \$2,800,000.

Section 3: Provides that the polls of the special bond election shall open at 8:00 o'clock A.M. on February 7, 2006, and shall remain open until 8:00 o'clock P.M., and provides for the polling place for the special bond election.

Section 4: Provides that the ballot proposition shall be substantially as follows:

SHALL THE CITY OF KETCHUM BE AUTHORIZED TO INCUR AN INDEBTEDNESS AND TO ISSUE AND SELL ITS REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$2,800,000 TO PAY A PORTION OF THE COSTS OF IMPROVEMENTS AND BETTERMENTS TO THE DOMESTIC WATER SYSTEM OF THE CITY, THE BONDS TO MATURE OVER A PERIOD WHICH MAY BE LESS THAN BUT WHICH SHALL NOT EXCEED THIRTY (30) YEARS AND TO BE PAYABLE SOLELY FROM THE REVENUES OF THE DOMESTIC WATER SYSTEM, ALL AS MORE FULLY PROVIDED IN ORDINANCE NO. 973, ADOPTED ON DECEMBER 5, 2005?

Section 5: Provides for payment of election expenses.

Section 6: Defines qualified electors as persons eighteen (18) years of age or older who are United States citizens who have resided in the City for at least thirty days prior to the election and who are registered as provided by law.

Section 7: Provides for registration of voters.

Section 8: Provides for preparation of official ballots and sample ballots.

Section 9: Provides for publication of Notice of Special Bond Election.

Section 10: Provides for canvass of votes.

Section 11: Provides for Debt Disclosure Statement pursuant to Idaho Code § 34-440.

Section 12: Provides for the issuance of revenue bonds maturing over a period which may be less than but which shall not exceed thirty (30) years, and provides for other matters relating to the revenue bonds.

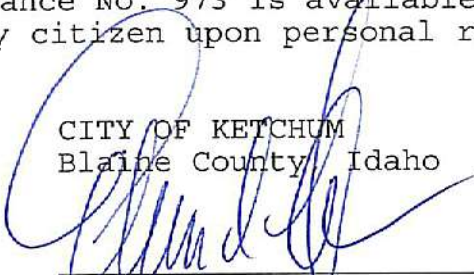
Section 13: Authorizes the officers of the City to take appropriate actions to effectuate the provisions of this Ordinance.

Section 14: Ratifies previous actions.

Section 15: Provides for publication of a summary of the Ordinance.


The full text of Ordinance No. 973 is available at City Hall and will be provided to any citizen upon personal request during normal office hours.

CITY OF KETCHUM
Blaine County, Idaho



Edward Simon, Mayor

ATTEST:

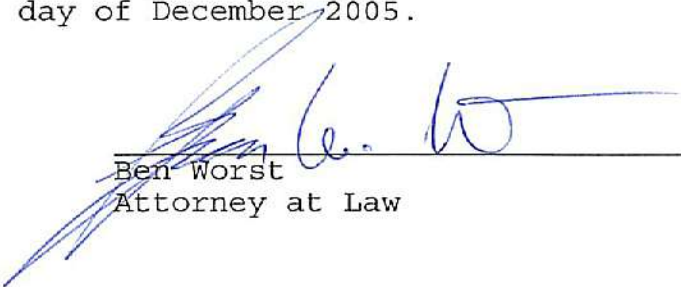


Sandra E. Cady, CMC
City Treasurer/Clerk

CERTIFICATION OF ATTORNEY

I, the undersigned attorney at law, duly licensed in the State of Idaho and serving as City Attorney to the City of Ketchum, Idaho, hereby certify that I have read the attached Summary of Ordinance No. 973 of the City of Ketchum and that the same is true and complete and provides adequate notice to the public of the contents of said Ordinance.

Dated as of the 5th day of December 2005.



Ben Worst
Attorney at Law

CITY OF KETCHUM
Blaine County, Idaho

NOTICE OF SPECIAL REVENUE BOND ELECTION

NOTICE IS HEREBY GIVEN that pursuant to Ordinance No. 973, adopted on December 5, 2005, of the City of Ketchum, of Blaine County, Idaho, a Special Revenue Bond Election will be held in the City on

TUESDAY, FEBRUARY 7, 2006

between the hours of 8:00 o'clock A.M. and 8:00 o'clock P.M., for the purpose of voting upon the question and proposition of issuing water revenue bonds in the principal amount of \$2,800,000 for the purpose of providing funds to pay a portion of the cost of construction and installation of improvements to the domestic water system of the City, consisting generally of replacement of the Ketchum Spring Water System in the City, including replacement of main and service lines; together with other related improvements and costs of design and engineering, legal, and other services incidental thereto, interest on bond anticipation notes or other interim financing obligations, and the costs of issuance of revenue bonds therefor (the "Project"), and other related improvements and costs, pursuant to the provisions of said Ordinance.

The question to be submitted to the electors shall be by ballot reading substantially as follows:

SHALL THE CITY OF KETCHUM BE AUTHORIZED TO INCUR AN INDEBTEDNESS AND TO ISSUE AND SELL ITS REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$2,800,000 TO PAY A PORTION OF THE COSTS OF IMPROVEMENTS AND BETTERMENTS TO THE DOMESTIC WATER SYSTEM OF THE CITY, THE BONDS TO MATURE OVER A PERIOD WHICH MAY BE LESS THAN BUT WHICH SHALL NOT EXCEED THIRTY (30) YEARS AND TO BE PAYABLE SOLELY FROM THE REVENUES OF THE DOMESTIC WATER SYSTEM, ALL AS MORE FULLY PROVIDED IN ORDINANCE NO. 973, ADOPTED ON DECEMBER 5, 2005?

The following information is required by Section 34-440, Idaho Code:

The interest rate anticipated on the proposed bonds is 4.80% per annum. The range of anticipated rates is from 3.0% to 5.25%. The City has existing indebtedness of \$5,109,386. 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 \$4,332,275.

Qualified electors of the City shall vote at the following polling place:

Ketchum City Hall
480 E. Avenue North
Ketchum, Idaho

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 30 days immediately preceding the date of the election, if properly registered as required by law, shall be qualified to vote at said election.

Any qualified elector who, because of illness, disability, or expected absence from the City on the date of election, will be unable to vote at the designated polling place on the day of election, may apply to the City Clerk for an absentee ballot. The application must be in writing, must be signed personally by the applicant, and must contain the name of the elector, his/her home address, and the address to which the ballot shall be forwarded. An application for a mail-in absentee ballot must be received by the City Clerk not later than 5:00 p.m. on the sixth day before the election. An application for in-person absentee voting at the absent elector's polling place described in Section 50-448, Idaho Code, must be received by the City Clerk not later than 5:00 p.m. on the day before the election. Application for an absentee ballot may be made by using a facsimile machine. The City's facsimile number is (208) 726-8234.

The Blaine County Clerk is the Registrar of the City, and the place of registration is the Blaine County Courthouse, Hailey, Idaho. Persons may register on any business day during office hours, continuing until January 13, 2006. Persons may also register with the Ketchum City Clerk at City Hall, Ketchum, Idaho, until January 13, 2006. Any elector who will complete his or her residence requirement or attain the requisite voting age during the period when the register of electors is closed may register prior to the closing of the register.

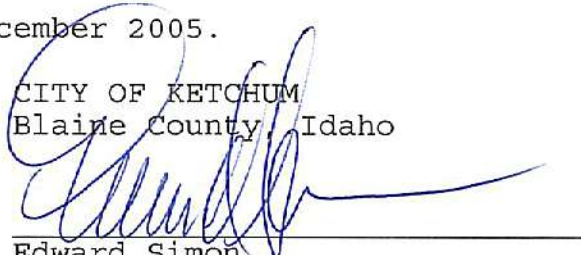
Any person who is eligible to vote may register on election day by appearing in person at the polling place established for the election, by completing a registration card, making an oath on the form prescribed by law, and providing proof of residence in the manner provided by Section 34-408A, Idaho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

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.

If, at the special bond election, the majority of the qualified electors voting upon the ballot question assent to the issuance of revenue bonds for the purposes set forth in Ordinance No. 973, the revenue bonds of the City of Ketchum will be issued for such purposes, which bonds, or so much thereof as may be necessary, will mature annually, or at such lesser interval as may be prescribed by the ordinance authorizing the issuance of the bonds, over a period which may be less than but which shall not exceed thirty (30) years, and will bear interest at such rate or rates as shall be prescribed in the ordinance authorizing the issuance of the bonds. The principal of and interest on the bonds will be payable solely out of and derived from rates and charges for the use of and the services rendered by, and all other income, earnings, and revenues of the domestic water system of the City.


DATED this 5th day of December 2005.

CITY OF KETCHUM
Blaine County, Idaho



Edward Simon
Mayor

ATTEST:



Sandra E. Cady, CMC
City Treasurer/Clerk