

Minutes of the Silver Lake Water District Meeting held on the 28th day of May 1969 at the office located in the Silver Lake Village Shopping Center. The meeting was called to order shortly after 8 o'clock P. M. by Jake Michel, president.

Mr Richard T. Kennedy of Foster & Marshall, Inc. presented an offer by Foster & Marshall to purchase the new revenue bond issue for \$300,000.00, said offer being as follows:

May 28, 1969

Honorable Board of Commissioners  
Silver Lake Water District  
Everett, Washington

Re; \$300,000 Water Revenue Bonds

Gentlemen:

For the above legally-issued \$5,000 denomination bonds to be dated June 1, 1969, we will pay \$96.00 for each \$100.00 par value of bonds, plus accrued interest to the date of delivery to our firm.

The bonds will be secured by a pledge of gross revenues of the water system after operation and maintenance expenses along with assessments in the outstanding Utility Local Improvement Districts and U.L.I.D. #18. The bonds will mature and be payable as follows:

<u>Amount</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Maturity</u>
\$20,000	6.50%	6-1-70	\$20,000	6.50%	6-1-78
20,000	6.50	6-1-71	20,000	6.50	6-1-79
20,000	6.50	6-1-72	20,000	6.50	6-1-80
20,000	6.50	6-1-73	20,000	6.50	6-1-81
20,000	6.50	6-1-74	20,000	6.50	6-1-82
20,000	6.50	6-1-75	20,000	6.50	6-1-83
20,000	6.50	6-1-76	20,000	6.50	6-1-84
20,000	6.50	6-1-77			

The District will reserve the right to redeem the bonds ahead of scheduled maturity at par value on or after June 1, 1980, in inverse numerical order.

Our offer is subject to the following conditions:

(1)

Adoption of a bond resolution in conformance with this agreement, which resolution shall provide that these bonds may be issued on a parity of lien with the outstanding revenue bonds, and shall contain a disposition of property clause. Said clause will at least provide that the District shall not sell or dispose of all properties of the system unless provision is made for the retirement of all outstanding bonds of the District, nor will the District sell or dispose of any part of the system unless provision is made for payment into the 1965 Bond Fund of an amount equal to the greatest of the following:

(a) Revenue from the portion of the system sold or disposed of,

Honorable Board of Commissioners  
Silver Lake Water District

divided by the total revenue of the system and the resulting percentage then multiplied by the revenue bonds outstanding.

- (b) Depreciated cost value of District facilities in the area sold or disposed of, divided by the depreciated cost value of the total District facilities, and the resulting percentage then multiplied by the revenue bonds outstanding.
- (2) The District will immediately begin discussions with the City of Everett to negotiate a written contract to provide for an equitable arrangement for the disposition of areas of the District that have been, and shall be, annexed by the City of Everett. Said agreement shall be subject to approval by Foster & Marshall Inc.
- (3) The offer to purchase your bonds is subject to the receipt of an approving legal opinion and nonlitigation certificate from Messrs. Roberts, Shefelman, Lawrence, Gay & Moch.
- (4) The District will pay for the approving legal opinion and the cost of printing the bonds.
- (5) A Reserve Account of \$30,400 (equal to the average annual debt service on these bonds) will be accumulated in the Bond Fund within five years.
- (6) Delivery of a valid U.L.I.D. #18 assessment roll of \$168,535 to the County Treasurer for collection prior to delivery of the bonds.
- (7) Delivery of the printed bonds to us within 45 days of the date of this agreement. If the bonds are not delivered within that period, we reserve the right to cancel this agreement or extend the period.

This offer is submitted for immediate acceptance or rejection.

Respectfully Submitted,

FOSTER & MARSHALL INC.

Richard T. Kennedy

Accepted this 28th day of May, 1969

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By Jake Michel  
Charles Fisher  
Leo Nelson

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Mr Kennedy said that the money would be available in about 40 days when the bonds would be delivered and that there would be costs of printing the bonds and the legal opinion. Mr. Kennedy also stated that in his opinion the water rates would not have to be increased unless expenses went a lot higher than expected. Upon motion duly made and seconded, it was decided to accept the offer and all of the commissioners were authorized to sign the agreement for the sale of said bonds according to the offer made by Foster & Marshall.

Mr. Dunham's request was the approximate date that he could be served with water since his house would be finished in August. He was assured that construction was about to begin and that he could expect service in about 60 days.

John Friel agreed to take minutes during the Secretary's vacation, at the next meeting, June 11, 1969.

Relative to the Washington State Assoc. statement for the proportionate share of attorney fees on B&O Tax matter, amounting to \$40.92, a motion was made by Commissioner Nelson and seconded by Commissioner Fisher to pay this amount. Motion carried.

Richard T. Kennedy reported on final decision of the City of Everett relative to the annexation, conveyed to him by the Everett City Attorney Bruce Jones as follows:

1. Everett intends to retain possession of customers in the annexed area.
2. Everett recognizes an obligation to the District that will have to be negotiated and settled.
3. Everett annexed customers will not be liable for the new Bond Issue.

He noted that there will be considerable legal work to work out an agreement.

The following vouchers were approved: Ruskin Fisher & Assoc. Both Construction final progress, Madison Square and Everett Water Dept. It was noted that the Roth Construction warrant is to be held until further notice from the engineer.

ENGINEER'S REPORT: Arnold R. Kegel, reported:

1. that he has the agreement forms ready for signing the Contract for ULID #18, system of Water main Extension, and recommended that Cooke, Shuel & Lowe be awarded the bid.

A motion was properly made and unanimously carried that the contract be awarded to Cook, Shuel & Lowe as the low bidder for this job.

A motion was properly made by Charles Fisher and seconded by Leo Nelson and carried that the District enter into this contract and that the Chairman of the Board be authorized to sign for the District.

(4)

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A motion was properly made and carried that the engineer be authorized to issue a notice to proceed, and construction plans, to the Contractor Cook Shuel & Lowe, for the system of Water Main Extension, ULID #18.

John Friel presented the Engineer's approval letter for the water distribution system for Julie Lynn Estates.

Those present at the meeting were Richard Cook, John Shuel, Gwinn L. Dunham Jr., and the three commissioners, Michel, Nelson and Fisher Richard T. Kennedy of Foster & Marshall, Engineers Kegel and Friel, Attorney C. W. Jordan, Supt. Roy Heisel and Lillie Nelson.

Meeting adjourned.



Leo Nelson, Secretary