

1959

EAST WENATCHEE WATER DISTRICT

DOUGLAS COUNTY, WASHINGTON

RESOLUTION NO. 77

A RESOLUTION of the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, specifying and adopting a plan providing for additions and betterments to the original comprehensive scheme or plan of water supply for the District; declaring the estimated cost thereof, as near as may be; providing the method of financing the same by the issuance and sale of \$110,000.00 par value of "Water Revenue Bonds, 1959"; creating a special fund to provide for the payment of said bonds; fixing the date, form, denomination, maturities, interest rate, terms and covenants of said bonds; and providing for the sale and delivery of said bonds to Wm. P. Harper & Son & Company.

WHEREAS, the original comprehensive scheme or plan of water supply for the District was adopted by the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, by Resolution No. 2, and ratified by the qualified voters of the District at an election held on the 27th day of August, 1940, which original comprehensive scheme or plan of water supply has been supplemented by additions and betterments thereto at various times since said date; and

WHEREAS, by reason of the large increase which has occurred in the population of the District, the anticipated continuing increase of such population, the consequently greatly increased and increasing demands upon the District's water distribution system and the changes in economic conditions of the District, the original comprehensive scheme or plan of water supply, as amended and supplemented, is no longer adequate for the present and anticipated future needs of the District, and the existing means of water distribution are inadequate to meet the present and future needs of the District as now constituted; and

WHEREAS, ⁱⁿ the judgment of the Board of Water Commissioners of the District, the public interest, health, welfare and convenience require that the District make certain additions to and betterments and extensions of its existing water supply and distribution system; and

WHEREAS, the Board of Water Commissioners of the District, for the purpose of determining the additions and betterments to said original comprehensive scheme or plan of water supply necessary to meet and provide for the present and reasonably foreseeable future needs of the District, has investigated the several portions and section of the District for the purpose of determining the present and reasonably foreseeable future needs of the District in regard to a water supply; has examined, investigated, determined and selected sources of water supply for the District suitable and adequate for the present and reasonably foreseeable future needs thereof; has considered and determined upon a general plan for acquiring such water supply and land, waters, water rights and easements necessary therefor, and for retaining, storing and distributing such waters throughout the District, including the wells, reservoirs, storage tanks, pipelines and other facilities necessary therefor; and has determined upon a plan and method of financing such additions and betterments to the original comprehensive scheme or plan by the issuance and sale of water revenue bonds; and

WHEREAS, the Board of Water Commissioners of the District, pursuant to Resolution No. 70 adopted June 9, 1955, ordered the carrying out of a plan providing for additions and betterments to the original comprehensive scheme or plan of water supply for the District and to pay the cost thereof, issued and sold \$150,000.00 par value of "Water Revenue Bonds, 1955"; and

WHEREAS, pursuant to Section 14 of said Resolution No. 70, the District reserved the right to issue additional water revenue bonds which shall constitute a lien or charge upon the revenues of the water system of the District, including all additions thereto and betterments, replacements and extensions thereof at any time made, on a parity with the "Water Revenue Bonds, 1955," if the following conditions should be met and complied with at the time of the issuance of such additional bonds:

"(a) No default exists in the payment of principal of or interest on any outstanding water revenue bonds of the District, and the amounts then required to have been paid into the "Water Revenue Bond Fund, 1955," both as to the "Principal and Interest Account" and as to the "Reserve Account," shall have been paid and maintained intact therein; and

(b) The District is furnished a certificate by a professional engineer registered in the State of Washington certifying that in his professional opinion the gross revenues from the water supply system of the District, together with the anticipated revenues to be derived from additional users resulting from the proposed improvement and from the anticipated collection of special assessments to be levied in Utility Local Improvement District or Districts, if any, formed in connection with the issuance of such additional bonds, shall, after deducting normal maintenance and operation costs, be equal to at least 1.4 times the average annual debt service requirements for all then outstanding water revenue bonds heretofore issued, the Water Revenue Bonds, 1955, to maturity, together with that of any water revenue bonds hereafter issued on a parity therewith, plus the average annual debt service requirement to maturity of the additional bonds proposed to be so issued; provided, however, that this certificate shall not be required in the event that the additional bonds proposed to be so issued are issued for the purpose of refunding outstanding water revenue bonds and the average annual debt service requirements of such proposed additional water revenue bonds are not increased over the requirements for the bonds being so refunded; and

(c) The Resolution authorizing the issuance of such additional bonds shall provide that an amount shall be set aside as a reserve in the bond redemption fund created for such additional bonds which, together with other reserve fund accumulations for other outstanding bonds, the payment of which constitutes a

lien or charge upon the gross revenues of the water system of the District prior to or on a parity with the lien or charge upon such gross revenues for the outstanding "Water Revenue Bonds, 1955," shall make a total reserve fund available equal to the maximum debt service requirements in any one year for said outstanding bonds, including the additional bonds to be issued, said amount to be accumulated by monthly deposits commencing one month after the date of issuance of said additional bonds and to be accumulated within not more than five years after said date of issuance."

and

WHEREAS, the Board of Water Commissioners hereby finds that no default exists in the payment of principal of or interest on any outstanding water revenue bonds of the District, and that all amounts required to have been paid into the "Water Revenue Bond Fund, 1955," both as to the "Principal and Interest Account" and as to the "Reserve Account" have been paid and maintained intact therein; that provision is hereinafter made for the payment of the additional required amount into the "Reserve Account" in the bond redemption fund hereinafter created for the additional revenue bonds proposed to be issued; and that there is on file with the District a certificate by Don E. Gray of Gray & Osborne of Yakima and Seattle, Washington, a professional engineer registered in the State of Washington, certifying that the required coverage provision has been met,
NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF WATER COMMISSIONERS OF EAST WENATCHEE WATER DISTRICT, DOUGLAS COUNTY, WASHINGTON, as follows:

Section 1. The district hereby specifies and adopts a plan providing for additions to and betterments of the original comprehensive scheme or plan of water supply for the District, as amended and supplemented, which consist of the following:

1. The existing turbine pump in well No. 4 shall be replaced with a larger turbine pump together with the necessary electrical and piping changes.

2. The existing booster pump at the booster station at Reservoir No. 5 shall be replaced with a larger booster pump together with the necessary electrical and piping changes.

3. A new booster pump and pump station shall be installed near the intersection of Grant Road and Nile Road together with the necessary electrical, piping, valves, fittings and other appurtenances.

4. A 500,000 gallon reinforced concrete storage reservoir shall be constructed and installed adjacent to the existing Reservoir No. 3.

5. There shall be constructed and installed the following water lines at the following locations:

- A. A 10" line connecting to the existing pump station at Well No. 4 running thence North in and along Kentucky Avenue to Reservoir No. 5 a distance of approximately 4,700 feet.
- B. A 4" line in and along North Nile Avenue from 10th Street, Northeast, thence South a distance of approximately 1,400 feet.
- C. A 4" line beginning on 13th Street, Northeast between North Baker Avenue and North Devon Avenue running thence North a distance of approximately 600 feet.
- D. A 4" line beginning on Rock Island Road between 1st Street and 4th Street, Southeast running thence Northeast a distance of approximately 700 feet.

- E. A 6" line in and along Main from 11th Street Northeast northerly a distance of approximately 3,000 feet.
- F. A 6" line in and along South Houston Avenue from 4th Street Southeast North a distance of approximately 1,000 feet.
- G. A 4" line in and along Georgia Avenue from Grant Road to First Place Southeast.
- H. A 6" line in and along First Place Southeast from Georgia Avenue to Gilmore Place.
- I. A 6" line in and along Grant Road from Nile Avenue to South Union Avenue.

There shall be included in the foregoing the acquisition and installation of all necessary valves, fittings, couplings, connections, equipment and appurtenances; and there shall be included the performance of such work as may be incidental and necessary to the foregoing construction and installation.

The above described additions, improvements and extensions to the water system of the District shall be connected to the existing water system of the District wherever necessary with the installation of all necessary appurtenances therefore.

The District shall acquire all property both real and personal or any interest therein and all easements, franchises, right-of-ways, and permits necessary to carry out the above described plan of additions and improvements to and extensions of its water system, which plan is all or as more particularly set forth in maps, Plans and Specifications as prepared by Gray & Osborne, Consulting Engineers, Yakima, Washington.

It is hereby further provided that the above described Plans shall be subject to such changes as to details and other

changes not affecting the main general Plans and as shall be authorized by the Board of Water Commissioners either prior to or during the actual course of construction.

Section 2. The estimated cost, as nearly as may be, of the aforesaid plan providing for additions and betterments, is hereby declared to be \$110,000.00 and the average life of the proposed improvements will be not less than twenty years.

Section 3. The cost of acquiring, constructing and completing the foregoing plan providing for additions and betterments shall be paid from the proceeds received from the issuance of and sale of \$110,000.00 par value of "Water Revenue Bonds, 1959," of East Wenatchee Water District, Douglas County, Washington. The bonds shall be dated April 1, 1959; shall bear interest at the rate of four and one-fourth percent (4-1/4%), payable semiannually on April 1st and October 1st of each year, interest to maturity to be evidenced by coupons to be attached to the bonds with full obligation on the part of the District to pay interest at the same rate from and after the bond maturity dates until such bonds with interest are paid in full; shall be in denominations of \$1,000.00 each; and shall be numbered from 1 to 110 inclusive. Both principal of and interest on the bonds shall be payable in lawful money of the United States of America at the office of the County Treasurer of Douglas County, Washington in Waterville. The bonds shall be payable solely out of the special fund hereinafter created and shall be a valid claim of the holder thereof only as against such fund and the amount of the revenues of the water system of the District pledged to such fund and shall not be a general obligation of the District. The bonds shall mature serially, annually, in accordance with the following schedule, to-wit:

<u>BOND NUMBERS</u>	<u>AMOUNTS</u>	<u>MATURITIES</u>
1 - 26	\$26,000.00	April 1, 1976
27 - 53	27,000.00	April 1, 1977
54 - 81	28,000.00	April 1, 1978
82 - 110	29,000.00	April 1, 1979

Section 4. The District reserves the right to redeem any or all of the outstanding bonds of said issue on April 1, 1969, or on any interest coupon due date thereafter, in inverse numerical order, highest numbers first, at par, plus accrued interest.

Notice of any call for redemption shall be published once in the official newspaper of Douglas County, Washington, not less than thirty nor more than forty days prior to the interest coupon due date upon which said bonds would be retired. Such notice shall also be mailed at the same time to Wm. P. Harper & Son & Company, Harper Building, Seattle, Washington. Interest on any bonds so called for redemption shall cease on the date fixed for such redemption upon payment of the redemption price into the bond redemption fund.

Section 5. There is hereby created and established a special fund for the District to be kept in the office of the Treasurer of Douglas County, Washington, acting as ex-officio Treasurer of the District, to be known as "Water Revenue Bond Fund, 1959," which fund is to be drawn upon for the sole purpose of paying the principal of and interest on the bonds authorized herein as the same shall become due and payable. Such fund is hereby divided into a "Principal and Interest Account" and a "Reserve Account"; and so long thereafter as bonds are outstanding against such fund, the District shall set aside and pay into said fund out of the gross revenues of the water system, including all additions thereto and betterments, replacements and extensions thereof at any time made, a fixed amount without regard to any fixed proportion, namely:

(a) Into the "Principal and Interest Account," monthly, beginning on May 1, 1959, one-sixth of the next ensuing six months' interest requirements, and beginning on May 1, 1975, one-twelfth of the next ensuing twelve months' requirements of both principal and interest; and

(b) Into the "Reserve Account," monthly, beginning on May 1, 1959, at least the sum of \$66.66 until the sum of \$4,000.00 has been accumulated therein, which amount shall be accumulated by no later than April 1, 1964. When all outstanding "Water Revenue Bonds, 1955" have been paid in full, the sum of \$27,000.00 required by Section 5 of Resolution No. 70 to be accumulated in the "Reserve Account" in the "Water Revenue Bond Fund, 1955," shall be transferred to the "Reserve Account" in the "Water Revenue Bond Fund, 1959," or an equal sum accumulated from some other source shall be deposited in said "Reserve Account" in the "Water Revenue Bond Fund, 1959" so that there shall be a total reserve fund available for said outstanding "Water Revenue Bonds, 1955" and the "Water Revenue Bonds, 1959" equal to the maximum debt service requirements in any one year for said bonds outstanding.

Said "Reserve Account" may be accumulated from any other moneys which the District may have available for such purposes in addition to using said revenues therefor. The District further agrees that when said total reserve has been accumulated, it will at all times, except for withdrawals therefrom as authorized herein, maintain that amount in the "Principal and Interest Account" and "Reserve Account" to pay the principal of and interest to maturity on all the outstanding bonds of said issue.

In the event that there shall be a deficiency in the "Principal and Interest Account" in said special fund to meet maturing installments of either principal or interest, as the case may be, such deficiency shall be made up from the "Reserve Account" by the withdrawal of cash therefrom for that purpose. Any deficiency created in the "Reserve Account" by reason of any such withdrawal therefrom shall then be made up from moneys from the revenues of the water system first available, after making necessary provisions for the required payments into the "Principal and Interest Account." The moneys in the "Reserve Account" shall otherwise be held intact and may be applied against the last outstanding bonds of said issue.

All money in said "Reserve Account" may be kept on deposit in the official bank depository of Douglas County or may be invested in United States Government obligations maturing not later than twelve years from the date of purchase and in no event later than the last maturity of the outstanding bonds of said issue. Interest earned on any such deposits or investments shall be deposited in and become a part of the "Reserve Account" until the total required sum has been accumulated therein, after which such interest shall be deposited in the "Principal and Interest Account."

The gross revenues of the District are hereby pledged to such payments, which shall constitute a lien or charge upon all such gross revenue of the water system, including all additions thereto or betterments, replacements or extensions thereof at any time made, prior and superior to all other charges whatsoever, subject only to the necessary costs of maintenance and operation of said system and to the prior lien or charge upon such gross revenues for all presently outstanding water revenue bonds of the District heretofore issued, except that the lien or charge upon such gross revenues for the bonds of the issue authorized herein shall be on a parity with the lien or charge upon such gross revenues for the outstanding "Water Revenue Bonds, 1955" and any additional water revenue bonds that may be hereafter issued on a parity therewith pursuant to the provisions of Section 14 of Resolution No. 70.

Section 6. The Commissioners of the District hereby declare that in fixing the amounts to be paid into said bond redemption fund as aforesaid they have exercised due regard to the cost of maintenance and operation of the water system and the debt service requirements for all presently outstanding water revenue bonds, and they have not obligated the District to set aside and pay into said fund a greater amount of proportion of the revenues of the water system than in

their judgment will be available over and above the cost of such maintenance and operation and the debt service requirements for all presently outstanding water revenue bonds.

Section 7. The District shall establish, maintain and collect such rates and charges for water, as will make available for the payment of the principal and interest, as the same shall become due, upon all water revenue bonds heretofore issued, the bonds of the issue authorized herein, and any bonds hereafter issued on a parity with the outstanding "Water Revenue Bonds, 1955" in accordance with Section 14 of Resolution No. 70, at any time outstanding, an amount which shall, after deducting normal operation and maintenance costs, be equal to at least 1.4 times the average annual principal and interest requirements up to and including the final maturity date of all of said water bonds at any time outstanding.

Section 8. The district hereby binds itself irrevocably not to sell, lease, mortgage, or in any manner encumber or dispose of all of the property of said water system, including any additions, extensions, betterments and replacement thereof at any time acquired, constructed or installed, unless provision is made for payment into the said "Water Revenue Bond Fund, 1959," of a sum sufficient to pay the principal of and interest on all the outstanding "Water Revenue Bonds, 1959," authorized herein in accordance with the terms thereof; and the District further binds itself irrevocably not to sell, lease, mortgage, or in any manner encumber or dispose of any part of the property of said water system that is used, useful or material to the operation thereof unless provision is made for replacement thereof or for payment into the said "Water Revenue Bond Fund, 1959," of an amount which shall bear the same ratio to the amount of outstanding "Water Revenue Bonds, 1959," authorized herein as the revenue available for debt service for said bonds for the twelve months

preceding said sale, lease, encumbrance or disposal from the portion of the water system so leased, encumbered or disposed of, bears to the revenue available for debt service for said "Water Revenue Bonds, 1959," from the entire water system for the same period. Any such money so paid into the said bond fund shall be used to retire said outstanding "Water Revenue Bonds, 1959," at the earliest possible date.

Section 9. The District hereby covenants and agrees to and with the owner and holder of each and every one of said "Water Revenue Bonds, 1959," that it will at all times maintain and keep said water supply system and all additions thereto and betterments, replacements and extensions thereof in good repair, working order and condition, and also will at all times operate said system and the business in connection therewith in an efficient manner and at a reasonable cost and will establish, maintain and collect such rates for water as will produce gross revenues sufficient to meet the obligations of the District as herein set forth.

Section 10. The District will, while any of the bonds herein authorized remain outstanding, keep proper books of accounts and records, separate and apart from other accounts and records, in which complete and correct entries will be made of all transactions relating to the water system, and it will furnish the original purchaser of said bonds and any subsequent holder or holders thereof at the written request of such holders complete operating and income statements of the said system in reasonable detail covering any fiscal year, not more than ninety days after the close of such fiscal year, and it will grant any holder or holders of at least twenty-five per cent of the outstanding bonds herein authorized the right at all reasonable times to inspect the said system and all records, accounts and data of the Water District relating thereto.

Section 11. The "Water Revenue Bonds, 1959," shall be in substantially the form set forth in Appendix A attached hereto and by this reference made a part hereof.

The bonds shall be signed on behalf of the District by the President of the Board of Water Commissioners and attested by its Secretary, and the corporate seal of the District shall be affixed thereto and the interest coupons attached to the bonds shall be signed with the facsimile signatures of said officials.

Section 12. The proceeds from the sale of said bonds shall be used for the sole purpose of making the additions to and the betterments of the original comprehensive scheme or plan of water supply as aforesaid and of paying the cost and expenses connected therewith, and the District through its proper officers and agents, shall proceed with the making of said improvements.

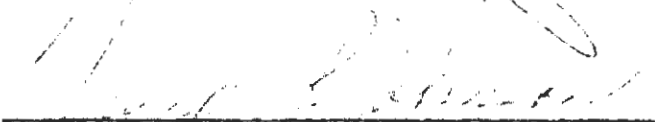
Section 13. Wm. P. Harper & Son & Company of Seattle, Washington, has offered to purchase said "Water Revenue Bond, 1959," at a price of \$97.00 per each \$100.00 principal amount, plus accrued interest, from the date of the issuance of the bonds to the date of delivery thereof, the purchaser to furnish at its expense the printed bonds, together with the unqualified approving legal opinion of Meter, Roberts & Shefelman, municipal bond counsel of Seattle, Washington. The Board of Water Commissioners, deeming that no better price could be obtained for said bonds and that it is for the best interest of the District, hereby accepts said offer. The bonds shall, therefore, immediately upon their execution by the President and Secretary of the Board of Water Commissioners be delivered by the Treasurer of Douglas County, Washington, and shall then be delivered by the Treasurer to Wm. P. Harper & Son & Company upon said purchasers paying the price therefor in accordance with its offer. Upon receipt of the proceeds

of the sale of said bonds the Douglas County Treasurer shall deposit the principal sum received in the "Construction Fund" of the District and the accrued interest paid on said bonds, if any, in the "Water Revenue Bond Fund, 1959," of the District.

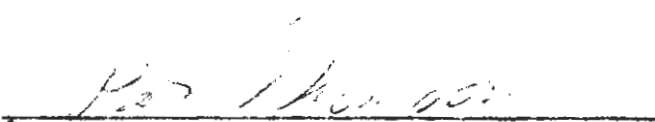
ADOPTED by the Board of Commissioners, East Wenatchee Water District, Douglas County, Washington, at the regular meeting the 5th day of March, 1959, by the unanimous vote of all the Commissioners.



President and Commissioner




Commissioner



Commissioner

ATTEST:



Secretary, Board of Commissioners