

RESOLUTION 2022-02

A RESOLUTION RESERVING FUNDS FROM WATER ACCOUNT FOR THE DEBT SERVICE

WHEREAS, the Town Council of Genola is in the process of adding a second water well and water tank to supply the water needed by the Town residents;

WHEREAS, the Town has obtained grant and loan funds to finance the well and water tank project;

WHEREAS, the Town is required to have sufficient funds to pay the annual debt service amount on the loan either reserved for that purpose or as income from the water bills paid by residents;

WHEREAS, the Town currently has a large balance in its water account sufficient to cover the annual debt service amount for several years;

WHEREAS, the Town Council desires to create a debt reserve account and prefund the annual debt service amount from the water account;

WHEREAS, the Town Council is willing to raise resident water rates to pay the annual debt service amount if necessary;

WHEREAS, the Town Council desires to prefund the annual debt service amount for adding the well by reserving the annual payment on the loan from the water account into the debt service account;

NOW THEREFORE, BE IT RESOLVED BY THE GENOLA TOWN COUNCIL:


1. That the Town shall create a debt service reserve account, with funds used to pay the annual payment on the Town's loan for the water well and tank;
2. That the Town shall transfer sufficient funds to cover the annual debt service payment from the Town's water account to the debt service reserve account after the account is created; and
3. That the Town Council shall review and raise resident water rates if the balance in the Town's water account falls below twice the amount of the annual debt service payment.


PASSED AND ADOPTED by the Town Council of the Town of Genola, State of Utah on the 16th day of March, 2022 by the following Vote:

	Aye	Nay	Abstain	Absent
Martin Larson	XX _____	_____	_____	_____
Neil Brown	XX _____	_____	_____	_____
Hale Robison	XX _____	_____	_____	_____
Grant Lundberg	XX _____	_____	_____	_____
Stan Judd	_____	_____	_____	XX _____

TOWN OF GENOLA:

ATTEST:


By: Martin Larson
Its: Mayor


By: Lucinda Thomas
Its: Town Clerk/Recorder

