

**LAKEHAVEN UTILITY DISTRICT
King County, Washington**

Resolution No. 95-783

A RESOLUTION of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, designating the General Manager as the official authorized to make declarations of official intent on behalf of the District.

WHEREAS, the Lakehaven Utility District, King County, Washington, from time to time may reasonable expect to make expenditures for capital projects (or certain extraordinary working capital expenditures) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside for those expenditures, and would reasonably expect to be reimbursed for those expenditures from proceeds of bonds or other obligations issued to finance those expenditures; and

WHEREAS, certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds or other obligations ("bonds") to reimburse the issuer of the bonds for expenditures made before the issue date 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 bonds;

NOW, THEREFORE, BE IT RESOLVED that:

The Board of Commissioners of the Lakehaven Utility District, King County, Washington, as follows:

Section 1. Designation of official to Declare Official Intent. The General Manager of the District is designated to make declarations of official intent, substantially in the form attached to this resolution as Exhibit A or in such other form as shall be prescribed by Treasury Regulation Section 1.103-18, on behalf of the District as may be necessary or appropriate from time to time for any purpose under, and in compliance with, the requirements of the federal reimbursement regulations.

Section 2. 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 3. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED by the Board of Commissioners of Lakehaven Utility District, King County, Washington, at an open public meeting thereof this 12th day of October, 1995.

ATTEST:

Joel A. Munk
President and Commissioner

Commissioner Cap Abstained
Secretary and Commissioner

Dwight J. Tweddle
Commissioner

Donald L. Miller
Commissioner

Approved as to form:

NOT PRESENT
Commissioner

Stu H. Pritchett
General Counsel

Declaration of Official Intent to Reimburse
Expenditures from Proceeds of Bonds

I, the undersigned Roger M. Brown, am the duly appointed, qualified and acting General Manager of the Lakehaven Utility District, King County, Washington (the "District"), and, as such, have been designated by the District to make declarations of official intent on behalf of the District when necessary or appropriate for any purpose under, and in compliance with, the requirements of certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds or other obligations ("bonds") to reimburse the District for capital expenditures (and certain extraordinary working capital expenditures) made by the District before the issue date of the bonds. On behalf of the District, I make the following declaration of official intent under the federal reimbursement regulations:

1. Description of Project for Which Expenditures are to be Made. The District intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of bonds, for the following projects (the "Project"):

Second Supply Pipeline (SSP). This project will provide the District with approximately 4.62 MGD, based on current City of Tacoma contractual obligations, of water from the Green River watershed through Tacoma's Second Supply Pipeline.

Optimizing Aquifer Storage for Increased Storage (OASIS). This project would provide the District and the region with a method to store excess water during the winter months for recovery during high water demand periods.

2. Maximum Principal Amount of Obligations Expected to be Issued for the Projects. The District expects that the maximum principal amount of bonds that will be issued to finance the Projects will be:

Second Supply Pipeline	\$28,000,000
OASIS	<u>\$20,000,000</u>
Total	<u>\$48,000,000</u>

3. Declaration Reasonable. I have reviewed the existing and reasonable foreseeable budgetary and financial circumstances of the District, and have determined that the District reasonable expects to reimburse itself for expenditures for the Project from proceeds of bonds because the District has no funds available that already are, or are reasonable expected to be, reserved, allocated on a long-term basis, or other wise set aside by the District for those expenditures on the Project.

4. Limitations on Uses of Reimbursement Amounts. The District will not, within 1 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 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 tax exempt bonds. Nor will the District use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

5. Date of Declaration. This declaration of official intent is dated 1/8/96
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Lakehaven Utility District,
King County, Washington

By *Roger R. Brown*
Oliver R. Brown