

RESOLUTION NO. 32-15

A RESOLUTION of the Board of Commissioners of Mason County, Washington, providing for the issuance and sale of a Belfair Wastewater and Water Reclamation revenue bond of the County in the principal amount of not to exceed \$1,200,000, for the Belfair Wastewater and Water Reclamation Facilities project and providing the form and terms of the bond.

WHEREAS, Mason County (the "County") is constructing a wastewater treatment and water reclamation facility in Belfair (the "Project") as approved by the Board of County Commissioners (the "Board"); and

WHEREAS, in order to provide the funds for such Project, the Board adopted Resolution Nos. 45-11 and 51-11 authorizing the issuance and sale of Limited Tax General Obligation Bonds, 2011 in the aggregate principal amount of \$6,200,000 (the "2011 Bonds") to finance a portion of the Project; and

WHEREAS, the County has certain outstanding State of Washington ("State") loans, including several through the State Department of Ecology ("DOE"); and

WHEREAS, for the purpose of funding the payment of the Settlement Agreement and Mutual Releases approved by the Board on June 16, 2015, it is in the best interest of the County to issue a Belfair Wastewater and Water Reclamation revenue bond (the "Series A Bond") authorized herein; and

WHEREAS, the Series A Bond will be purchased as an investment by the County's Current Expense General Fund with a lien of revenues of the County's Belfair Wastewater and Water Reclamation system (the "System") senior to the County's outstanding State and DOE loans; and

WHEREAS, the County's investment policy allows the County or junior and special districts to invest in securities maturing within no more than five years, and any securities maturing in excess of three years must have the prior written approval of the County Treasurer; and

WHEREAS, the Board acknowledges that the Series A Bond is expected to mature in five years and the County Treasurer will approve the investment of the Series A Bond prior to its issuance;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MASON COUNTY AS FOLLOWS:

Section 1. Definitions. Capitalized terms used in this resolution shall have the meanings set forth herein. In addition, the following words shall have the following meanings:

“*Bond Fund*” means that special fund of the County known as the Belfair Wastewater and Water Reclamation Revenue Bond Repayment Fund created by this resolution for the payment of the principal of and interest on the Series A Bond.

“*Bond Registrar*” means the Treasurer of the County or the person duly acting in that capacity.

“*County*” means Mason County, Washington.

“*Dated Date*” means the date the Series A Bond is purchased by the Current Expense General Fund.

“*Draw*” means any incremental draw of principal on the Series A Bond.

“*Interest Rate*” means 1.50%.

“*Maturity Date*” means the date that is five years from the Dated Date of the Series A Bond.

“*Project*” means funding the payment of the Settlement Agreement and Mutual Releases approved by the Board on June 16, 2015 for the wastewater treatment and water reclamation facilities in Belfair.

“*Project Fund*” means the special fund designated by the Treasurer into which fund proceeds of Draws will be deposited for purpose of paying costs of the Project.

“*Purchaser*” means the County’s Current Expense General Fund.

“*Revenue*” means revenue of the System, after payment of maintenance and operation expenses of the System.

“*Series A Bond*” means the Mason County, Washington Belfair Wastewater and Water Reclamation Revenue Bond, 2015A, in the aggregate principal amount of not to exceed \$1,200,000, which is authorized to be issued by this resolution.

“*System*” means the County’s Belfair Wastewater and Water Reclamation System.

“*Treasurer*” means the elected Treasurer of the County or the person duly acting in that capacity.

Section 2. Authorization and Description of the Series A Bond. The Series A Bond shall be issued in the principal amount of not to exceed \$1,200,000; shall be dated as of the Dated Date, and shall mature on the Maturity Date. The Series A Bond shall be payable from the Revenue of the System, as described in Section 6 of this resolution.

The Treasurer, upon request of the System, is authorized to make incremental draws upon the Series A Bond (the "Draws"), on any business day during the term of the Series A Bond for the purpose of providing the funds with which to pay the cost of paying all or a part of the Project. No Draw may exceed the total amount of the costs to be paid or reimbursed from such draw, and the proceeds of each Draw shall be deposited into the Project Fund or other fund designated by the Treasurer and used to pay or reimburse those costs. Draws shall be recorded in such manner as the Treasurer determines is appropriate. In the aggregate, the Draws shall be limited to the total authorized principal amount of the Series A Bond. Principal repaid may not be reborrowed.

Each Draw on the Series A Bond made from the Dated Date, shall bear interest at the Interest Rate, which shall accrue from the date of that Draw. Interest on the Series A Bond shall be payable semiannually on each June 1 and December 1, commencing on December 1, 2015. Principal on the Series A Bond shall be payable on the Maturity Date. Interest shall be computed on the principal amount of each Draw outstanding on the basis of a 360-day year for the actual number of days the principal amount of the Draw is outstanding.

Section 3. Prepayment. The County reserves the right and option to prepay and redeem any or all of the outstanding principal on the Series A Bond prior to the Maturity Date, at par plus accrued interest on the principal portion to be redeemed to the date fixed for prepayment, whenever there shall be sufficient money in the Bond Fund. No notice of prepayment is required. Interest on the principal portion of the Series A Bond so prepaid shall cease to accrue on the date of such prepayment.

Section 4. Appointment of Bond Registrar; Registration and Transfer of the Series A Bond. The Treasurer is appointed to act as Bond Registrar for the Series A Bond. The Series A Bond shall be purchased only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Bond Registrar (the "Bond Register"). The Bond Register shall contain the name and mailing address of the Registered Owner. The Series A Bond may not be assigned or transferred by the Registered Owner. When the Series A Bond has been paid in full, both principal and interest, it shall be surrendered by the Registered Owner to the Bond Registrar, who shall cancel such Series A Bond.

The Bond Registrar shall keep, or cause to be kept, at her office, sufficient books for the registration of the Series A Bond. The Bond Registrar is authorized, on behalf of the County, to authenticate and deliver the Series A Bond in accordance with the provisions of the Series A Bond and this resolution, to serve as the County's paying agent for the Series A Bond and to carry out all of the Bond Registrar's powers and duties under this resolution. The Bond Registrar shall be responsible for the representations contained in the Bond Registrar's Certificate of Authentication on the Series A Bond.

Section 5. Bond Fund; Payment of the Series A Bond. There shall be created in the office of the Treasurer a special fund to be called the Belfair Wastewater and Water Reclamation Revenue Bond Repayment Fund (the "Bond Fund"). The County irrevocably pledges to set aside and deposit in the Bond Fund, from Revenues of the System on deposit in the Belfair Wastewater and Water Reclamation Fund, amounts sufficient to repay on the Maturity Date or

prepayment date, the principal amount then maturing or subject to prepayment, plus the unpaid interest accrued thereon on the Series A Bond.

Section 6. Pledge of Revenue and Lien Position. The Series A Bond is a limited obligation, payable from the Revenue of the System, which is pledged to the payment of the Series A Bond, and constitutes a lien and charge upon such Revenue equal to the County's 2011 Bonds and senior to the lien of the outstanding State and DOE loans. The Series A Bond is not a general obligation of the County.

Section 7. Additional System Debt. The County reserves the right to issue additional revenue bonds, notes or warrants of the System senior or on a parity to the lien on the Revenues of the System pledged to the Series A Bond. The County may also issue additional revenue bonds, notes or warrants which are a charge upon the Revenues of the System junior or inferior to the payments required to be made therefrom into the Bond Fund created by this resolution.

Section 8. Failure to Redeem the Series A Bond. If the Series A Bond is not redeemed when properly presented at its Maturity Date or on any date set for prepayment, the County shall be obligated to pay, solely out of the Revenue of the System, interest at the same rate provided in the Series A Bond from and after its maturity or prepayment date until both principal and interest is paid in full or until sufficient money for its payment in full is on deposit in the bond redemption fund, and the Series A Bond has been called for payment by giving notice of that call to the registered owner of the unpaid Series A Bond.

Section 9. Form and Execution of the Series A Bond. The Series A Bond shall be signed by the Chair of the Board and Clerk of the Board, either or both of whose signatures may be manual or in facsimile, and the seal of the County or a facsimile reproduction thereof shall be impressed or printed thereon.


Section 10. Covenants. The County covenants that as long as the Series A Bond is outstanding, that it will collect and/or raise rates and charges sufficient to repay the Series A Bond.

Section 11. Purchase and Sale of the Series A Bond. The Board hereby determines that it is in the County's best interest to issue and sell the Series A Bond as described herein, payable solely from the Revenues of the System. The Board further determines that it is in the County's best interest to purchase the Series A Bond, under the terms and conditions described in this resolution, to be held as an investment of funds available, in excess of the System's current needs. Therefore, the Board authorizes and directs the proper County officials to do everything necessary for the prompt issuance of the Series A Bond and delivery thereof to the Current Expense General Fund (as Purchaser) and for the proper application and use of the proceeds of the sale by the System.

Section 12. Effective Date. This Resolution shall be effective immediately after its adoption in the manner provided by law.

Adopted by the Board of County Commissioners of Mason County, Washington at a regular meeting held on July 7, 2015.

MASON COUNTY, WASHINGTON

By 
Randy Neatherlin, Chair


By 
Tim Sheldon, Commissioner

By 
Terri Jeffreys, Commissioner

ATTEST: .


Clerk of the Board

I, Elisabeth Frazier, Mason County Treasurer hereby approve the purchase of the above-referenced Series A Bond pursuant to the County's investment policy.


Elisabeth Frazier, Mason County
Treasurer


CERTIFICATE

I, the undersigned, Clerk of the Board of Commissioners of Mason County, Washington (herein called the "County") and keeper of the records of the Board of Commissioners of the County (herein called the "Board"), DO HEREBY CERTIFY:

1. That the attached Resolution is a true and correct copy of Resolution No. 32-15 of the County (herein called the "Resolution"), as finally passed at a regular meeting of the Board of the County held on the 7th day of July, 2015, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Board was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper adoption or passage of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 7 day of July, 2015.



Clerk of the Board