

RESOLUTION NO. 161

A RESOLUTION of Water District No. 8, Whatcom County, Washington providing for the issuance and sale of a water revenue bond anticipation warrant of the District in the aggregate principal amount of \$130,000; creating a special fund for the payment of said warrant; providing the form and terms of said warrant; confirming the sale thereof; and providing for the disposition of the proceeds of said sale.

WHEREAS, Water District No. 8, Whatcom County, Washington (the "District") owns and operates a water supply and distribution system (as such System is hereinafter defined); and

WHEREAS, by Resolution No. 152 adopted May 6, 1976, the District amended its Comprehensive Plan to provide for the acquisition, installation and construction of certain improvements to the System; and

WHEREAS, the District anticipates issuing water revenue bonds to pay for the cost of construction of such improvements; and

WHEREAS, RCW 57.20.027 provides that water districts are authorized to issue bond anticipation warrants in anticipation of the sale of revenue bonds; and

WHEREAS, in order to provide interim financing for the cost of acquiring, constructing and installing a portion of the improvements specified in Resolution No. 152 it is found to be in the best interest of the District and its inhabitants to issue and sell its water revenue bond anticipation warrant in the principal amount of \$130,000;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Water District No. 8, Whatcom County, Washington as follows:

Section 1. As used in this resolution the following words shall have the following meanings:

a. The word "District" means Water District No. 8, Whatcom County, Washington.

b. The word "Warrant" means the \$130,000 bond anticipation warrant issued pursuant to and for the purposes provided in this resolution.

c. The words "Outstanding Bonds" mean the outstanding water revenue bonds of the District issued under date of January 1, 1974 pursuant to Resolution No. 74 of the District.

d. The word "System" means the existing water supply and distribution system of the District as the same shall be added to, bettered, and improved and extended for as long as the Warrant is outstanding.

e. The words "Gross Earnings and Revenue" mean all of the earnings and revenue received by the District from the operation of the System, except assessments and installments thereof and interest and penalties thereon collected in any utility local improvement district and any income derived from investments of moneys in any Revenue Bond Fund of the District.

f. The word "Assessments" means assessments levied in such utility local improvement districts of the District as may be indicated by the context, and shall include installments thereof and any interest and penalties due or which may become due thereon.

g. The words "Operating and Maintenance Expenses" mean the necessary expenses incurred by the District in causing the System to be operated and maintained in good repair, working order and condition, which shall exclude non-recurring expenditures and amounts expended by the District in any area of the District that may be annexed to any other public corporation when, as a condition to such annexation, the District receives payments from such public corporation to defray the costs of such expenses.

h. The words "Warrant Fund" mean the "1976 Bond Anticipation Warrant Fund" created by Section 5 of this resolution.

i. The word "Project" means a water transmission main described as follows:

A 12-inch water line on Drayton Harbor Road from Blaine Road to an easement approximately 2,000 feet West of Blaine Road; then a 10-inch line running in a southerly direction on such easement approximately 3,000 feet to Lincoln Road; thence a 10-inch line running West on Lincoln Road to Harbor View Road.

The estimated cost of the Project is \$130,000 including the expenses of engineering and costs incidental to the issuance of the Warrant.

Section 2. For the purpose of providing interim financing for the Project prior to the sale of water revenue bonds, the District shall issue a Warrant in the principal amount of \$130,000. The Warrant shall be dated as of the day of delivery to the initial purchaser thereof, shall be payable on January 1, 1977 unless sooner redeemed pursuant to the provisions of this resolution, and shall bear interest at the rate of 6% per annum until paid or redeemed. Both principal of and interest on the Warrant shall be payable on said maturity date, unless the Warrant is sooner redeemed, in lawful money of the United States of America at the office of the Whatcom County Treasurer in Bellingham, Washington and shall be an obligation only of the Warrant Fund.

Section 3. The District hereby reserves the right to call and redeem the Warrant on any date, at par plus accrued interest to the date of redemption.

Notice of such intended redemption shall be given by mailing a notice thereof to the Old National Bank, Ferndale, Washington, at least 10 days prior to such redemption date. Interest on the Warrant shall cease on such redemption date unless the Warrant is not redeemed upon presentation made pursuant to such call.

Section 4. There has heretofore been created a water utility construction fund into which fund shall be paid all of the proceeds of sale of the Warrant. All costs of acquiring,

constructing and installing the Project shall be paid from such construction fund.

Section 5. There is hereby created a special fund of the District to be known as the "1976 Bond Anticipation Warrant Fund" (heretofore defined as the "Warrant Fund"), which Fund is to be drawn upon for the sole purpose of paying the principal of and interest on the Warrant.

The District hereby obligates and binds itself to set aside and pay into the Warrant Fund out of the proceeds of the sale of water revenue bonds, or out of the Gross Earnings and Revenue of the System legally available therefor after the payment of amounts required to be paid into the Bond Redemption Fund for the Outstanding Bonds and normal expenses of maintenance and operation, amounts sufficient to pay such principal and interest when the same become due.

The District hereby covenants that it will issue water revenue bonds in an amount sufficient, with other moneys of the District, if any, legally available and specifically set aside for such purpose, to pay the principal of and interest on the Warrant at the date of maturity, or, if said Warrant has been called for prior redemption, on the date of redemption.

The District further covenants that simultaneously with the receipt of such proceeds of sale it will pay into the Warrant Fund moneys sufficient to pay the principal of and interest on the Warrant and will immediately apply said moneys to the payment of the Warrant in accordance with its terms.

The District further covenants and agrees that it will not issue any bonds, warrants or other evidences of indebtedness payable out of the Gross Earnings and Revenue of the System while the Warrant is outstanding and unpaid except the water revenue bonds issued for the purpose of paying or redeeming the Warrant and except that the District shall have the right to issue additional

Section 9. The action of the District in accepting the offer of Old National Bank, Ferndale, Washington to purchase the Warrant on the terms specified herein is hereby approved, ratified and confirmed. The appropriate District officials are hereby authorized and directed to do everything necessary for the issuance of the Warrant and the application of the proceeds of the sale thereof.

ADOPTED by the Board of Commissioners of Water District No. 8, Whatcom County, Washington this 17th day of June, 1976.

WATER DISTRICT NO. 8,
WHATCOM COUNTY, WASHINGTON

By William D. Vogt
President

ATTEST:

Gordon Sullivan Sr.
Secretary