

METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY

SUPPLEMENTAL RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF

\$ _____
WATER REVENUE AND REFUNDING BONDS,
SERIES 2009A

ADOPTED SEPTEMBER 21, 2009

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RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$_____ WATER REVENUE AND REFUNDING BONDS, SERIES
2009A; AND RELATED MATTERS.

WHEREAS, on April 29, 2002, the Board of Trustees (the “*Board*”) of the Metropolitan Water District of Salt Lake & Sandy (the “*Issuer*”), adopted a resolution entitled “Master Resolution Providing for the Issuance of Water Revenue Bonds” (as amended and supplemented, the “*Resolution*”);

WHEREAS, the Issuer has previously issued its \$135,400,000 original aggregate principal amount of Water Revenue Refunding Bonds, Series 2008B-3 (the “*Series 2008B-3 Bonds*”);

WHEREAS, the Agency, on behalf of the Issuer, previously entered into (among other swap agreements) two separate interest rate swap agreements with Ambac Financial Services, LLC (“*AFS*”) with respect to a portion of the Series 2008B-3 Bonds, pursuant to which the Issuer paid a fixed rate to AFS and AFS paid a variable rate to the Issuer equal to the SIFMA Municipal Swap Index (the “*SIFMA Swap Agreements*”);

WHEREAS, the credit ratings of AFS and Ambac Assurance Corporation (“*Ambac*”), the guarantor of AFS’s obligations under the SIFMA Swap Agreements, have been downgraded, and it is expected that the credit of AFS and Ambac will continue to deteriorate;

WHEREAS, the Issuer has caused the SIFMA Swap Agreements to be terminated in accordance with the terms thereof and has, within the 60 days prior to the passage of this Supplemental Resolution, paid AFS certain swap termination payments with respect to the SIFMA Swap Agreements (the “*Swap Termination Payments*”) from Issuer funds;

WHEREAS, obtaining liquidity for variable rate bonds has become increasingly difficult and costly as a result of the current financial crisis;

WHEREAS, the Board deems it advisable and in the interests of the Issuer to provide for the issuance and delivery by the Issuer of its fixed-rate Water Revenue and Refunding Bonds, Series 2009A (the “*Series 2009A Bonds*”) in order to (i) refund \$60,200,000 principal amount of the Series 2008B-3 Bonds, representing the portion of the Series 2008B-3 Bonds that are subject to the SIFMA Swap Agreements (the “*Refunded Bonds*”), for the purpose of minimizing interest-rate risk and liquidity risk and eliminating the District’s exposure under the SIFMA Swap Agreements, (ii) reimburse the Issuer for a portion of the Swap Termination Payments, (iii) finance certain improvements to the District’s water system, consisting of the acquisition, construction, replacement or improvement of reservoirs, pipelines, water treatment facilities, and related facilities (the “*Series 2009A Project*”), (iv) satisfy a debt service reserve requirement, and (v) pay costs of issuance of the Series 2009A Bonds;

NOW THEREFORE, Be It Resolved by the Board of Trustees of the Issuer, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions.

(a) Certain terms are defined in the recitals hereto. Except as provided in subparagraph (b) of this Section and in the recitals, all defined terms contained in the Resolution when used in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“*Board*” means the Board of Trustees of the Issuer, or any other governing body of the Issuer hereafter provided for by law.

“*Bond Counsel*” means Chapman and Cutler LLP, or other counsel of nationally recognized standing in matters pertaining to the issuance of obligations by states and their political subdivisions and the tax-exempt status thereof, duly admitted to the practice of law before the highest court of any state of the United States.

“*Bond Payment Date*” means each date on which (a) interest on the Series 2009A Bonds is due and payable or (b) Principal of the Series 2009A Bonds is payable at maturity or pursuant to a Sinking Fund Installment.

“*Cede*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2009A Bonds.

“*Chair*” means the Chair of the Board, including any official authorized to carry out the duties of the Chair in the actual Chair’s absence (including without limitation any acting Chair or temporary Chair).

“*Closing Date*” means the date of initial execution and delivery of the Series 2009A Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“*Continuing Disclosure Undertaking*” means the Continuing Disclosure Undertaking, in substantially the form attached hereto as *Annex 3*.

“*DTC*” means The Depository Trust Company, New York, New York, and its successors and assigns.

“*Issue Date*” means the date of original issuance and delivery of the Series 2009A Bonds.

“*Participants*” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Series 2009A Bonds as securities depository.

“*Person*” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

“*Purchase Contract*” means the Bond Purchase Contract dated September 21, 2009, between the Issuer and the Underwriter, pursuant to which the Series 2009A Bonds are to be sold by the Issuer.

“*Record Date*” means, with respect to any interest payment date for the Series 2009A Bonds, the fifteenth day of the calendar month preceding such interest payment date or, if such day is not a Business Day, the immediately succeeding Business Day.

“*Resolution*” means the Master Resolution Providing for the Issuance of Water Revenue Bonds, adopted April 29, 2002, as from time to time amended or supplemented by supplemental resolutions, including this Supplemental Resolution.

“*Clerk*” means the Clerk of the Issuer, including any official authorized to carry out the duties of the Clerk in the actual Clerk’s absence (including without limitation any acting Clerk or Assistant Clerk).

“*Series 2009A Bondholder*” means any Person who is the registered owner of any Series 2009A Bond.

“*Series 2009A Bonds*” means the Water Revenue and Refunding Bonds, Series 2009A of the Issuer authorized by this Supplemental Resolution.

“*Series 2009A Debt Service Subaccount*” means the subaccount established in the Debt Service Account in the Bond Fund pursuant to Section 5.02 of the Resolution and Section 302 hereof.

“*Series 2009A Debt Service Reserve Subaccount*” means the subaccount established in the Debt Service Reserve Account in the Bond Fund pursuant to Section 5.02 of the Resolution and Section 303 hereof.

“*Series 2009A Debt Service Reserve Requirement*” means an amount equal to the lesser of (i) 10% of the [principal amount] of the Series 2009A Bonds, (ii) the maximum debt service on the Series 2009A Bonds, and (iii) 125% of the average debt service on the Series 2009A Bonds, calculated as of the date of original issuance of the Series 2009A Bonds or the date of refunding of a portion of the Series 2009A Bonds, as applicable.

“*Series 2009A Project*” is defined in the recitals.

“*Series 2009A Project Subaccount*” means the subaccount established in the Construction Fund pursuant to Section 5.03 of the Resolution and Section 301 hereof.

“*Supplemental Resolution*” means this Supplemental Resolution of the Issuer adopted on September 21, 2009.

“*Tax Exemption Certificate*” means any agreement or certificate of the Issuer executed in order to assure the exclusion from federal income taxes of interest received on the Series 2009A Bonds by the holders thereof.

“*Trustee*” means Zions First National Bank, and its successors and permitted assigns under the Resolution.

“*Underwriter*” means George K. Baum & Company.

“*Utah Code*” means the Utah Code Annotated 1953, as amended.

The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder”, and any similar terms as used in this Supplemental Resolution, refer to this Supplemental Resolution.

Section 102. Authority for Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2009A BONDS

Section 201. Authorization of Series 2009A Bonds, Principal Amount, Designation and Series. A Series of water revenue bonds is hereby authorized to be issued in the aggregate principal amount of \$_____. Such Series of Bonds shall be designated “Water Revenue and Refunding Bonds, Series 2009A.”

Section 202. Finding and Purpose. The Issuer hereby finds, determines and declares that it is necessary and desirable for the benefit of the Issuer and the water users of the Issuer to refund the Refunded Bonds as permitted in the Act for the purpose of minimizing interest-rate risk and liquidity risk and eliminating the District’s exposure under the SIFMA Swap Agreements. The Series 2009A Bonds are being issued for the purpose of refunding the Refunded Bonds, reimbursing the Issuer for a portion of the Swap Termination Payments, financing a portion of the costs of acquiring and constructing the Series 2009A Project, funding a portion of the Series 2009A Debt Service Reserve Requirement, and paying expenses properly incident to the issuance of the Series 2009A Bonds.

Section 203. Issue Date. The Series 2009A Bonds shall be dated the Issue Date, which is the date of original issuance and delivery.

Section 204. Series 2009A Bonds. The Series 2009A Bonds shall mature on the dates and in the principal amounts and shall bear interest from the Issue Date, payable semiannually on January 1 and July 1 in each year, commencing January 1, 2010, at the interest rates shown below. Interest on the Series 2009A Bonds shall be computed on the basis of a year of 360 days consisting of twelve 30-day months.

JULY 1 OF THE YEAR	AMOUNT MATURING	INTEREST RATE
	\$	%

Section 205. Registered Form, Denominations and Numbers. The Series 2009A Bonds shall be issued only as fully-registered Bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Series 2009A Bonds shall be numbered from one (1) consecutively upwards in order of authentication and delivery by the Trustee, with the prefix “R” preceding each number.

Section 206. Paying Agent. Zions First National Bank, is hereby appointed the Paying Agent for the Series 2009A Bonds, subject to the Paying Agent executing and delivering an acceptance to the Issuer and the Trustee as contemplated in Section 7.02 of the Resolution. Principal of the Series 2009A Bonds shall be payable at the principal corporate trust office of the Paying Agent or of any successor as Paying Agent in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. Payment of interest on any Series 2009A Bonds shall be (i) made to the registered owner thereof and shall be paid by check or draft mailed to the registered owner thereof as of the close of business on the Record Date at his address as it appears on the registration books of the Issuer maintained by the Trustee or at such other address as is furnished to the Trustee in writing by such registered owner or (ii) with respect to units of \$500,000 or more of Series 2009A Bonds, by wire transfer or other

transfer of immediately available funds acceptable to the Trustee, subject to the provisions of Section 3.01 of the Resolution.

Section 207. Optional and Sinking Fund Redemption. (a) The Series 2009A Bonds maturing on or after July 1, 2020 are subject to redemption at any time on or after July 1, 2019 in whole or in part, at the election of the Issuer from such maturities as shall be determined by the Issuer in its discretion and within each maturity as selected by the Trustee, upon notice as provided in Section 4.03 of the Resolution, and at a Redemption Price equal to 100% of the principal amount of each Series 2009A Bond or portion thereof to be so redeemed, plus accrued interest to the redemption date.

(b) The Series 2009A Bonds maturing July 1, _____ shall be subject to redemption in part by operation of Sinking Fund Installments, upon notice as provided in the Resolution, at a Redemption Price equal to the principal amount of each Series 2009A Bond or portion thereof to be redeemed, together with accrued interest to the date of redemption. The amounts and due dates of the Sinking Fund Installments for the Series 2009A Bonds maturing on July 1, _____ are set forth in the following table:

JULY 1 OF THE YEAR	AMOUNT
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*

* Stated maturity.

(c) Upon redemption of part (but not all) of the Series 2009A Bonds, while a book-entry system is in effect for the Bonds and the Bonds are held by the Trustee as the agent of DTC, the Trustee shall promptly provide to the Issuer written evidence of the receipt of payment of the redemption price. Unless otherwise directed in writing by an Authorized Officer of the Issuer, the Trustee, as agent of DTC, shall not be required to physically present or surrender such Series 2009A Bonds in connection with such redemption, and the holding of the Series 2009A Bonds by the Trustee in its capacity as DTC's agent, together with the notation of such redemption upon the books of the Trustee, shall be deemed the presentment and surrender of the Series 2009A Bonds to the Trustee for all purposes of the Resolution, and the portion of the Series 2009A Bonds so redeemed shall no longer be Outstanding under the Resolution.

Section 208. Sale of Series 2009A Bonds. (a) The Series 2009A Bonds authorized to be issued herein are hereby sold to the Underwriter at an aggregate price of \$_____ (being the principal amount of the Series 2009A Bonds, plus [net] \$_____ original issue premium, less \$_____ underwriter's discount), payable to the Issuer by the Underwriter pursuant to the Purchase Contract, on the terms and conditions set forth in the Purchase Contract and upon the basis of the representations therein set forth. To evidence the acceptance of the Purchase

Contract, the Chair is hereby authorized to execute and deliver, and the Clerk to affix the Issuer's seal and attest, the Purchase Contract in substantially the form attached hereto as *Annex 1*. The Chair and Clerk of the Board are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to comply with the Purchase Contract and to carry the same into effect. The Board hereby ratifies, confirms, and approves all actions heretofore taken on behalf of the Issuer by the Chair of the Board, the Clerk and other officials of the Issuer in connection with the sale of the Series 2009A Bonds.

(b) The final Official Statement of the Issuer for the sale of the Series 2009A Bonds, in substantially the form attached hereto as *Annex 2* (including, for purposes of approval of the Estimated Net Revenues in connection with the requirements of Section 2.03 and 2.04 of the Resolution relating to the issuance of the Series 2009A Bonds, the information set forth under the table, "HISTORICAL AND PROJECTED RESULTS OF OPERATIONS AND DEBT SERVICE COVERAGE" in APPENDIX A, with such changes, omissions, insertions and revisions as the Chair shall approve, is hereby authorized and approved, and the Chair shall sign and deliver such final Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2009A Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated September 1, 2009, by the Underwriter in connection with the offering of the Series 2009A Bonds is hereby acknowledged, approved and ratified.

(c) The Chair is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in substantially the same form as now before the Issuer and attached hereto as *Annex 3*, or with such changes therein as the Chair shall approve, his execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Issuer as herein provided, the Continuing Disclosure Undertaking will be binding on the Issuer and the officers, employees and agents of the Issuer, and the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed.

Section 209. Execution of Series 2009A Bonds. The Series 2009A Bonds shall be executed on behalf of the Issuer by the Chair, and attested by the Clerk, and the seal of the Issuer shall be placed on each of the Series 2009A Bonds.

Section 210. Delivery of Series 2009A Bonds. The Series 2009A Bonds shall be delivered to the Underwriter upon compliance with the provisions of Sections 2.02, 2.03, 2.04 and 3.02 of the Resolution, at such time and place as provided in, and subject to, the provisions of the Purchase Contract.

Section 211. Further Authority. The Chair, the Clerk, the General Manager, and other officers of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Series 2009A Bonds.

Section 212. Book-Entry System; Limited Obligation of Issuer. The Series 2009A Bonds shall be initially issued in the form of a separate, single, certificated, fully-registered Series 2009A Bond for each of the maturities of the Series 2009A Bonds. Upon initial issuance, the ownership of each such Series 2009A Bond shall be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC. Except as provided in Section 214 hereof, all of the outstanding Series 2009A Bonds shall be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC.

With respect to Series 2009A Bonds registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, the Issuer, the Trustee and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which a Participant holds an interest in the Series 2009A Bonds. Without limiting the immediately preceding sentence, the Issuer, the Trustee and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Series 2009A Bonds, (ii) the delivery to any Participant or any other Person, other than a Series 2009A Bondholder, as shown in the registration books kept by the Trustee, of any notice with respect to the Series 2009A Bonds, including, without limitation, any notice of redemption, or (iii) the payment to any Participant or any other Person, other than a Series 2009A Bondholder, as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest on the Series 2009A Bonds. The Issuer, the Trustee and the Paying Agent may treat and consider the Person in whose name each Series 2009A Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Series 2009A Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Series 2009A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2009A Bond, for the purpose of registering transfers with respect to such Series 2009A Bond and for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Series 2009A Bonds only to or upon the order of the respective Series 2009A Bondholders, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, as provided in Section 206 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2009A Bonds to the extent of the sum or sums so paid. No Person other than a Series 2009A Bondholder, as shown in the registration books kept by the Trustee, shall receive a certificated Series 2009A Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to this Series Supplemental Resolution. Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, the word "Cede" in this Series Supplemental Resolution shall refer to such new nominee of DTC. Upon receipt of such a notice, the Issuer shall promptly deliver a copy of the same to the Trustee and the Paying Agent.

Section 213. Letter of Representations. The Issuer has executed a Blanket Letter of Representations to DTC. The Issuer's execution and delivery of the Letter of Representations shall not in any way limit the provisions of Section 212 hereof or in any other way impose upon the Issuer any obligation whatsoever with respect to Persons having interests in the Series 2009A Bonds other than the Series 2009A Bondholders, as shown on the registration books kept by the Trustee. In the written acceptance of each Paying Agent and Trustee, such Paying Agent and

Trustee, respectively, shall agree to take all action necessary for all representations of the Issuer in the Letter of Representations with respect to the Paying Agent and Trustee, respectively, to at all times be complied with.

Section 214. Transfers Outside Book-Entry System. At the option of the Issuer or upon receipt by the Issuer of written notice from DTC to the effect that DTC has received written notice from Participants having interests, as shown in the records of DTC, in at least fifty percent (50%) of the aggregate principal amount of the then outstanding Series 2009A Bonds to the effect that:

(a) DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found that is willing and able to undertake such functions upon reasonable and customary terms, or

(b) a continuation of the requirement that all of the outstanding Series 2009A Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2009A Bonds,

the Series 2009A Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondowners transferring or exchanging Series 2009A Bonds shall designate, in accordance with the provisions of Article III of the Resolution.

Section 215. Payments to Cede. Notwithstanding any other provision of this Supplemental Resolution to the contrary, so long as any Series 2009A Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and premium, if any, and interest on such Series 2009A Bond and all notices with respect to such Series 2009A Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

ARTICLE III

ESTABLISHMENT OF FUNDS AND APPLICATION OF SERIES 2009A BOND PROCEEDS

Section 301. Establishment of Series 2009A Project Subaccount. There is hereby established a Project Account in the Construction Fund designated as the “*Series 2009A Project Subaccount*” into which there shall be deposited a portion of the proceeds of the Series 2009A Bonds as provided in Section 304. Such moneys shall be used for the purposes and as authorized by Section 5.03 of the Resolution.

Section 302. Establishment of Series 2009A Debt Service Subaccount. Pursuant to the provisions of Section 5.02 of the Resolution, there is hereby established, in the Debt Service

Account in the Bond Fund, a separate subaccount for the Series 2009A Bonds designated as the “*Series 2009A Debt Service Subaccount.*”

Section 303. Establishment of Series 2009A Debt Service Reserve Subaccount.

Pursuant to the provisions of Section 5.02 of the Resolution, there is hereby established, in the Debt Service Reserve Account in the Bond Fund, a separate subaccount for the Series 2009A Bonds designated as the “*Series 2009A Debt Service Reserve Subaccount.*” The Series 2009A Debt Service Reserve Requirement will initially be satisfied by the deposit of amounts transferred from the Series 2009A Debt Service Reserve Subaccount, together with proceeds of the Series 2009A Bonds, as provided in Section 305, and may be satisfied by the deposit of a Reserve Instrument. In the event that moneys on deposit in the Series 2009A Debt Service Reserve Subaccount are less than the Series 2009A Debt Service Reserve Requirement following a transfer to the Series 2009A Debt Service Subaccount pursuant to Section 5.08(b) of the Resolution, the District shall apply the first available moneys in the Revenue Fund to replenish the Series 2009A Debt Service Reserve Subaccount in accordance with Section 5.06(a) of the Resolution, to the extent necessary to satisfy the Series 2009A Debt Service Reserve Requirement.

Section 304. Establishment of the Costs of Issuance Fund. There is hereby established a separate fund for the Series 2009A Bonds designated as the “*Costs of Issuance Fund.*” Amounts in the Costs of Issuance Fund will be used to pay costs of issuance of the Series 2009A Bonds.

Section 305. Application of Proceeds of Series 2009A Bonds. The proceeds of the Series 2009A Bonds shall be paid to the Trustee for deposit as follows:

(a) \$_____ of proceeds of the Series 2009A Bonds, together with \$_____ to be transferred from amounts currently on deposit in the Series 2008B-3 Debt Service Reserve Subaccount, shall be deposited in a separate subaccount in the Series 2008B-3 Debt Service Subaccount, for the purpose of refunding the Refunded Bonds on the Issue Date;

(b) \$_____ of the proceeds of the Series 2009A Bonds shall be deposited into the Series 2009A Debt Service Reserve Subaccount for the purpose of satisfying the Series 2009A Debt Service Reserve Requirement;

(c) \$_____, shall be deposited into the Series 2009A Project Subaccount;

(d) \$_____ shall be deposited into the Costs of Issuance Fund and used to reimburse the Issuer for a portion of the Swap Termination Payments, in accordance with the allocation with respect to such Swap Termination Payments set forth in the Tax Exemption Certificate; and

(e) \$_____ shall be deposited into the Costs of Issuance Fund and used to pay costs of issuance of the Series 2009A Bonds.

ARTICLE IV

REFUNDING OF REFUNDED BONDS

Section 401. *Redemption of Refunded Bonds.* The Refunded Bonds have been called for redemption on September 30, 2009, at a Redemption Price (expressed as a percentage of the principal amount of each Bond to be redeemed) of 100%, plus accrued interest to the redemption date. The Trustee, as the registered holder of the Refunded Bonds, acknowledges or waives notice of redemption of the Refunded Bonds as required by Section 4.03 of the Resolution, and the Issuer hereby acknowledges, approves and ratifies the giving of the notice of redemption.

Section 402. *Further Authority.* The Chair, the Clerk and the General Manager are, and each of them is, hereby authorized and directed to take all such actions as may be necessary to consummate and give effect to the refunding of the Refunded Bonds and the issuance of the Series 2009A Bonds.

ARTICLE V

FORM OF SERIES 2009A BONDS

Section 501. *Form of Series 2009A Bonds.* Subject to the provisions of the Resolution, the Series 2009A Bonds shall be in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by the Resolution:

[FORM OF SERIES 2009A BONDS]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED

REGISTERED

Number R-____

\$_____

UNITED STATES OF AMERICA
STATE OF UTAH

METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY
WATER REVENUE AND REFUNDING BONDS,
SERIES 2009A

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP
____%	_____, ____	_____, 2009	_____

Registered Owner:

Principal Amount:----- DOLLARS-----

KNOW ALL MEN BY THESE PRESENTS that the Metropolitan Water District of Salt Lake & Sandy (the "Issuer"), a duly organized and existing metropolitan water district of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender hereof, the principal amount identified above, and to pay to the registered owner hereof interest on the balance of said principal amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the first interest payment date, in which event this Bond shall bear interest from its issue date (the "Issue Date"), or unless, as shown by the records of Zions First

National Bank, Salt Lake City, Utah, as trustee (the “*Trustee*”), interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, or unless no interest has been paid on this Bond, in which event it shall bear interest from its Issue Date, at the interest rate per annum specified above (calculated on the basis of a year of 360 days and twelve 30 day months), payable on January 1 and July 1 of each year, commencing January 1, 2010, and on the maturity date specified above, until payment in full of such principal, and to pay interest on overdue principal of this Bond at the interest rate borne by this Bond. Principal of this Bond shall be payable at the principal corporate trust office of Zions First National Bank, Salt Lake City, Utah, a paying agent of the Issuer, or its successor as such paying agent, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts; and payment of the interest hereon shall be made on each interest payment date (i) made to the registered owner hereof and shall be paid by check or draft mailed to the person who is the registered owner of record as of the close of business on the fifteenth day of the calendar month preceding each interest payment date or, if such day shall not be a business day, the business day immediately succeeding such date (the “*Record Date*”) at the address of such registered owner as it appears on the registration books of the Issuer maintained by the Trustee, or at such other address as is furnished in writing by such registered owner to the Trustee as provided in the Resolution (defined below) or (ii) with respect to units of \$500,000 or more of Bonds, by wire, subject to the provisions of the Resolution.

This Bond is a special obligation of the Issuer and is one of the water revenue bonds of the Issuer (the “*Bonds*”) and is issued under the provisions of Title 17B, Limited Purpose Entities – Local Districts, in particular Chapter 2a, Part 6, Utah Code Annotated 1953, as amended, the Utah Refunding Bonding Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, and the Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended (collectively the “*Act*”), for the purpose of refunding certain outstanding bonds of the Issuer, paying a portion of certain swap termination payments with respect to swap agreements relating to the refunded bonds, finance the acquisition and construction of certain improvements to the District’s water system, satisfying a debt service reserve requirement, and paying the expenses properly incident to the issuance of the Series 2009A Bonds.

The Bonds are issued under the terms of the Master Resolution Providing for the Issuance of Water Revenue Bonds of the Issuer adopted on April 29, 2002, as previously supplemented and amended, and as further supplemented and amended by a Supplemental Resolution, adopted September 21, 2009, authorizing the issuance of this Series of Bonds (collectively, the “*Resolution*”).

The Issuer is obligated to pay principal of and interest on this Bond solely from the revenues (the “*Revenues*”) of the System and other funds of the Issuer pledged therefor under the terms of the Resolution. This Bond is not a debt of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness. Pursuant to the Resolution, sufficient Revenues have been pledged and will be set aside into special funds by the Issuer to provide for the prompt payment of the principal of and interest on this Bond and all Bonds of the Series of which it is a part.

As provided in the Resolution, Bonds may be issued from time to time in one or more Series in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Resolution, and the aggregate principal amount of Bonds which may be issued is not limited. All Bonds issued and to be issued under the Resolution and certain contracts entered into or to be entered into by the Issuer under the Resolution are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Resolution.

This Bond is one of a total authorized issue of Bonds of \$_____ in aggregate principal amount designated as “Water Revenue and Refunding Bonds, Series 2009A” (the “*Series 2009A Bonds*”), duly issued under and by virtue of the Act and under and pursuant to the Resolution. Copies of the Resolution are on file at the office of the Clerk of the Issuer in Cottonwood Heights, Utah and at the principal corporate trust office of Zions First National Bank, in Salt Lake City, Utah, as trustee under the Resolution (said trustee and any successors thereto under the Resolution being herein called the “*Trustee*”), and reference to the Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds are issued and additional Bonds and other obligations payable from the Revenues may be issued thereunder on a parity with the Series 2009A Bonds, and a statement of the rights, duties, immunities and obligations of the Issuer and of the Trustee. Such pledge and other obligations of the Issuer under the Resolution may be discharged at or prior to the maturity of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

To the extent and in the respects permitted by the Resolution, the Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed therein.

This Bond is transferable, as provided in the Resolution, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Trustee, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in a form approved by the Trustee, duly executed by the registered owner or his duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Series 2009A Bond or Bonds of the same aggregate principal amount, series designation and maturity as the surrendered Series 2009A Bond, all as provided in the Resolution and upon the payment of the charges therein prescribed. The Issuer, the Trustee, and any paying agent may treat and consider the person in whose name this Series 2009A Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

The Series 2009A Bonds are issuable in the form of fully registered Bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof.

The Series 2009A Bonds maturing on or after July 1, 2020 are subject to redemption at any time on or after July 1, 2019, in whole or in part, at the election of the Issuer from such

maturities as shall be determined by the Issuer in its discretion and within each maturity as selected by the Trustee, upon notice as provided in Section 4.03 of the Resolution, and at a Redemption Price equal to 100% of the Principal amount of each Series 2009A Bond or portion thereof to be so redeemed, plus accrued interest to the redemption date.

The Series 2009A Bonds maturing July 1, _____ shall be subject to redemption in part by operation of Sinking Fund Installments, upon notice as provided in the Resolution, at a Redemption Price equal to the principal amount of each Series 2009A Bond or portion thereof to be redeemed, together with accrued interest to the date of redemption. The amounts and due dates of the Sinking Fund Installments for the Series 2009A Bonds maturing on July 1, _____ are set forth in the following table:

JULY 1 OF THE YEAR	AMOUNT
-----------------------	--------

*

* Stated maturity.

If less than all of the Series 2009A Bonds maturing on any single date are to be redeemed, the particular Series 2009A Bonds to be redeemed shall be selected as provided in the Resolution; *provided, however*, that the portion of any Series 2009A Bonds to be redeemed shall be in a principal amount equal to a denomination in which Series 2009A Bonds are authorized to be issued, and that in selecting Series 2009A Bonds for redemption, the Trustee shall treat each Series 2009A Bond as representing that number of Series 2009A Bonds which is obtained by dividing the principal amount of such Series 2009A Bond by \$5,000.

Notice of redemption shall be given by the Trustee by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Trustee, or at such address as he may have filed with the Trustee for that purpose. Each notice of redemption shall state the redemption date, the place of redemption, the source of the funds to be used for such redemption (if known by the Trustee), the principal amount and, if less than all of the Series 2009A Bonds of like maturity are to be redeemed, the distinctive numbers of the Series 2009A Bonds to be redeemed, and shall also state that the interest on the Series 2009A Bonds or portions thereof in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Series 2009A Bonds the redemption price thereof and interest accrued thereon to the redemption date. With respect to any notice of optional redemption of the Series 2009A Bonds, unless upon the giving of such notice such Series 2009A Bonds shall be deemed to have been paid within the meaning of the Resolution, such notice may state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the

Redemption Price of and interest on the Series 2009A Bonds to be redeemed, and that if such money shall not have been so received said notice shall be of no force and effect, and the Issuer shall not be required to redeem such Series 2009A Bonds.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds shall cease to accrue and become payable.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Resolution.

This Bond and the issue of Series 2009A Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto.

THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") OF THE SYSTEM OF THE ISSUER AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE RESOLUTION. THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OF INDEBTEDNESS. PURSUANT TO THE RESOLUTION, SUFFICIENT REVENUES HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND AND ALL BONDS OF THE SERIES WHICH IT IS A PART.

It is hereby certified and recited that all conditions, acts and things required by the constitution or statutes of the State of Utah or by the Act or the Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2009A Bond exist, have happened and have been performed and that the issue of the Series 2009A Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Metropolitan Water District of Salt Lake & Sandy has caused this Bond to be signed in its name and on its behalf by the Chair and its seal to be impressed hereon and attested by the Clerk, all as of the Issue Date specified above.

METROPOLITAN WATER DISTRICT OF SALT
LAKE & SANDY

By _____
Chair

ATTEST:

By _____
Clerk

[SEAL]

[FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the Water Revenue and Refunding Bonds, Series 2009A of the Metropolitan Water District of Salt Lake & Sandy.

ZIONS FIRST NATIONAL BANK,
as Trustee

By _____
Authorized Signature

Date of registration and authentication: _____.

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	—	as tenants in common	UNIF TRANS MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) _____ (Minor) under Uniform Transfer to Minors Act of _____
			(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the METROPOLITAN WATER DISTRICT OF SALT LAKE & SANDY, and does hereby irrevocably constitute and appoint _____ Attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

ARTICLE VI

REGISTRAR, PAYING AGENT AND TRANSFER AGENT

Section 601. Appointment of Zions First National Bank. Zions First National Bank, a national banking association having the powers of a trust company, doing business and having its principal corporate trust office in Salt Lake City, Utah, is hereby appointed as Paying Agent and Transfer Agent for the Series 2009A Bonds. Zions First National Bank shall signify acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer a written acceptance thereof prior to the delivery of the Series 2009A Bonds. Zions First National Bank has previously been appointed as Trustee under the Resolution.

ARTICLE VII

TAX COVENANTS; AMENDMENT OF RESOLUTION; MISCELLANEOUS

Section 701. Tax Covenants. (a) In order to establish and preserve the tax-exempt status of the Series 2009A Bonds, the Chair and Clerk and other appropriate officials of the Issuer are hereby authorized and directed to execute such Tax Exemption Certificates as shall be necessary to establish that (i) the Series 2009A Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, (ii) the Series 2009A Bonds are not and will not become “private activity bonds” within the meaning of Section 141 of the Code, (iii) all applicable requirements of Section 149 of the Code are and will be met, (iv) the covenants of the Issuer contained in this Section will be complied with and (v) interest on the Series 2009A Bonds is not and will not become includible in gross income of the Owners thereof for federal income tax purposes under the Code and applicable regulations promulgated or proposed thereunder.

(b) The Issuer covenants and certifies to and for the benefit of the Owners from time to time of the Series 2009A Bonds that:

(i) the Issuer will at all times comply with the provisions of the Tax Exemption Certificate;

(ii) the Issuer will at all times comply with the rebate requirements contained in Section 148(f) of the Code, including, without limitation, the entering into any necessary rebate calculation agreement to provide for the calculations of amounts required to be rebated to the United States, the keeping of records necessary to enable such calculations to be made and the timely payment to the United States of all amounts, including any applicable penalties and interest, required to be rebated;

(iii) no use will be made of the proceeds of the Series 2009A Bonds or any funds or accounts of the Issuer that may be deemed to be proceeds of the Series 2009A Bonds pursuant to Section 148 of the Code and applicable regulations, which use, if it had been reasonably expected on the date of issuance of the Series 2009A Bonds, would have caused the Series 2009A Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) the Issuer will not sell or dispose of water in such manner that such sale, disposition or use would cause the Series 2009A Bonds to be “private activity bonds” described in Section 141 of the Code;

(v) no tax-exempt bonds or other evidences of indebtedness of the Issuer have been or will be sold within a period beginning 15 days prior to the sale of the Series 2009A Bonds and ending 15 days following the delivery of the Series 2009A Bonds;

(vi) the Issuer will not take any action that would cause interest on the Series 2009A Bonds to be or to become ineligible for the exclusion from gross income of the Owners of the Series 2009A Bonds as provided in Section 103 of the Code, nor will the Issuer omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2009A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2009A Bonds as provided in Section 103 of the Code; and

(vii) the Issuer acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the Issuer is treated as the “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

(c) Pursuant to these covenants, the Issuer obligates itself to comply throughout the term of the issue of the Series 2009A Bonds with the requirements of Section 103 of the Code and the regulations proposed or promulgated thereunder as they pertain to the Series 2009A Bonds or the Series 2009A Bonds.

Section 702. Effective Date. This Supplemental Resolution shall take effect immediately.

ADOPTED AND APPROVED this 21st day of September 2009.

METROPOLITAN WATER DISTRICT OF SALT
LAKE & SANDY

By _____
Chair

ATTEST:

Clerk

[SEAL]

STATE OF UTAH)
)
COUNTY OF SALT LAKE)

I, the duly chosen, qualified and acting Clerk of the Board of Trustees of the Metropolitan Water District of Salt Lake & Sandy (the “*Issuer*”) do hereby certify that the foregoing resolution entitled “Supplemental Resolution Authorizing the Issuance and Sale of \$_____ Water Revenue and Refunding Bonds, Series 2009A,” was duly adopted by the Board of Trustees at a special meeting held at the regular meeting place of the Board of Trustees, at 3430 East Danish Road, Cottonwood Heights, Utah, within the Issuer, on September 21, 2009, and became effective as of said date, that said resolution has been compared by me with the original thereof, recorded in the official books of the Issuer and that such resolution is a correct transcript of the whole thereof, and that said resolution has not been altered, amended or repealed but is in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Metropolitan Water District of Salt Lake & Sandy on this day, September 21, 2009.

METROPOLITAN WATER DISTRICT OF SALT
LAKE & SANDY

By _____
Clerk

[SEAL]

ANNEX 1

[BOND PURCHASE CONTRACT]

ANNEX 2

[OFFICIAL STATEMENT]

ANNEX 3

[CONTINUING DISCLOSURE UNDERTAKING]