

EAST WENATCHEE WATER DISTRICT,
DOUGLAS COUNTY, WASHINGTON

RESOLUTION NO. 589

A RESOLUTION of the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, declaring its official intent to reimburse capital expenditures in connection with the Baker Flats Utility Local Improvement District from proceeds of a future borrowing.

WHEREAS, East Wenatchee Water District, Douglas County, Washington (the "District") intends to make expenditures for the Project (identified below) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis, or otherwise set aside for those expenditures, and reasonably expects to be reimbursed for those expenditures from proceeds of bonds or other obligations ("bonds") issued to finance those expenditures; and

WHEREAS, Certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds to reimburse the issuer of the bonds for expenditures made before the issue date of the bonds require, among other things, that not later than 60 days after payment of the original expenditure the District (or any person designated by the District to do so on its behalf) declare a reasonable official intent to reimburse those expenditures from proceeds of bonds; and

WHEREAS, The District has been engaged in planning for the addition and betterment of the District's public system of water supply and distribution; NOW, THEREFORE,

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

Section 1. Description of Project for Which Expenditures are to be Made. The District intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for the project, property, or program (the "Project") described in Appendix A, attached hereto.

Section 2. Maximum Principal Amount of Obligations Expected to be Issued for the Project. The District expects that the maximum principal amount of bonds that will be issued to finance the Project will be \$5,045,500.

Section 3. Declaration Reasonable. The Board of Water Commissioners has reviewed its existing and reasonably foreseeable budgetary and financial circumstances and has determined that the District reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds 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 for those expenditures on the Project.

Section 4. Limitations on Uses of Reimbursement Amounts. The District will not, within one year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the District for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any tax exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax exempt bonds. Nor will the District use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

Section 5. Date of Declaration. This declaration of official intent shall be dated as of the date of adoption of this resolution.

Section 6. Ratification and Confirmation. Any actions of the District or its officers prior to the date thereof and consistent with the terms of this resolution are ratified and confirmed.

Section 7. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the BOARD OF COMMISSIONERS of the EAST WENATCHEE WATER DISTRICT, Douglas County, Washington, at a regular/special meeting thereof this 16th day of April, 2008.



Mike McCourt, President

ATTEST:



Terry Barnes, Secretary

APPENDIX A

PROJECT DESCRIPTION

(a) Approximately 15,000 lineal feet of 12-inch diameter water main along private easement and Cascade Avenue from the northwest corner of parcel number 23202710005 (Empire Avenue extended) to the north end of Cascade Avenue intersection with SR97 in Baker Flats.

(b) Approximately 2,500 lineal feet of 16-inch diameter water main through parcel number 23200210004 starting at Nelpar Drive as temporarily ended for BSP 04-002 then approximately east and north along private easements to the proposed reservoir site.

(c) A control vault containing multiple valves for supplying Baker Flats and the proposed reservoir. The vault will be located along Cascade Avenue, about 1,300 feet north of 35th Street N.W.

(d) The system of laterals and distribution (pipes/mains), connections, hydrants and other appurtenances necessary for water system development and use.

(e) A 1.5 million gallon reservoir with related supply piping, drain piping, altitude valve, drainage pond and control systems.

(f) Purchase of approximately two acres of property for the reservoir.