

RESOLUTION NO. 594

FORMATION OF BAKER FLATS ULID NO. 2

A RESOLUTION of the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington, ordering the installation of a water system in the Baker Flats area of the District; forming Utility Local Improvement District No. 2 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. 2 and through other sources; authorizing the issuance and sale of approximately \$1,500,000 of 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. 588, adopted April 16, 2008, the Board of Water Commissioners of East Wenatchee Water District, Douglas County, Washington (the "District"), declared its intention to order the installation of a water system; development of necessary infrastructure; and property acquisition applicable to the utility local improvement district hereinafter described, and to form Utility Local Improvement District No. 2 ("ULID No. 2"); and

WHEREAS, notice of the adoption of Resolution No. 588 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 6:30p.m., local time, on June 3, 2008, at the Douglas County Transportation Land Services building at 140 19th ST NW, 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. 2; 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. 2 hereinafter described are ordered to be carried out, the nature and territorial extent of those improvements being described as set forth in Exhibit A hereto, and such other improvements as are appurtenant thereto, as more particularly described in Resolution No. 588 as necessary therefore (the "Improvements").

The District may modify the details of the Improvements 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 therefore 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. 2 of East Wenatchee Water District, Douglas County, Washington ("ULID No. 2"), the boundaries thereof being more particularly described in Exhibit B 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 \$5,000,000, of which approximately \$3,838,000 shall be paid by special assessments levied against the property within ULID No. 2.

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 \$1,500,000 par value, which are hereby authorized and the issuance of other revenue obligations (loans) in the sum of approximately \$3,600,000.

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 or resolutions of the Board of Water Commissioners of the District. The bonds and other revenue obligations 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. 2 and from other money legally available therefore. 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, funds, account or accounts as the Board of Water Commissioners shall designate for the payment of the aforesaid bonds and other revenue obligations.

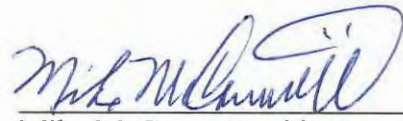
If the District shall authorize expenditures to be made for the Plan and System Improvements (other than for any cost or expense expected to be borne by the District) prior to the date that any short-term obligations or bonds are issued to finance the Improvements, from proceeds of interfund loans or 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 \$1,500,000, or other revenue obligations.

Section 5. If the District shall authorize expenditures to be made for the Plan and System Improvements (other than for any cost of 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 \$1,500,000, or other revenue obligations.

Section 6 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 ULID No. 2 construction account in the General Fund of the District, 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 or from such other accounts of funds made available for such purposes.

Section 7. 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. 2 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. 2 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 18th day of June, 2008.



Mike McCourt, President

ATTEST:


Terry Barnes, Secretary

EXHIBIT A

BAKER FLATS ULID No.2

LEGAL DESCRIPTION

The proposed boundary of the Baker Flats ULID No.2 generally includes all lands in the Baker Flats Industrial area located east of SR 2/97 and west of the cliffs and those lands located south of Baker Flats lying west of SR 28 and north of NW 32nd and NW 34th streets on the south and specifically described as follows:

Beginning at a point of intersection of NW 35th Street and SR28 located in Section 26, Township 23N Range 20 E, W.M. thence north along the east right-of-way of SR28 to the south line of Section 15, Township 23N., range 20 E.,W.M.; thence east along the south line of Section 15, Township 23N., range 20 E.,W.M.to the southwest corner of Section 14, Township 23 N., Range 20 E.W. M.; thence east along the south line of Section 14, Township 23 N., Range 20 E.W.M. to the south east corner of the south west quarter of Section 14, township 23 N., Range 20 E.W.M.; thence north along the east side of the southwest quarter of said Section 14 and continuing north to the centerline of the Transmission Line Easement, AFN 160434; thence continuing north/northeasterly direction along the centerline of said easement to the south line of the north half of the southeast half of Section 2, Township 23 N., Range 20 E.W.M.; thence east along said south line to the east line of the southeast quarter of said Section 2, thence north along the east line of said Section 2 to approximately 705 feet north of the north 1/16 section line of Section 2 (per govt. tax lot 1); thence west along the north parcel line of tax lot 2320021000 to the west right-of-way line of US 2/97; thence southerly along the west right-of-way of US 2/97 to the northeast corner of tax parcel 23202020003; thence west along the north line to Cascade Avenue; thence west along the north line of Lots 17 and 18 of the Plat of the East Wenatchee Land Company to the east right-of-way line of Washington State Department of Transportation; thence south along the east right-of-way line to the north line of lot 46 of the Plat of the East Wenatchee Land Company; thence west to the east shoreline of the Columbia River; thence south along the east shoreline of the Columbia River to the north line of Govt lot 1 located in Section 27, Township 23N Range 20 E W.M.; thence east along the north line of Govt Lot 1 to the east right-of-way line of Empire Avenue; thence north along the east right-of-way line of Empire Avenue to the intersection with the northwest corner of Lot 1 of the plat of Gold Crest; thence east along the north lot lines of the Plat of Gold Crest and Cascade Heights to the east right-of-way line of Cascade Avenue; thence north along the east right-of-way line to the intersection with the north right-of-way line of the NW 34th Street; thence east along the north right-of-way line to the **Point of Beginning** all situated in Douglas County, Washington.

EXHIBIT B
BAKER FLATS ULID No. 2
IMPROVEMENTS

The scope of the improvements, consistent with the District's adopted Plan, consist of the following:

- 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.
- 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.
- 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 NW.
- The system of laterals and distribution [pipes/mains], connections, hydrants and other appurtenances necessary for water system development and use.
- A 1.5 million gallon reservoir with related supply piping, drain piping, altitude valve, drainage pond and control systems.
- Purchase of approximately 2 acres of property for the reservoir.