

# **AGENDA – Special Meeting**

## **WILLIAM SHORE MEMORIAL POOL DISTRICT BOARD of COMMISSIONERS**

Clallam County Courthouse, Room 160

Port Angeles, Washington

January 11, 2013

1:30 p.m.

### **COMMISSIONERS**

**MICHAEL CHAPMAN, BRAD COLLINS, MIKE DOHERTY, PATRICK DOWNIE, GARY HOLMQUIST**

**CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL**

**REQUEST FOR MODIFICATIONS/APPROVAL OF AGENDA**

**PUBLIC COMMENT – Agenda Items Only**

### **ACTION ITEMS**

#### **Items pertaining to the LOCAL Loan Program**

- 1 Resolution for Local Loan Reimbursement
- 2 Resolution for Authorization for the Acquisition of Personal Property and Execution of a Financing Contract and Related Documentation Relating to the Acquisition of Person Property
- 3 Certificate of Authorizing Resolution/Ordinance
- 4 Certificate Designating Authorized Agency Representatives
- 5 Local Agency Tax Certificate

**ITEMS FOR DISCUSSION – No Items**

**PUBLIC COMMENT**

**FUTURE AGENDA ITEMS**

### **NEXT MEETING DATE**

The next meeting will be held on January 22, 2012 at 3:00 p.m. in the Clallam County Commissioners Board Room, Room 160.

**ADJOURNMENT**

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# William Shore Memorial Pool District

225 E. 5<sup>th</sup> St.  
Port Angeles, WA 98362-3015  
Fax: 360.417.2493

## COMMISSIONERS

**MICHAEL CHAPMAN, BRAD COLLINS, MIKE DOHERTY, PATRICK DOWNIE, GARY HOLMQUIST**

### RESOLUTION 001-2013

#### LOCAL LOAN REIMBURSEMENT RESOLUTION

THE WILLIAM SHORE MEMORIAL POOL DISTRICT BOARD OF COMMISSIONERS find as follows:

1. The William Shore Memorial Pool District (District) has executed a Notice of Intent to the Office of State Treasurer, in relation to the acquisition of and the financing of the acquisition of the Property, as defined below, under the provisions of RCW Ch. 39.94; and
2. It is deemed necessary and advisable by the Board of Commissioners of the District that the District acquire the equipment and/or personal property identified in the 2013 approved District budget; and
3. It is deemed necessary and advisable by the Board of Commissioners of the District that the District enter into a Local Agency Financing Contract with the Office of the State Treasurer, in the form attached hereto as Attachment 1 (the "Local Agency Financing Contract"), in an amount not to exceed \$500,000.00, plus related financing costs, in order to acquire the property and finance the acquisition of the property;
4. The District will undertake to acquire the Property on behalf of and as agent of the Washington Finance Officers Association (the "Corporation") pursuant to the terms of the Local Agency Financing Contract, and in accordance with all applicable purchasing statutes and regulations applicable to the District (Local Agency); and
5. The Local Agency desires to appoint the individuals set forth in Attachment 2 as the representatives of the District (Local Agency) in connection with the acquisition of the Property and execution of the Local Agency Financing Contract (each an "Authorized Agency Representative");

NOW, THEREFORE, BE IT RESOLVED by the William Shore Memorial Pool District Board of Commissioners, in consideration of the above findings of fact:

1. The William Shore Memorial Pool District (the "Local Agency") reasonably expects to reimburse the expenditures described herein with the proceeds of a financing contract to be entered into by the Local Agency (the "Reimbursement Obligation").



2. The expenditures with respect to which the Local Agency reasonably expects to be reimbursed from the proceeds of Reimbursement Obligations are for the District (Local Agency) energy upgrade project.
3. Section 3. The expenditures with respect to which the Local Agency reasonably expects to be reimbursed from the proceeds of Reimbursement Obligations will be made from the General Fund.
4. The maximum principal amount of Reimbursement Obligations expected to be issued for the property described in Section 2 is \$500,000.00.

PASSED AND ADOPTED this eleventh day of January, 2013.

WSMPD PRESIDENT

ATTEST:

\_\_\_\_\_  
Tammy Sullenger, Admin Asst.

\_\_\_\_\_  
Gary Holmquist, President

# William Shore Memorial Pool District

225 E. 5<sup>th</sup> St.  
Port Angeles, WA 98362-3015  
Fax: 360.417.2493

## COMMISSIONERS

MICHAEL CHAPMAN, BRAD COLLINS, MIKE DOHERTY, PATRICK DOWNIE, GARY HOLMQUIST

### RESOLUTION 002-2013

#### AUTHORIZATION FOR THE ACQUISITION OF PERSONAL PROPERTY AND EXECUTION OF A FINANCING CONTRACT AND RELATED DOCUMENTATION RELATING TO THE ACQUISITION OF PERSONAL PROPERTY

THE William Shore Memorial Pool District Board of Commissioners find as follows:

1. The William Shore Memorial Pool District (District and/or Local Agency) has executed a Notice of Intent to the Office of State Treasurer, in relation to the acquisition of and the financing of the acquisition of the Property, as defined below, under the provisions of RCW Ch. 39.94; and
2. It is deemed necessary and advisable by the Board of Commissioners of the District that the District acquire the equipment and/or personal property identified in the 2013 approved District budget; and
3. It is deemed necessary and advisable by the Board of Commissioners of District that the District enter into a Local Agency Financing Contract with the Office of the State Treasurer, in the form attached hereto as Attachment 1 (the "Local Agency Financing Contract"), in an amount not to exceed \$500,000.00, plus related financing costs, in order to acquire the Property and finance the acquisition of the Property;
4. The District will undertake to acquire the Property on behalf of and as agent of the Washington Finance Officers Association (the "Corporation") pursuant to the terms of the Local Agency Financing Contract, and in accordance with all applicable purchasing statutes and regulations applicable to the District (Local Agency); and
5. The Local Agency desires to appoint the individuals set forth in Attachment 2 as the representatives of the District (Local Agency) in connection with the acquisition of the Property and execution of the Local Agency Financing Contract (each an "Authorized Agency Representative");

NOW, THEREFORE, BE IT RESOLVED by the William Shore Memorial Pool District Board of Commissioners, in consideration of the above findings of fact:

1. The individuals holding the offices or positions set forth in Attachment 2 are each hereby appointed as a representative of the Local Agency in connection with the acquisition of the Property and execution of the Local Agency Financing Contract and all other related documents. A minimum of two Authorized Agency Representatives shall be required to execute any one document in order for it to be considered duly executed on behalf of the Local Agency.

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2. The form of the Local Agency Financing Contract attached hereto as Attachment 1 is hereby approved and the Authorized Agency Representatives are hereby authorized and directed to execute and deliver the Local Agency Financing Contract, in an amount not to exceed \$500,000, plus related financing costs, and in substantially the form attached hereto with such changes as may be approved by the Authorized Representatives, for the acquisition of the Property and financing of the acquisition of the Property.
3. The Local Agency hereby authorizes the acquisition of the Property as agent of the Corporation in accordance with the terms and provisions of the Local Agency Financing Contract.
4. The Authorized Representatives are hereby authorized to execute and deliver to the Office of State Treasurer all other documents, agreements and certificates, and to take all other action, which they deem necessary or appropriate in connection with the financing of the Property, including, but not limited to, any amendment to the NOI and agreements relating to initial and ongoing disclosure in connection with the offering of securities related to the financing.
5. This resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this eleventh day of January, 2013.

WSMPD PRESIDENT

ATTEST:

\_\_\_\_\_  
Tammy Sullenger, Admin Asst.

\_\_\_\_\_  
Gary Holmquist, President



William Shore Memorial Pool District  
225 E 5<sup>th</sup> St. Port Angeles, WA 98362 – Tel. 360-417-9767  
[www.williamshorepool.org](http://www.williamshorepool.org)

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**Certificate of Authorizing Resolution/Ordinance**

I, the undersigned, Clerk/Secretary of the William Shore Memorial Pool District (the “Local Agency”),  
DO HEREBY CERTIFY:

1. That the attached Resolution/Ordinance No. 001-2013 and No.002-2013 (herein called the “Resolution/Ordinance”) is a true and correct copy of a Resolution/Ordinance of the Local Agency adopted/passed at a special meeting of the William Shore Memorial Pool District held on the eleventh day of January, 2013, and duly recorded in my office; and
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 District Board of Commissioners was present throughout the meeting and a legally sufficient number of members of the Board of Commissioners voted in the proper manner for the adoption/passage of the Resolution/Ordinance; and
3. That all other requirements and proceedings incident to the proper adoption/passage of the Resolution/Ordinance have been duly fulfilled, carried out and otherwise observed; and
4. That the Resolution/Ordinance remains in full force and effect and has not been amended, repealed or superseded; and
5. That I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand as of this eleventh day of January, 2013.

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Tammy Sullenger, Clerk  
William Shore Memorial Pool District



William Shore Memorial Pool District  
225 E 5<sup>th</sup> St. Port Angeles, WA 98362 – Tel. 360-417-9767  
www.williamshorepool.org

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**Certificate Designating Authorized Agency Representatives**

I, Tammy Sullenger, Clerk of the William Shore Memorial Pool District (the “Local Agency”), hereby certify that, as of the date hereof, pursuant to Resolutions 001-2013 and 002-2013, the following individuals are each an “Authorized Agency Representative,” as indicated by the title appended to each signature, that the following individuals are duly authorized to execute and deliver the Local Agency Financing Agreement to which this Certificate is attached as Exhibit C, and all documentation in connection therewith, including but not limited to the Personal Property Certificate(s) attached thereto as Exhibit B, that the signatures set forth below are the true and genuine signatures of said Authorized Agency Representatives and that pursuant to such resolution/ordinance, 001-2013 and 002-2013 of the District Board of Commissioners the following signature(s) are required on each of the aforementioned documents in order to consider such documents executed on behalf of the Local Agency:

\_\_\_\_\_  
Steven D. Burke, Executive Director  
William Shore Memorial Pool District

\_\_\_\_\_  
Charlie McClain, District Accountant  
William Shore Memorial Pool District

IN WITNESS WHEREOF, I have hereunto set my hand as of this eleventh day of January, 2013.

\_\_\_\_\_  
Tammy Sullenger, Clerk, William Shore Memorial Pool District

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

By: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at:

\_\_\_\_\_  
Printed Name:  
\_\_\_\_\_

My Commission Expires: \_\_\_\_\_

## Local Agency Tax Certificate

(Equipment)

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This Local Agency Tax Certificate is executed and delivered by the \_William Shore Memorial Pool District\_ (the “Local Agency”) in connection with the Local Agency Financing Contract between the Local Agency and the State of Washington (the “State”), dated as of March 19, 2013, (the “Local Agency Financing Contract”), under which the Local Agency is obligated to make Agency Installment Payments, including principal components thereof in the aggregate amount of \$\_500,000\_, plus issuance costs allocable to the Local Agency (the “Obligations”). Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Local Agency Financing Contract. The Local Agency certifies, covenants, warrants and represents as follows:

### ARTICLE I. GENERAL

- 1.1 **The Local Agency.** The Local Agency is a political subdivision duly organized and existing under and by virtue of the laws of the State of Washington. The Local Agency has the general authority to exercise the power of eminent domain in furtherance of its governmental purposes.
- 1.2 **Purpose of Local Agency Tax Certificate.** In the future, the State intends to cause the execution and delivery of certificates of participation (the “Certificates”) evidencing undivided and proportionate interests in Installment Payments of the State payable under a Master Financing Contract. A portion of the principal components of such Installment Payments are payable from the Obligations. The Local Agency is delivering this Local Agency Tax Certificate to the State with the understanding that the State will rely in part upon this Local Agency Tax Certificate in obtaining an opinion from bond counsel that the interest component of the Certificates is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986.
- 1.3 **Purpose of Financing.** The Obligations are being issued to finance the costs of the acquisition, construction, improvement and/or renovation of \_the William Shore Pool Facility\_ (the “Project”), as described in more detail in the Local Agency Financing Contract.
- 1.4 **Definitions.** Unless the context otherwise requires, the following capitalized terms have the following meanings:

“*Code*” means the Internal Revenue Code of 1986 (including amendments thereto).

“*Current Revenues.*” See Section 2.7 hereof.

“*Governmental Unit*” means any state, or political subdivision of a state, but excludes the United States and its agencies or instrumentalities.

“*Investment Property*” means any security or obligation, any annuity contract, or any other investment-type property, but does not include any Tax-Exempt Bond unless such obligation is a “specified private activity bond” within the meaning of Section 57(a)(5)(C) of the Code.

“*Nongovernmental Person*” means any person or entity other than a Governmental Unit.

“*Preliminary Expenditures*” means architectural, engineering, surveying, soil testing, and similar costs paid with respect to the Project in an aggregate amount not exceeding 20% of the



Obligations. However, Preliminary Expenditures do not include land acquisition, site preparation or similar costs incident to the commencement of construction.

“*Tax-Exempt Bond*” means any obligation the interest on which is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code or Section 103 of the Internal Revenue Code of 1954, as amended (the “1954 Code”), and Title XIII of the Tax Reform Act of 1986, as amended, as well as stock in a regulated investment company to the extent at least 95 percent of income to the stockholder is treated as interest that is excludable from gross income under Section 103 of the Code.

## ARTICLE II. TAX LIMITATIONS

- 2.1 **Expenditure of Proceeds.** For purposes of this Local Agency Tax Certificate, proceeds of the Obligation will be treated as spent when they are used to pay for or reimburse disbursements by the Local Agency that paid for (i) capital expenditures, (ii) any interest component of the Agency Installment Payments through the later of three years after the date hereof or one year after the Project is placed in service, or (iii) initial operating expenses directly associated with the Project (in aggregate amount not exceeding 5% of the Obligations). The State has authorized the issuance of the Certificates to finance, among other things, the costs of the Project. Absent written agreement by the State, all expenditures of proceeds of the Obligation will be made in respect of (a) Preliminary Expenditures, (b) capital expenditures reimbursed in respect of payments made by the Local Agency on or after the date which is sixty days prior to the date on which said authorization was adopted, or (c) other payments made by the Local Agency on or after the date hereof. In connection with all expenditures described in (b), the reimbursement allocation will be made no later than the later of 18 months after the date hereof or the date on which the Project is placed in service, but in no event later than three years after the date of expenditure.
- 2.2 **Governmental Bond Status.** [Different text will be substituted for this section when the loan is made for airport or port facilities that are the subject of private use.] The Local Agency will not loan any of the proceeds of the Obligations to one or more Nongovernmental Persons. The Local Agency will not allow more than 10% of proceeds of the Obligations or more than 10% of the Project to be used directly or indirectly by any Nongovernmental Person, other than as a member of the general public. A Nongovernmental Person will be treated as “using” proceeds of the Obligations to the extent the Nongovernmental Person:
- (i) borrows proceeds of the Obligations, or
  - (ii) uses the Project (e.g., as owner, lessee, service provider, operator or manager).
- 2.3 **Changes in Use.** The Local Agency reasonably expects to use all proceeds of the Obligations and all of the Project as set forth in Section 2.2 of this Local Agency Tax Certificate for the entire stated term to maturity of the Obligations. Absent written agreement by the State, the Local Agency in fact will use all proceeds of the Obligations and all of the Project as set forth in Section 2.2 of this Tax Certificate.
- 2.4 **Federal Guarantee.** The Local Agency will not directly or indirectly use or permit the use of any proceeds of the Obligations or take or omit to take any action that would cause the Certificates to be obligations that are “federally guaranteed” within the meaning of Section 149(b) of the Code. In furtherance of this covenant, the Local Agency will not allow the payment of principal or interest with respect to the Obligations to be guaranteed (directly or indirectly) in

whole or in part by the United States or any agency or instrumentality thereof. The Local Agency will not use 5% or more of the proceeds of the Obligations to make or finance loans the payment of principal or interest with respect to which is guaranteed in whole or in part by the United States or any agency or instrumentality thereof.

- 2.5 **No Refunding.** Proceeds of the Obligations will not be used directly or indirectly to make principal, interest or premium payments with respect to any obligation other than the Obligations.
- 2.6 **No Hedge Bonds.** The Local Agency reasonably expects that more than 85% of proceeds of the Obligations will be expended for the purposes of the Obligations within three years.
- 2.7 **Debt Service Funds.** Payments of debt service on the Obligations generally are expected to be derived from current revenues of the Local Agency in each year, and Current revenues are expected to equal or exceed debt service on the Obligations during each payment period. Revenues actually used in less than six months from the date first received to pay debt service on Obligations are referred to herein as "Current Revenues." The account, or portion thereof, used by the Local Agency to pay debt service on the Obligations will be used primarily to achieve a proper matching of revenues and debt service within each year. To the extent of Current Revenues, such account in the aggregate will be depleted at least once a year except for a carryover amount not to exceed the greater of the earnings on such account for the immediately preceding year or 1/12 of the debt service in respect of the Obligations for the immediately preceding year. Current Revenues contributed to such account will be spent within thirteen months after the date of such contribution, and any amounts received from the investment or reinvestment of monies held in such funds will be expended within one year after the date of accumulation thereof in any such fund. Current Revenues in such account shall be invested without regard to yield. Revenues other than Current Revenues will not be invested in Investment Property with a yield exceeding the yield on the Obligations.
- 2.8 **No Other Replacement Proceeds.** The Local Agency will not use any proceeds of the Obligations directly or indirectly to replace funds of the Local Agency which are or will be used directly or indirectly to acquire Investment Property reasonably expected to produce a yield that is materially higher than the yield on the Obligations. The weighted average maturity of the Obligations does not exceed 120% of the expected weighted average economic useful life of the Project.
- 2.9 **No Expected Sale.** It is not expected that the Project or any part thereof will be sold or otherwise disposed of before the maturity date of the Obligations.

### ARTICLE III. OTHER MATTERS

- 3.1 **Expectations.** The undersigned is an authorized representative of the Local Agency acting for and on behalf of the Local Agency in executing this Local Agency Tax Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.
- 3.2 **Amendments.** Notwithstanding any other provision of this Local Agency Tax Certificate, the Local Agency may amend this Local Agency Tax Certificate and thereby alter any actions allowed or required by this Local Agency Tax Certificate if such amendment is signed by an authorized officer and is supported by formal written agreement by the State.

3.3 **Survival of Defeasance.** Notwithstanding any provision in this Local Agency Tax Certificate to the contrary, the obligation to comply with all requirements contained in this Local Agency Tax Certificate shall survive defeasance or prepayment of the Obligations.

3.4 **Effective Date.** This Local Agency Tax Certificate is dated and effective as of the Dated Date.

PASSED AND ADOPTED this eleventh day of January, 2013.

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Steven D Burke, Executive Director  
William Shore Memorial Pool District