

EAST WENATCHEE WATER DISTRICT

DOUGLAS COUNTY, WASHINGTON

RESOLUTION NO. 471

A RESOLUTION of the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, ordering the acquisition and construction of a portion of the comprehensive plan for a system of water supply for the District as adopted by Resolution No. 470 and applicable to the utility local improvement district herein described; forming Utility Local Improvement District No. 1 and ordering the carrying out of the proposed improvements; providing that payment for the improvements be made by special assessments upon the property in Utility Local Improvement District No. 1; authorizing the issuance and sale of approximately \$1,040,000 of water revenue bonds to be supported by such assessments; and providing for the issuance and sale or delivery of short-term financing obligations pending the issuance and sale of those bonds.

WHEREAS, by Resolution No. 470, adopted July 16, 1998, the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington (the "District"), declared its intention to order the acquisition and construction of certain improvements included in the plan and system for additions to and betterments and extensions of the general comprehensive plan for a system of water supply for the District as adopted by Resolution No. 470 (the "Plan and System") applicable to the utility local improvement district hereinafter described, and to form Utility Local Improvement District No. 1 ("ULID No. 1"); and

WHEREAS, notice of the adoption of Resolution No. 470 was duly published and mailed to the owners or reputed owners of the property within the proposed district as required by law, such notice also stating that a public hearing on the ordering of the improvement and the formation of the proposed utility local improvement district would be held before the Board of Water Commissioners at 3:00 p.m., local time, on August 20, 1998, at 692 Eastmont, East Wenatchee, Washington; and

WHEREAS, the hearing was duly and regularly held at that time and place, all persons appearing at such hearing and wishing to be heard were heard, ten days have passed since that hearing, written protests have been received by owners of less than forty percent of the area of property within the proposed improvement district according to the records of the Douglas County Office of Records and Elections, and all objections to the proposed improvement were duly considered and overruled by the Board of Water Commissioners; and

WHEREAS, the Board has determined to proceed with the acquisition and construction of the improvements in ULID No. 1; NOW, THEREFORE,

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

Section 1. After due consideration, the acquisition and construction of the improvements included in the Plan and System and applicable to ULID No. 1 hereinafter described are ordered to be carried out, the nature and territorial extent of those improvements being described as follows:

Construction of a water main along Nile Avenue from Fifth Street NE to Grant Road; construction of a water main along Grant Road from Mary Avenue to Stark Avenue; acquisition of land for a booster pump station and associated appurtenances;

and such other improvements as are appurtenant thereto, as more particularly described in Resolution No. 470 (the "Improvements").

The District may modify the details of the foregoing where such modifications do not substantially alter the purpose of the Plan and System.

The Improvements shall be acquired and constructed in accordance with the plans and specifications therefor prepared by the District's consulting engineers.

Section 2. To carry out the Improvements described in Section 1, there is created a utility local improvement district to be designated and known as Utility Local Improvement District No. 1 of East Wenatchee Water District, Douglas County, Washington ("ULID No. 1"), the boundaries thereof being more particularly described in Exhibit A attached hereto and by this reference made a part hereof.

Section 3. The estimated cost and expense of the Improvements described in Section 1 are declared to be, as near as may be \$1,040,892, all of which shall be paid by special assessments levied against the property within ULID No. 1.

The District may use any method or combination of methods to compute assessments which may be deemed to reflect more fairly the special benefits to the properties being assessed than the method set forth in statutes. Properties paying such assessments shall be entitled to connection to the water system of the District consistent with their assessment payments upon the payment of the then regular fees of the District and compliance with the resolutions and regulations of the District.

Section 4. The cost of carrying out the Improvements constituting the Plan and System shall be met and defrayed from the issuance and sale of water revenue bonds of the District in the sum of approximately \$1,040,000 par value, which are hereby authorized.

The bonds shall be issued in one or more series at such times as the board of Water Commissioners shall deem advisable. The bonds shall be issued in such series; shall be in such denominations and form; shall bear such date; shall bear such denomination, interest rate or rates; shall be payable at such time or times up to a maximum period of not to exceed 40 years and at such place or places; shall have such option of payment prior to maturity; shall guarantee such coverage and collection of rates; shall provide for such additional funds and accounts; and

shall contain and be subject to such provisions and covenants as shall hereafter be provided by resolution of the Board of Water Commissioners or resolutions of the District, as the case may be. The bonds shall be payable from the gross revenues received from the water system owned by the District, from the receipt of payments of assessments levied in Utility Local Improvement District No. 1 and from other money legally available therefor. The levying, collection and enforcements of all assessments in the utility local improvement district shall be in the manner now and hereafter provided by law. The principal of and interest on all assessments collected from the utility local improvement district shall be paid only into such special bond redemption fund as the Board of Water Commissioners shall designate for the payment of the aforesaid bonds.

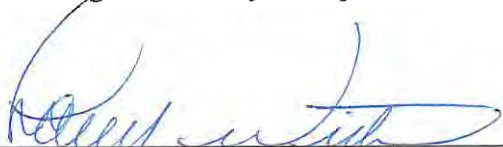
If the District shall authorize expenditures to be made for the Plan and System Improvements (other than for any cost or expense expected to be borne by the District) prior to the date that any short-term obligations or bonds are issued to finance the Improvements, from proceeds of interfund loans or other funds that are not, and are not reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside to pay the cost of the Improvements herein ordered to be assessed against the property specially benefited thereby, the District declares its official intent that those expenditures, to the extent not reimbursed with prepaid special benefit assessments, are to be reimbursed from proceeds of short-term obligations or bonds that are expected to be issued for the Improvements in a principal amount not exceeding \$1,040,892.

Section 5. Pending the issuance and sale of such water revenue bonds, the District may pay the costs of carrying out the Improvements by issuing interest-bearing warrants from the Construction Fund of the District or by issuing other revenue or bond anticipation obligations of

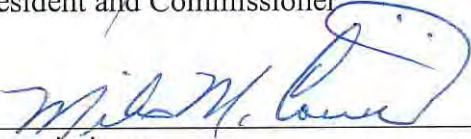
the District under such terms, conditions and interest rates and at such price as later determined by the Commissioners.

Section 6. The Secretary of the Board is authorized and instructed to cause to be published once in the Wenatchee World, or such other newspaper of regular circulation in the District as the Secretary may select, a notice setting forth that the Board has passed this resolution forming ULID No. 1 and that, within 30 days of the publication of the notice, any lawsuit challenging the jurisdiction or authority of the District to create ULID No. 1 and carry out the Improvements described in Section 1 must be filed in superior court and a notice setting forth the nature of the lawsuit must be served upon the District.

ADOPTED by the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, at a regular open public meeting this 3rd day of September, 1998.



President and Commissioner



Commissioner



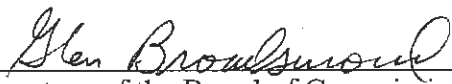
Secretary and Commissioner

EXHIBIT A
OFFICIAL TERRITORIAL BOUNDARY DESCRIPTION
FOR
EAST WENATCHEE WATER DISTRICT
DOUGLAS COUNTY, WASHINGTON
UTILITY LOCAL IMPROVEMENT DISTRICT NO. 1

The properties included in the Pangborn Utility Local Improvement District are generally located within Section 16, the east half of Section 8 and the south half of Sections 9 and 10 in Township 22 North, Range 21 East, W.M., Douglas County Washington. Specifically this area is described as follows: the area located inside of the Pangborn Industrial Service Area boundary as described in the adopted 1996 Greater East Wenatchee Area Urban Area Plan; which consist of properties including the Northern Fruit Rezone No. R3-93, Batterman Rezone R6-91, C&O Nursery Rezone No. R9-93, Recchia Rezone R4-90, Holman/Frazier Rezone R6-94; and the Port of Chelan and Douglas County property in the South half, excluding Tax Lot 9 and the North half lying South of Pangborn Drive excluding Douglas County R/W located in Section 16, Township 22 North, Range 21 East W.M.

I, GLEN BROADSWORD, Secretary of the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, certify that the attached copy of Resolution No. 471 is a true and correct copy of the original resolution adopted on the 3rd day of September, 1998, as that resolution appears on the Minute Book of the District.

DATED this 3rd day of September, 1998.


Secretary of the Board of Commissioners