

RESOLUTION NO. 194

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 \$455,000; 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 and the refunding of an outstanding bond anticipation warrant.

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, as authorized by Resolution No. 161 adopted June 17, 1976, the District issued its bond anticipation warrant dated June 23, 1976, maturing January 1, 1977, in the principal amount of \$130,000 and bearing interest at the rate of 6% per annum; and

WHEREAS, it is now necessary to extend interim financing for a longer period and to refund the June 23, 1976 warrant and interest accrued thereon; and

WHEREAS, in order to refund the June 23, 1976 warrant and interest accrued thereon and to provide additional interim financing of \$320,000 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 total principal amount of \$455,000;

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 words "1977 Warrant" mean the \$455,000 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 "1977 Bond Anticipation Warrant Fund" created by Section 5 of this resolution.

i. The words "1976 Bond Anticipation Warrant" mean the \$130,000 bond anticipation warrant of the District dated June 23, 1976, maturing January 1, 1977, and bearing interest at the rate of 6% per annum.

j. The word "Project" means the improvements ordered by Resolution No. 153 of the District in Utility Local Improvement District No. 5.

The estimated cost of the portion of the Project presently requiring interim financing is \$320,000 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, and for the purpose of refunding the 1976 Bond Anticipation Warrant and interest accrued thereon to the date of delivery of the 1977 Warrant, the District shall issue the 1977 Warrant in the principal amount of \$455,000. The 1977 Warrant shall be dated as of the day of delivery to the initial purchaser thereof and shall bear interest at the rate of 6% per annum until paid. Both principal of and interest on the 1977 Warrant shall be payable on said payment date, 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 redeem and pay the 1977 Warrant on any date, at par plus accrued interest to the date of payment.

Section 4. The proceeds of sale of the 1977 Warrant shall be applied as follows:

a. An amount equal to the principal of and interest accrued on the 1976 Warrant to the date it is refunded shall be deposited

in the "1976 Bond Anticipation Warrant Fund" created by Resolution No. 161 and shall be applied to the payment of such principal and interest.

b. The balance of the proceeds of the 1977 Warrant shall be deposited in the water utility construction fund of the District heretofore created. 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 "1977 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 1977 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 the principal of and interest on the 1977 Warrant to the date it is paid.

The District hereby covenants that within a reasonable period of time after completion of construction of the Project and other improvements substantially related thereto, 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 1977 Warrant.

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 1977 Warrant and will immediately apply said moneys to the payment of the 1977 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 1977 Warrant is outstanding and unpaid except the water revenue bonds issued for the purpose of paying or redeeming the 1977 Warrant and except that the District shall have the right to issue additional bond anticipation warrants which have a lien upon the Gross Earnings and Revenue of the System junior and inferior to the lien of the 1977 Warrant.

Section 6. It is hereby declared that the Board of Commissioners, in providing for the issuance of the 1977 Warrant and in covenanting to issue water revenue bonds for the purpose of paying the 1977 Warrant, have exercised due regard for the normal expenses of maintenance and operation of the System and have not obligated the District to set aside and pay into the Warrant Fund or a Bond Redemption Fund for such water revenue bonds a greater amount of Gross Earnings and Revenue than in their judgment will be available over and above the amounts required to be paid as principal of and interest on the Outstanding Bonds and the normal expenses of maintenance and operation of the System.

Section 7. The 1977 Warrant shall be in substantially the following form:

UNITED STATES OF AMERICA

No. W-2

\$455,000

STATE OF WASHINGTON

WATER DISTRICT NO. 8  
WHATCOM COUNTY, WASHINGTON

1977 WATER REVENUE BOND ANTICIPATION WARRANT

Water District No. 8, Whatcom County, Washington (the "District"), a municipal corporation of the State of Washington, acknowledges itself to owe and for value received promises to pay to bearer the principal amount of

FOUR HUNDRED FIFTY-FIVE THOUSAND DOLLARS

together with interest thereon at the rate of 6% per annum until said principal amount shall have been paid.

Both principal and interest are payable in lawful money of the United States of America at the office of the Treasurer of Whatcom County in Bellingham, Washington solely out of the special fund of the District known as the "1977 Bond Anticipation Warrant Fund" created by Resolution No. \_\_\_\_ of the District (the "Resolution").

This Warrant is issued pursuant to the Constitution and laws of the State of Washington and duly adopted resolutions of the District for the purpose of temporarily financing the acquisition, construction and installation of certain additions, improvements and betterments to and extensions of the water supply and distribution system of the District and refunding the outstanding Bond Anticipation Warrant of the District dated June 23, 1976.

This Warrant is payable out of the proceeds of sale of water revenue bonds of the District and out of the Gross Earnings and Revenue (as such term is defined in the Resolution) of the District legally available for such purpose after payment of the normal expenses of maintenance and operation of the System and the amounts due as principal of and interest on the water revenue bonds of the District dated January 1, 1974.

The District hereby covenants and agrees with the owner and holder of this Warrant that it will keep and perform all the covenants of this Warrant and of the Resolution to be by it kept and performed.

It is hereby certified and declared that this Warrant is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and resolutions of the District, and that all acts, conditions and things required to have happened, been done and performed precedent to and in the issuance hereof have happened, been done and performed.

IN WITNESS WHEREOF, Water District No. 8, Whatcom County, Washington has caused this Warrant to be executed in its name by the President of its Board of Commissioners, to be attested by the Secretary of its Board of Commissioners, and the corporate seal of the District to be impressed hereon this \_\_\_\_\_ day of \_\_\_\_\_, 1977.

WATER DISTRICT NO. 8  
WHATCOM COUNTY, WASHINGTON

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary



Section 8. The 1977 Warrant shall be signed on behalf of the Board of Commissioners by its President or President pro tempore and shall be attested by its Secretary.

Section 9. The action of the District in accepting the offer of Old National Bank, Ferndale, Washington to purchase the 1977 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 1977 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 28<sup>th</sup> day of January, 1977.

WATER DISTRICT NO. 8,  
WHATCOM COUNTY, WASHINGTON

By C. R. O'Connor  
President

ATTEST:

Jordan Sullivan, Sr.  
Secretary