

**SILVER LAKE WATER AND SEWER DISTRICT  
SNOHOMISH COUNTY, WASHINGTON  
RESOLUTION NO. 744**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF SILVER LAKE WATER AND SEWER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, DECLARING ITS OFFICIAL INTENT TO REIMBURSE CAPITAL EXPENDITURES FROM PROCEEDS OF A FUTURE BORROWING; AND PROVIDING FOR ALL OTHER MATTERS PROPERLY RELATED THERETO, ALL AS MORE PARTICULARLY SET FORTH HEREIN.**

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SILVER LAKE WATER AND SEWER DISTRICT, SNOHOMISH COUNTY, WASHINGTON, as follows:

**Section 1. Findings and Determinations.** The Board of Commissioners (the “Board”) of Silver Lake Water and Sewer District, Snohomish County, Washington (the “District”) takes note of the following facts and hereby makes the following findings and determinations:

1.1 The District intends to make expenditures for the Projects (identified below) from money that is available but that is not (and is 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 tax-exempt bonds or other obligations (the “Bonds”) issued or incurred to finance those expenditures.

1.2 The Internal Revenue Code and certain federal regulations relating to the reimbursement of expenditures from proceeds 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 the Bonds.

**Section 2. Description of Projects for Which Expenditures are to be Made.** The District intends to make expenditures from the District’s Water Capital Project Fund to pay a portion of the costs of (i) renovating, improving and equipping the District’s Headquarters Building, (ii) making improvements to Reservoir No. 3, (iii) 725 Zone Improvements and (iv) constructing a Water Main Expansion, all as deemed necessary and advisable by the Board (collectively, the “Projects”).

**Section 3. Declaration of Intent to Reimburse Expenditures for the Projects.** The District intends and expects that expenditures for the Projects made by the District will be reimbursed from proceeds of the Bonds. The District further expects that the maximum principal amount of the Bonds that will be issued or incurred to finance the Projects described in Section 2 will be up to \$7,000,000, with the final amount determined by Resolution of the Board.

**Section 4. Declaration Reasonable.** The Board has reviewed its existing and reasonably foreseeable budgetary and financial circumstances and has determined that the District

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reasonably expects to be reimbursed for expenditures for the Projects from proceeds of Bonds, because the District has no money available that already is, or is reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the District for those expenditures on the Projects.

**Section 5. 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 Projects in any manner that results in those amounts being treated as replacement proceeds of the Bonds or 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 the Bonds or any tax-exempt bonds. Nor will the District use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

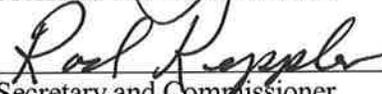
**Section 6. Date of Declaration.** This declaration of official intent shall be dated as of the date of adoption of this Resolution.

**Section 7. 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 8. Effective Date.** This Resolution shall be in full force and effect from and after its adoption and approval.

**ADOPTED** by the Board of Commissioners at a regular meeting of the Silver Lake Water and Sewer District, Snohomish County, Washington this 24<sup>th</sup> day of August 2017.

  
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President and Commissioner

  
\_\_\_\_\_  
Secretary and Commissioner

\_\_\_\_\_  
Commissioner

**I CERTIFY** the above to be a true and correct copy of Resolution No. 744 adopted by the Board of Commissioners of the Silver Lake Water & Sewer District this this 24<sup>th</sup> day of August 2017, as said Resolution appears in the records of the Silver Lake Water and Sewer District.

  
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Secretary of the Silver Lake Water and Sewer District

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