

ORIGINAL

**RESOLUTION NO. 646**

**RESOLUTION ADOPTING MINIMUM CASH RESERVES AND BOND  
COVERAGE POLICIES**

WHEREAS, the East Wenatchee Water District has determined that it is in the best interest of its rate payers to establish the following written financial policies, and

WHEREAS, the East Wenatchee Water District is establishing minimum criteria for these two financial categories, and

WHEREAS, the East Wenatchee Water District has been encouraged to establish these two policies for the security of future bond holders, and

WHEREAS, the East Wenatchee Water District is establishing a Parity Debt Service Coverage Policy with a target parity debt coverage ratio of Net Operating Revenues available for the annual interest and principal payments on Parity Debt (excluding Public Works Trust Fund Debt) of the District is 1.5 to 2.0 times (i.e., 150% to 200%), and

WHEREAS, the East Wenatchee Water District is establishing a Minimum Cash Balance Policy wherein the District will maintain a minimum cash balance equal to the greater of 6 months Annual Operating Expenses Less In-House Financed Capital Improvements (approximately 15% of Total Operating Expenses) or \$500,000.

BE IT HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS of the East Wenatchee Water District, that these two written financial policies are hereby established.

ADOPTED, by the BOARD OF COMMISSIONERS of the EAST WENATCHEE WATER DISTRICT, Douglas County, Washington at a regular meeting thereof, this 18th day of December, 2013.

  
Mike McCourt, President

ATTEST:

  
Terry Barnes, Secretary