

**POINT ROBERTS WATER DISTRICT NO. 4  
WHATCOM COUNTY, WASHINGTON**

**RESOLUTION NO. 640**

RESOLUTION OF THE BOARD OF COMMISSIONERS OF POINT ROBERTS WATER DISTRICT NO. 4, WHATCOM COUNTY, WASHINGTON, AUTHORIZING A LOAN FROM THE GENERAL FUND TO THE MARINA LOSS FUND.

**WHEREAS**, Point Roberts Water District No. 4 (District) is a water-sewer special purpose district organized and existing pursuant to Title 57 Revised Code of Washington (RCW) providing water and sewer service to the area known as Pt. Roberts located in Whatcom County, Washington; and

**WHEREAS**, the District entered into a "Lease and Management Agreement" dated December 4, 1978, and as such may have been amended ("Agreement"), with Point Roberts Marina, Inc. ("Developer"), whereby the Developer agreed to lease to the District and the District agreed to lease from the Developer an on-site sewage disposal system to serve the Marina and other property located at Pt. Roberts ("Marina LOSS" or "LOSS"); pursuant to the Agreement, the District agreed to undertake and perform the maintenance and operation of the LOSS; and the Agreement authorized the District to levy assessments and service charges to pay the operation and maintenance costs related to the LOSS, and to levy installation/connection charges to pay for the repair and replacement of the LOSS and its equipment; and

**WHEREAS**, the District established and maintains a separate fund for the Marina LOSS referred to as 80440 Marina LOSS Fund (Marina Fund) to account for revenues and expenditures related to the LOSS; and

**WHEREAS**, District staff have advised the costs to operate and maintain the LOSS are exceeding the sewer service rates collected from the owners and users of the LOSS, and have recommended that the District increase its monthly sewer service rate to all users to fully recover such costs of service; and

**WHEREAS**, Financial Consulting Solutions Group, Inc., the District's financial consultant (Consultant), by technical report entitled "LOSS Sewer Rate Study" dated May, 2013 analyzed District sewer service rates applicable to LOSS customers, and recommended that the District's sewer service rates applicable to the LOSS be revised and adjusted for all customers so that present and future customers will fully and equitably pay the cost of sewer service provided by the District; and

**WHEREAS**, the Consultant also reported the LOSS infrastructure will require significant investment to operate, maintain, repair and replace the LOSS infrastructure, and, because revenue from the LOSS is limited due to its relatively small size, recommended the District lend and transfer funds in the amount of \$140,000 ("Loan" or "Funds") from the District's 804 General Fund (General Fund) to the Marina Fund to make the Funds available to pay for the expenses to operate, maintain, repair and replace the LOSS infrastructure as necessary and required, on the condition the Funds be repaid to the General Fund over ten (10) years with interest; and

**WHEREAS**, the District Board of Commissioners considered such consultant and staff recommendations related to the proposed revision of the District's sewer service rates applicable to the LOSS, and revised such service rates effective July 1, 2013, by adopted resolution; and now desires to approve the loan and transfer of the Funds from the General Fund to the Marina Fund to make the Funds available to pay for the expenses to operate, maintain, repair and replace the LOSS infrastructure as necessary and required, on the condition the Funds be repaid to the General Fund over ten (10) years with interest; and

**WHEREAS**, pursuant to RCW 57.08.005 (16) and (17, and RCW 57.20.170, the Board of Commissioners has determined and finds the Loan will not impair the ability of the District to operate and maintain its water system and/or other utility systems; now therefore,

**BE IT RESOLVED** by the Board of Commissioners of Point Roberts Water District No. 4 as follows:

1. Recitals Incorporated by Reference. The recitals set forth above are incorporated herein in full by this reference.
2. Loan Approval. The Loan is hereby approved on the condition the Funds be repaid to the General Fund on an annual basis payable the 1st day of July each year in ten equal installment of principal together with interest thereon at the rate of one (1) per cent per annum until the Loan is fully paid to the General Fund.
3. Effective Date. This resolution and the policies and rates set forth herein shall be effective on July 1, 2013.

4. Repealer. All existing District resolutions, policies and procedures are hereby amended, superseded and/or rescinded to be in accordance with the effective date set forth herein.

**ADOPTED** at a special open public meeting of the Board of Commissioners, Point Roberts Water District No. 4, Whatcom County, Washington, held on the 25th day of June, 2013.

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N. Madeleine Anderson, Commissioner

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Scott Hackleman, Commissioner

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William H. Meursing, Commissioner