

EAST WENATCHEE WATER DISTRICT

DOUGLAS COUNTY, WASHINGTON

RESOLUTION NO. 405

A RESOLUTION of the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, authorizing interfund loans, and making a declaration of official intent on behalf of the District for the purpose of reimbursement of interfund loans.

WHEREAS, East Wenatchee Water District, Douglas County, Washington (the "District"), intends to proceed with the design, construction and installation of additions and betterments to the original comprehensive scheme or plan of water supply for the District, together with parts of such existing plan, and may desire, from time to time, to pay for the cost of those improvements, constituting a capital project, from funds that are available, but not (and not reasonably expected to be) reserved, allocated on a long term basis or otherwise set aside for that capital project, which expenditures the District would reasonably expect to be reimbursed from the proceeds of bonds or other obligations issued to finance that capital project; and

WHEREAS, Treasury Regulation Section 1.103-18 requires, among things, that on or before making such capital expenditure, the District (or any person designated by the District to do so on its behalf) must declare a reasonable official intent to reimburse those capital expenditures from proceeds of a borrowing; 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 is authorized to borrow from its Operations and Maintenance Fund for its 1993 Special Construction Fund, hereby created in the office of the County Treasurer as ex officio Treasurer of the District, not more than \$200,000 as needed for the purpose of paying part of the cost of the design and improvements to the District's water supply system pending the issuance of bonds for that purpose. Those interfund loans shall bear interest at the rate of 3.5% per annum until repaid in the Summer of 1993 when bonds are issued.

Section 2. For the purpose of complying with the requirements of Treasury Regulation Section 1.103-18, and making the following declaration of official intent under Treasury Regulation Section 1.103-18:

(a) The Board of Water Commissioners (the "Board") declares the District intends to make capital expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of a future borrowing, for the project, property or program (the "Project") described on Exhibit A attached hereto and incorporated herein by this reference.

(b) The District expects that the maximum principal amount of bonds or other obligations that will be issued to provide reimbursement to the District for capital expenditures made for the Project will be \$200,000.

(c) The Board has reviewed the existing and reasonably foreseeable budgetary and financial circumstances of the District (including any other entity controlled by the District), and has determined that the District reasonably expects to reimburse itself

for capital expenditures for the Project from proceeds of a future borrowing because the District has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the District (or by another controlled entity) under its budget or financial policies for those expenditures on the Project.

(d) Except as permitted by Treasury Regulation Section 1.103-18 or other applicable federal arbitrage regulations, the District will not use proceeds received from bonds or other obligations issued in the future to reimburse the District for previously paid capital expenditures for the Project for any of the following prohibited uses:

(1) Within one year of the reimbursement, (i) to refund any governmental obligations, or (ii) to create or increase the balance in a sinking fund or reserve or replacement fund with respect to any bond or other obligation of the District or to replace funds used for either of those purposes;

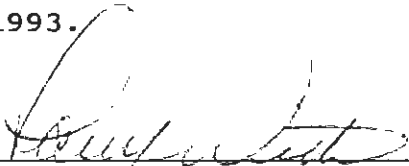
(2) To reimburse any person for an expenditure originally paid with proceeds of an obligation of the District; or

(3) In any manner that would create an "artifice or device" under any applicable federal arbitrage regulation.

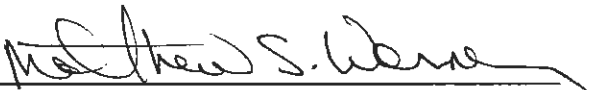
(e) This declaration of official intent is a "public record" within the meaning of Chapter 42.17 RCW, and shall be available to the public as provided thereunder.

Section 3. Any actions of the District or its officers prior to the date hereof consistent with the terms of this ordinance are ratified and confirmed.

ADOPTED by the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, at a regular open public meeting this 19th day of May, 1993.



President and Commissioner



Commissioner



Secretary and Commissioner

Exhibit A

East Wenatchee Water District
Project Plan 1993-1994

1993 Projects

- Completed*
1. Engineering for Well No. 7 in developing a new source of water at Cascade and 19th Street.
 2. Construction of a new pumphouse and excavation and relating piping to serve Well No. 7.
 3. Acquisition and construction of pumps and electrical switch gear for Well No. 7.
 4. Installation of telemetering system [for Well No. 7].

- Completed*
5. Installation of 660 feet of 6-inch water main on SE 10th Street between Union and Van Sickle.
 6. Installation of 1,800 feet of 8-inch water main on NE 5th Street between Hanford and Keller Streets.
 7. Installation of 230 feet of 6-inch water main on Pace Drive and connection into Ridgement Avenue.
 8. Installation of 600 feet of 8-inch water main on 27th Street between Cascade and Columbia Streets.
 9. Installation of 350 feet of 8-inch water main on Jonathan Street off 6th Street to fire hydrant.

1994 Projects

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1. Installation of 1,350 feet of 10-inch water main on Kentucky Street for 4th to 6th Streets.
 2. Installation of 2,700 feet of 12-inch water main on Kentucky Street from Grant Road to 5th Street.
 3. Installation of 800 feet of 8-inch water main on 6th Street from Kentucky Street to Lyle Avenue.
 4. Installation of a 12-inch casing (approximately 245 feet in Well No. 8).
 5. Engineering fees for preparation of a new 5-year Comprehensive Plan.

*Complete
As of
11-8-95*

*Will not
proceed
and will
delete*

0083993.01

*In process of writing. Will be
Completed by 6-1-96, O.J.*