

EAST WENATCHEE WATER DISTRICT

DOUGLAS COUNTY, WASHINGTON

RESOLUTION NO. 57

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 from funds to be received from the United States Government under Public Law 345, 84th Congress, as amended by the Public Works Acceleration Act, Public Law 87658, and from the issuance and sale of \$160,000.00 par value of "Water Revenue Bonds, 1963"; creating a special fund to provide for the payment of said bonds and a special construction fund; 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 from moneys received by way of a grant from the United States Government under Public Law 345, 84th Congress, as amended by the Public Works Acceleration Act, Public Law 87658, and from the proceeds to be received from 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 of the District, pursuant to Resolution No. 77, adopted March 5, 1959, issued and sold \$110,000.00 par value of "Water Revenue Bonds, 1959," on a parity of lien with said outstanding "Water Revenue Bonds, 1955," pursuant to the provisions of Section 14 of said Resolution No. 70; and

WHEREAS, the Board of Water Commissioners of the District, pursuant to Resolution No. 85, adopted March 24, 1962, issued and sold \$136,000.00 par value of "Refunding Water Revenue Bonds, 1962," to obtain the funds with which to pay, retire and cancel \$30,000.00 par value of outstanding "Water Revenue Bonds, Issue No. 2, Series A," and \$106,000.00 par value of outstanding "Water Revenue Bonds, Issue No. 3, Series A," of the District, which refunding bonds were issued on a parity of lien with the outstanding "Water Revenue Bonds, 1955," and the outstanding "Water Revenue Bonds, 1959," pursuant to the provisions of Section 14 of said Resolution No. 70; and

WHEREAS, the Board of Water Commissioners of the District hereby finds that all amounts required to have been paid into the "Water Revenue Bond Fund, 1955," for the outstanding "Water Revenue Bonds, 1955," and into the "Water Revenue Bond Fund, 1959," for the outstanding "Water Revenue Bonds, 1959," and into the "Refunding Water Revenue Bond Fund, 1962," for the outstanding "Refunding Water Revenue Bonds, 1962," both as to the "Principal and Interest Account" and as to the "Reserve Account" in each fund, 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 consists of the following:

(1) A new well for additional supply shall be constructed near the northwest corner of 15th Street N.W. and Sunset Highway, together with the necessary pumphouse, pump, piping, fittings, electrical and other appurtenances.

(2) A new booster pump shall be installed in the existing booster station at Reservoir No. 2, together with the necessary piping and electrical changes.

(3) A new 500,000-gallon reinforced concrete storage reservoir shall be constructed and installed adjacent to the existing Reservoir No. 2, on land now owned by the Water District.

(4) New pump control valves shall be installed at Well No. 3 pumphouse and Well No. 4 pumphouse, together with the necessary piping and electrical changes.

(5) New flow metering devices shall be installed at each of the wells and booster stations in the system, together with the necessary piping, and electrical changes.

(6) A new telemetering system shall be installed for fully automatic operation of each of the well pumps and booster pumps in the system, together with the necessary electrical, mechanical and piping changes.

(7) New water lines shall be constructed and installed at the following locations:

- (a) A 6-inch line in and along Cascade Avenue from 35th Street N.W. northerly a distance of approximately 4,000 feet;
- (b) An 8-inch line in and along Cascade Avenue from 27th Street N.W. to 35th Street N.W., a distance of approximately 5,300 feet;
- (c) An 8-inch line in and along 35th Street N.W. from Cascade Avenue to Sunset Highway, a distance of approximately 1,400 feet;
- (d) An 8-inch line in and along 27th Street N.W. from Cascade Avenue to Sunset Highway, a distance of approximately 1,400 feet;
- (e) An 8-inch line in and along Sunset Highway from 15th Street N.E. to 13th Street N.E., thence in and along Main Street to Adams Street, a distance of approximately 3,000 feet;

- (f) A 10-inch from the existing booster station at Reservoir No. 2 west to Eastmont Avenue and 15th Street N.E., thence north in and along Eastmont Avenue to 19th Place N.E., a distance of approximately 3,000 feet;
- (g) A 10-inch line in and along Eastmont Avenue from 9th Street N.E. to Grant Road, a distance of approximately 4,700 feet;
- (h) A 10-inch line from the existing booster station at Reservoir No. 2 running east a distance of approximately 550 feet;
- (i) An 8-inch line from a point approximately 550 feet east of the existing booster station at Reservoir No. 2, running south to 10th Street N.E., thence east in and along 10th Street N.E. to north Kentucky Avenue, a distance of approximately 6,600 feet;
- (j) An 8-inch line in and along 8th Street N.E. from a point approximately 410 feet west of north James Avenue to a point approximately 100 feet east of north Gale Place, thence north to 10th Street N.E., thence east in and along 10th Street N.E., approximately 360 feet, a total distance of approximately 3,500 feet;
- (k) An 8-inch line in and along north Iowa Avenue from 5th Street N.E. to Grant Road, a distance of approximately 1,900 feet;
- (l) A 6-inch line in and along south June Avenue from Tedford Street S.E. to First Street S.E.,

thence west in and along First Street S.E. to south Iowa Avenue, a distance of approximately 1,700 feet;

- (m) A 10-inch line in and along south Kentucky Avenue from Grant Road to the existing booster station at Reservoir No. 5, a distance of approximately 1,400 feet;
- (n) An 8-inch line in and along Grant Road from the existing booster station near south Nile Avenue to south Stark Avenue, a distance of approximately 3,800 feet.

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 therefor.

The District shall acquire all property both real and personal or any interest therein and all easements, franchises, rights-of-way 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 \$312,500.00 and the average life of the proposed improvements will be not less than twenty-one years.

Section 3. The cost of acquiring, constructing and completing the foregoing plan providing for additions and betterments shall be paid from the following sources:

(a) from a grant to be received from the United States Government under Public Law 345, 84th Congress, as amended by the Public Works Acceleration Act, Public Law 87658, in the anticipated amount of \$152,500.00;

(b) from the proceeds received from the issuance and sale of \$160,000.00 par value of water revenue bonds to be known and designated as "Water Revenue Bonds, 1963," of East Wenatchee Water District, Douglas County, Washington (hereinafter called the "Bonds"). The Bonds shall be dated January 1, 1963; shall bear interest at the rate of 3 3/4% per annum, payable semiannually on January 1 and July 1 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 \$5,000.00 each; and shall be numbered from 1 to 32, 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, Washington. 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 in accordance with the following schedule, to-wit:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturities</u>
1 to 6	\$30,000	January 1, 1980
7 to 12	\$30,000	January 1, 1981
13 to 18	\$30,000	January 1, 1982
19 to 25	\$35,000	January 1, 1983
26 to 32	\$35,000	January 1, 1984

Section 4. The District reserves the right to redeem any or all of the outstanding Bonds on January 1, 1973, 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, 1963," (hereinafter called the "Bond Fund"), which

fund is to be drawn upon for the sole purpose of paying the principal of and interest on the Bonds as the same shall become due and payable. Such fund is hereby divided into a "Principal and Interest Account" and a "Reserve Account." 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, on or before the first day of each month beginning with the month of February, 1963, 1/6th of the next ensuing six months' interest requirements on the Bonds and, beginning with the month of February, 1979, 1/12th of the next ensuing twelve months' requirements of both principal and interest on the Bonds;

(b) Into the "Reserve Account," monthly, beginning on February 1, 1963, an amount which, together with the Reserve Account accumulations on hand in the bond redemption funds for the outstanding "Water Revenue Bonds, 1955," "Water Revenue Bonds, 1959," and "Refunding Water Revenue Bonds, 1962," shall make a total of not less than \$37,625.00 available in all of said reserve accounts, said amount equaling the maximum debt service requirements in any one year for the outstanding 1955, 1959 and 1962 bonds and the Bonds, which additional amount shall be accumulated within the "Reserve Account" in the Bond Fund by no later than January 1, 1968.

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 from

said respective reserve accounts, as authorized herein and in the bond resolutions pertaining to the 1955 bonds, 1959 bonds and 1962 bonds, maintain the total amount in the "Principal and Interest Account" and "Reserve Account" in the respective bond funds to pay the principal of and interest to maturity on all of said outstanding parity bonds.

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.

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. Interest earned on any such deposits or investments 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 revenues 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, except that the lien or charge upon such gross revenues for the Bonds shall be on a parity with the lien or charge upon such gross revenues for the outstanding "Water Revenue Bonds, 1955," the outstanding "Water Revenue Bonds, 1959," the outstanding "Refunding Water Revenue Bonds, 1962," 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 the Bond 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 or 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. There is hereby created and established another 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 "1963 Construction Fund," into which fund shall be deposited the principal proceeds received from the sale of the Bonds and also all moneys received by way of a grant from the United States Government under Public Law 345, 84th Congress, as amended by the Public Works Acceleration Act, Public Law 87658. All costs of carrying out the plan providing for additions and betterments to the original

comprehensive scheme or plan of water supply for the District, as adopted in Section 1 hereof, including all costs incident to the issuance and sale of the Bonds, shall be paid out of such 1963 Construction Fund.

Section 8. The District hereby covenants and agrees with the owner and holder of each of the Bonds as follows:

(a) That it will 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 and outstanding, the Bonds, and any bonds hereafter issued on a parity with the outstanding "Water Revenue Bonds, 1955," the outstanding "Water Revenue Bonds, 1959," and the outstanding "Refunding Water Revenue Bonds, 1962," 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;

(b) That it will not 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 replacements thereof at any time acquired, constructed or installed, unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of and interest on all the outstanding Bonds in accordance with the terms thereof; and that it will not 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 Bond Fund of an amount which shall bear the same ratio to the amount of outstanding Bonds 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 Bonds from the entire water system for the same period. Any such money so paid

into the Bond Fund shall be used to retire said outstanding Bonds at the earliest possible date;

(c) 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;

(d) That it will, while any of the Bonds remains 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 the Bonds and any subsequent holder or holders thereof at the written request of such holder or 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 the right at all reasonable times to inspect the said system and all records, accounts and data of the Water District relating thereto.

Section 9. The Bonds shall be in substantially the following form:

No. \_\_\_\_\_ \$5,000.00

UNITED STATES OF AMERICA

STATE OF WASHINGTON

DOUGLAS COUNTY

EAST WENATCHEE WATER DISTRICT

WATER REVENUE BOND, 1963

3 $\frac{3}{4}$ %

Revenue Bonds, 1959," the "Refunding Water Revenue Bonds, 1962," 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 revenue bonds at any time outstanding.

It is hereby certified and declared that the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington, and resolutions of East Wenatchee Water District, Douglas County, Washington, and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have existed, have happened and have been performed as required by law.

IN WITNESS WHEREOF, East Wenatchee Water District, Douglas County, Washington, has caused this bond to be signed by the President of its Board of Water Commissioners and attested by the Secretary and its corporate seal to be hereto affixed and the interest coupons attached to be signed with the facsimile signatures of said officials this first day of January, 1963.

EAST WENATCHEE WATER DISTRICT  
DOUGLAS COUNTY, WASHINGTON

By \_\_\_\_\_  
President of its Board  
of Water Commissioners

ATTEST:

\_\_\_\_\_  
Secretary of the Board

The interest coupons to be attached to the Bonds shall be in substantially the following form:

Coupon No. \_\_\_\_\_  
\$93.75

On the FIRST DAY OF (JANUARY)(JULY),  
19\_\_\_\_, EAST WENATCHEE WATER DISTRICT,



DOUGLAS COUNTY, WASHINGTON, will pay to bearer at the office of the Treasurer of Douglas County, in Waterville, Washington, the sum of NINETY-THREE AND SEVENTY-FIVE/HUNDREDTHS DOLLARS (\$93.75) in lawful money of the United States of America from the special fund of the District known as "Water Revenue Bond Fund, 1963," said sum being the semiannual interest due that date on its "Water Revenue Bond, 1963," dated January 1, 1963, and numbered \_\_\_\_\_.

EAST WENATCHEE WATER DISTRICT  
DOUGLAS COUNTY, WASHINGTON

By \_\_\_\_\_  
President of its Board  
of Water Commissioners

ATTEST:

\_\_\_\_\_  
Secretary of the Board

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 10. The proceeds from the sale of the Bonds shall be used for the sole purpose of paying the cost and expense of carrying out the plan providing for additions and betterments to the original comprehensive scheme or plan of water supply for the District, as amended and supplemented, as adopted in Section 1 hereof, and the District, through its proper officers and agents, shall proceed with the making of said improvements.

Section 11. Wm. P. Harper & Son & Company, of Seattle, Washington, heretofore offered to purchase the Bonds at a price of \$97.00 per each \$100.00 par value thereof, plus accrued interest from the date of the issuance of the Bonds to

the date of delivery thereof, the District to furnish at its expense the printed Bonds, together with the unqualified approving legal opinion of Roberts, Shefelman, Lawrence, Gay & Moch, municipal bond counsel of Seattle, Washington. The Board of Water Commissioners, deeming that no better price could be obtained for the Bonds and that it was for the best interest of the District to accept said offer, duly accepted the same on November 29, 1962, and such acceptance is hereby ratified and confirmed. The Bonds shall, therefore, immediately upon their execution by the President and Secretary of the Board of Water Commissioners, be delivered to the Treasurer of Douglas County, Washington, and shall then be delivered by the Treasurer to Wm. P. Harper & Son & Company upon said purchaser's paying the price therefor in accordance with its offer.

The principal proceeds received from the sale of the Bonds shall be deposited in the "1963 Construction Fund" and the accrued interest received from the sale of the Bonds, if any, shall be deposited in the "Principal and Interest Account" in the Bond Fund.

ADOPTED at a special meeting, of which due notice had been given in the manner required by law, on December 13, 1962.

\_\_\_\_\_  
President and Commissioner

*[Handwritten Signature]*  
\_\_\_\_\_  
Commissioner

ATTEST:

*[Handwritten Signature]*  
\_\_\_\_\_  
Secretary and Commissioner

I, IVAN LUSTACE, Secretary of the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, do hereby certify that the attached is a true and correct copy of Resolution No. 19, passed December 13, 1962, as said Resolution appears on the Minute Book of the water District.

DATED December 13, 1962.

  
\_\_\_\_\_  
IVAN LUSTACE, Secretary

HOUSING AND HOME FINANCE AGENCY  
COMMUNITY FACILITIES ADMINISTRATION  
ACCELERATED PUBLIC WORKS PROGRAM

Project No. APW-Wash-7G  
Offer Date November 7, 1962  
Contract No. H-602-1563

GRANT OFFER

Subject to the Terms and Conditions, dated 10-31-62, attached hereto and made a part hereof as Exhibit "A," the Housing and Home Finance Agency, hereinafter referred to as the Government, hereby offers to make a grant of \$152,500.00 or 50 per cent of the eligible project cost, whichever is the lesser, to East Wenatchee Water District, East Wenatchee, Washington (herein called the "Applicant"), in order to aid in financing the construction of essential public works or facilities presently estimated to cost \$315,500.00, consisting of Water Works Improvements - well, pumphouse, pump, electrical, reservoir and piping, (herein called the "Project"): Provided, that in the event the actual eligible project cost as determined by the Government upon completion is less than \$305,000.00, the amount of the grant shall be reduced so that the grant amount shall not exceed the above percentage of the actual eligible project cost.

The Applicant covenants that it will, within sixty days from the above date, furnish the Government satisfactory evidence that its share of the project costs is available or that firm and binding arrangements have been entered into to provide such funds as they are needed to meet project costs.

Upon acceptance, this Offer, together with the Terms and Conditions, shall become the "Grant Agreement."

Prior to disbursement of any Government grant monies hereunder, the Applicant shall have the right to terminate this Grant Agreement effective fifteen days after giving notice of termination to the Government. The Government shall have the right to terminate this Grant Agreement, effective upon fifteen days notice thereof to the Applicant, whenever it determines that the Applicant has failed to proceed promptly with the construction and financing of the project.

This Offer must be accepted within 15 days from the above date.

Housing and Home Finance Agency  
Community Facilities Administration

By [Signature]  
Director for Northwest Operations

HOUSING AND HOME FINANCE AGENCY  
COMMUNITY FACILITIES ADMINISTRATION

TERMS AND CONDITIONS

Constituting Part of the Grant Agreement Providing for  
the Financing and Construction of Public Works or Facilities  
Under the Public Works Acceleration Act, Public Law 87-653.

Section 1. Definitions. As used in these Terms and Conditions:

"Government" means the United States of America.

"Project" means the Public Works or Facilities covered by the  
Grant Agreement.

"Grant Agreement" means the contract between the Government and  
the Applicant covering the Project and includes both these  
Terms and Conditions and other contract instruments.

"Applicant" means the public entity designated in the Grant  
Agreement.

"Project Costs" means the cost of construction work for the  
Project, cost of necessary architectural/engineering  
services, legal, administrative and clerical costs, cost of  
land acquisition, necessary travel expenses, interest during  
construction and development, and other necessary miscella-  
neous expenses, all as determined by the Government.

"Eligible Project Costs" means Project Costs less the cost of  
land, rights-of-way, initial operating supplies and equipment  
with the exception of those items directly or reasonably  
required for the completion of construction, planning  
financed by a Planning Advance under Section 702 of the  
Housing Act of 1954, as amended, and any other ineligible  
miscellaneous expenses, all as determined by the Government.

"Depository Bank" means a bank or trust company which is a member  
of the Federal Deposit Insurance Corporation.

Section 2. Prerequisites to Government's Obligations. The Government shall  
be under no obligation to disburse funds under the Grant Agreement if:

- (a) Representations. Any representation made by the Applicant to the  
Government in connection with the application shall be incorrect or  
incomplete in any material respect, or the Government determines that  
the Applicant has failed to proceed promptly with Project financing  
or construction;

- (b) Concurrence by Government. The Applicant, having submitted to the Government any of the documents mentioned in Section 10 herof which under the established procedures require the Government's prior approval, shall have proceeded to make related expenditures or incur related obligations without having been advised by the Government that the same are satisfactory; it being the purpose of this provision to insure that no action will be taken in the development of the Project which would result in legal or contractual violation rendering it impossible for the Government to make the grant hereunder or for the parties to accomplish the objects of the Grant Agreement;
- (c) Prohibited Interests. If any official of the Applicant who is authorized in such capacity and on behalf of the Applicant to negotiate, make, accept or approve, or to take any part in negotiating, making, accepting, or approving any architectural, engineering, inspection, construction, materials, supply, or equipment contract or any subcontract in connection with the construction of the Project, shall become directly or indirectly interested personally in any such contract or subcontract, or if any official, employee, architect, attorney, engineer or inspector of or for the Applicant who is authorized in such capacity and on behalf of the Applicant to exercise any legislative, executive, supervisory or other functions in connection with the construction of the Project, shall become directly or indirectly interested personally in any construction, materials, supply, equipment or insurance contract, in any subcontract or any other contract pertaining to the Project.

Section 3. Applicant's Funds. The Applicant shall initiate and prosecute to completion all proceedings necessary to enable the Applicant to provide its share of the Project costs on or prior to the time that such funds are needed to meet project costs.

Section 4. Legal Matters. The Applicant shall take all actions necessary to enable it to finance, construct, and develop the Project in due time, form, and manner as required by law and the Grant Agreement.

Section 5. Prerequisites to Grant Disbursements. Prior to the Government disbursing any portion of the grant proceeds, the Applicant shall present satisfactory evidence that:

- (a) It has obtained, or can obtain, all land, rights-of-way, easements, permits, franchises, Federal, State, County, and Municipal approvals required in connection with the construction and operation of the Project, including approval of the final plans and specifications by the appropriate State authorities;
- (b) It has the funds or a firm and binding commitment to provide its share of the Project Costs;
- (c) It has deposited into the Construction Account, in addition to the grant proceeds, any portion then available of the funds to be furnished by the applicant to meet its share of the Project Costs and that it will promptly deposit any remaining portion of its share of Project Costs in order that all payments in connection with the Project can be made as the same become due;
- (d) The Project can be completed at a total cost satisfactory to the Government which will be within the amount of funds available therefor;
- (e) The applicant (1) has formally amended its capital improvement plan, budget or other schedule, or is in the process of so amending it, to incorporate the increase in its planned net expenditures for capital improvements pursuant to the resolution furnished with the grant application; (2) has secured, or is in the process of securing, approval of the amendments by any State or other public body having authority in such matters; and (3) has arranged for, or is proceeding expeditiously to obtain, the funds needed for such increase in expenditures.

Section 6. Grant Disbursements. The Applicant may requisition disbursements against the grant as follows:

- (1) 25% upon approval of the award of the construction contract(s).
- (2) 50% when construction is 50% complete.
- (3) 15% upon final inspection.
- (4) 10% after Project completion and audit, subject to adjustment to reflect the actual cost as determined by the Government.

Such requisitions shall be accompanied by such supporting data as the Government may require and shall be honored by the Government, subject to the provisions of the Grant Agreement. No request for review of a determination of the Government affecting the grant payable under the

Agreement will be considered unless such request is received by the Government not later than three months following notice to the Applicant of such determination.

All accounting records including bank deposit slips, cancelled checks and other supporting documents and construction contract awards shall be retained intact for audit or inspection by the Government's authorized representatives.

Section 7. Construction Account. The Applicant shall set up in a Depository Bank, or with the fiscal agency of the Applicant fixed by law, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited the proceeds of the Government grant and the funds required by the provisions of the Grant Agreement to be furnished by the Applicant to assure the payment of all Project Costs. Moneys in the Construction Account shall be expended only for such purposes as shall have been previously specified in the project cost estimates approved by the Government. The Applicant shall pay all Project Costs from the Construction Account.

Moneys in the Construction Account shall be secured by the Depository Bank in the manner prescribed by statutes relating to the securing of public funds. Where the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the next 90 days, the Applicant may direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than 18 months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Account by the Applicant.

After completion of construction and payment of all costs of the Project, any balance in the Construction Account shall remain therein pending determination by the Government of the total Project Cost and the Federal Grant. Such balance shall be used to refund promptly to the Government any overpayment made with respect to the Federal Grant any amount thereafter remaining shall be available for disposition by the Applicant in accordance with its other contractual agreements, applicable State or local law, or other governing conditions.



Section 8. Prompt Procedure--Economic Construction. The Applicant covenants and agrees that it will proceed promptly with all matters necessary to the financing and the development of the Project; and that the Project will be undertaken and developed in such manner that economy will be promoted in such development and in the construction work.

Section 9. Approvals and Permits. The Applicant shall obtain approvals and permits required by law as a condition precedent to the acquisition, construction, development, and operation of the Project.

Section 10. Submission of Proceedings, Contract and Other Documents. The Applicant shall submit to the Government such data, reports, records and documents relating to the construction, financing, and operation of the Project as the Government may require. Approval of the Government must be obtained prior to the assignment of any interest in or part of any contract relating to the Project.

Section 11. Construction by Contract. All work on the Project shall be done under contract and every opportunity shall be given for free, open and competitive bidding for each and every construction, material, and equipment contract. The Applicant shall give such publicity by advertisement or calls for bids by it for the furnishing to it of work, labor, materials, and equipment as required by applicable law and as will provide adequate competition; and the award of each contract therefor shall be made, after approval by the Government to the lowest responsible bidder as soon as practicable; Provided, that in the selection of equipment or materials the Applicant may, in the interest of standardization or ultimate economy, if the advantage of such standardization or such ultimate economy is clearly evident, award a contract to a responsible bidder other than the lowest in price. The Applicant shall obtain the concurrence of the Government before approving subcontracts relating to the Project.

- (a) Contracts and subcontracts shall provide for submission of employment and other data relating to construction of the project as the Applicant may require.
- (b) The Applicant shall include in each of its construction contracts a provision requiring the contractor insofar as practicable to give preference in the hiring of workers for the project to qualified local labor.

The provision also will require each contractor to insert the same or a similar provision in each subcontract for the project.

Section 12. Changes in Construction Contract. Any change in a construction contract shall be submitted to the Government for approval. Construction contracts shall include a provision specifying that the above requirement will be met.

Section 13. Contract Security. The Applicant shall require that each construction contractor shall furnish a performance bond in an amount at least equal to 100 percent of his contract price as security for the faithful performance of his contract and also a payment bond in an amount not less than 50 percent of his contract price or in a penal sum not less than that prescribed by State, territorial, or local law, as security for the payment of all persons performing labor on the Project under his contract and furnishing materials in connection with his contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with local law.

Section 14. Insurance During Construction. The Applicant shall require that each of its construction contractors and his subcontractors shall maintain, during the life of his contract, Workmen's Compensation Insurance, Public Liability and Property Damage Insurance in amounts and on terms satisfactory to the Government. The Applicant shall maintain Builders' Risk Insurance (fire and extended coverage) on a 100 percent basis on the insurable portions of the project for the benefit of the owner, prime contractor, and all subcontractors as their interests may appear, until the project is completed and is accepted by the Applicant.

Section 15. (a) Wage Rates: Upon receipt of the list of wage rates determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act, as amended), the Applicant shall include such list in all contracts calling for work on the Project and require adherence thereto. The Applicant shall also require of each of its contractors that such list shall be posted at appropriate conspicuous points on the site of the Project. Unless otherwise required by law, wage rates need not be listed for non-manual workers, including executive, supervisory, administrative and clerical employees.

If, after the award of the contract, it becomes necessary to employ any person in a trade or occupation not classified in the above list, such person shall be paid at not less than a rate to be determined by the Secretary of Labor. Such approved minimum rate shall be retroactive to the time of the initial employment of such person in such trade or occupation. The contractor shall notify the Applicant of his intention to employ persons in trades or occupations not classified in sufficient time for the Applicant to obtain approved rates for such trades or occupations.

(b) Contract Work Hours: The Applicant shall comply with the provisions of the Contract Work Hours Standards Act (P.L. 87-581) which provides that the Applicant will also require of its contractors that no laborer or mechanic shall be required or permitted to be employed in such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

Section 16. Payment of Employees. The Applicant shall require of its contractors that all employees engaged in work on the Project be paid in full (less deductions made mandatory by law) not less often than once each week.

Section 17. Wage Underpayments and Adjustments. The Applicant shall require of each of its contractors that, in cases of underpayment of wages by the contractor, the Applicant may withhold from such contractor out of payments due, an amount sufficient to pay workers employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such workers for the total number of hours worked and may disburse such amounts so withheld by it for and on account of the contractor to the respective employees to whom they are due.

Section 18. Anti-Kickback Statute. The so-called Anti-Kickback Statute, Public Law No. 324, 73rd Congress, approved June 13, 1934 (48 Stat. 1948 as amended), and the regulations issued pursuant thereto, are a part of the Grant Agreement, and the Applicant shall comply, and require each of its contractors employed in the construction, prosecution, or completion of the Project to comply therewith, and to cause his subcontractors to do likewise.

Section 19. Accident Prevention. The Applicant shall require of its contractors that precaution shall be exercised at all times for the protection of persons (including employees) and property, and that hazardous conditions be guarded against or eliminated.

Section 20. Supervision and Inspection. The Applicant shall provide and maintain on its own behalf competent and adequate architectural or engineering services covering the supervision and inspection of the development and construction of the Project.

Section 21. Nondiscrimination. The Applicant shall require that there shall be no discrimination against any employee who is employed in carrying out the Project, or against any applicant for such employment, because of race, religion color or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

The Applicant shall insert the foregoing provision of this Section in all its contracts for Project work and will require all of its contractors for such work to insert a similar provision in all subcontracts for Project work; Provided, that the foregoing provision of this Section shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

The Applicant shall post at the Project, in conspicuous places available to employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause.

Section 22. Payments to Contractors. Not later than the fifteenth day of each calendar month the Applicant shall make a partial payment to each construction contractor on the basis of a duly certified and approved estimate of the work performed during the preceding calendar month by the particular contractor, but shall retain until final completion and acceptance of all work covered by the particular contract a reasonable amount, specified in the contract, sufficient to insure the proper performance of the contract.

Section 23. Audit and Inspection. The Applicant shall require of its contractors that the Government's authorized representatives be permitted, and it will itself permit them to inspect all work, materials, payrolls, records of personnel, invoices of materials and other relevant data and records appertaining to the development of the Project; and shall permit the Government's authorized representatives to inspect or audit the books, records, and accounts of the Applicant pertaining to the Grant and the development of the Project.

Section 24. Signs. The Applicant shall cause to be erected at the site of the Project, and maintained during construction, signs satisfactory to the Government identifying the Project and indicating the fact that the Government is participating in the development of the Project.

Section 25. Operation of Project. The Applicant covenants that it will operate and maintain the Project or provide for the operation and maintenance thereof, to serve the objects and purposes for which the Grant has been made available under the Federal law and the terms of the Grant Agreement.

Section 26. Surety. The Applicant covenants that each of its officials or employees having custody of Project funds during acquisition, construction, and development of the Project, shall be bonded at all times in an amount at least equal to the total funds in his custody at any one time.

Section 27. Interest of Third Parties. The Grant Agreement is not for the benefit of third parties. The Government shall not be obligated or liable hereunder to any party other than the Applicant.

Section 28. Interest of Members of or Delegates to Congress. No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Grant Agreement or to any benefit arising therefrom.

Section 29. Bonus or Commission. By execution of the Grant Agreement the Applicant represents that it has not paid and, also, agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the Grant hereunder.

Section 30. State or Territorial Law. Anything in the Grant Agreement to the contrary notwithstanding, nothing in the Grant Agreement shall require the Applicant to observe or enforce compliance with any provision thereof, perform any other act or do any other thing in contravention of any applicable State or territorial law: Provided, that if any of the provisions of the

Grant Agreement violate any applicable State or territorial law, or if compliance with the provisions of the Grant Agreement would require the Applicant to violate any applicable State or territorial law, the Applicant will at once notify the Government in writing in order that appropriate changes and modifications may be made by the Government and the Applicant to the end that the Applicant may proceed as soon as possible with the construction of the Project.