

BAYVIEW WATER AND SEWER DISTRICT
Kootenai and Bonner Counties, Idaho

WATER REVENUE BOND ELECTION

RESOLUTION NO. 2019-001

A RESOLUTION of the Board of Directors of Bayview Water and Sewer District, Kootenai and Bonner Counties, Idaho, calling a special election to be held on May 21, 2019; providing for the submission to the qualified electors of the District a proposition authorizing the issuance of water revenue bonds in the aggregate principal amount of not to exceed \$2,150,000, for the purpose of providing the funds for the acquisition, construction, and installation of certain improvements, additions and betterments to the District's water system; for public notice of said election; providing for the appointment of the County Clerk to conduct the election; providing for the effective date of this resolution; and providing for other matters properly relating thereto.

Adopted on March 20, 2019

Prepared by:

MCALOON LAW, PLLC
Spokane, Washington

BAYVIEW WATER AND SEWER DISTRICT
Kootenai and Bonner Counties, Idaho

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¹ This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

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BE IT RESOLVED by the Chairman and Board of Directors of Bayview Water and Sewer District, Kootenai and Bonner Counties, Idaho, as follows:

WHEREAS, Bayview Water and Sewer District, Kootenai and Bonner Counties, Idaho (the "District"), is a duly existing water and sewer district organized and operating under the laws of the State of Idaho; and

WHEREAS, it is hereby determined by the Board of Directors of the District (the "Board") to be necessary and essential to the health, safety, comfort, and welfare of the inhabitants of the District to acquire, install, and construct certain improvements, additions and betterments to its water system ("System"); and

WHEREAS, The District's Water Facility Plan calls for future improvements to the water system at an estimated total cost of \$2,650,000 and the Board has determined to finance a portion of the costs of the acquisition and construction of said improvements, additions and betterments by the issuance of water revenue bonds in the principal amount of not to exceed \$2,150,000 (the "Bonds"), pursuant to the provisions of the Revenue Bond Act of the State of Idaho, Sections 42-4101 to 42-4115, inclusive, Idaho Code, and the Municipal Bond Law of the State of Idaho, Chapter 2 of Title 57, Idaho Code; and

WHEREAS, Idaho Code §42-4109 provides that the question of whether or not the Bonds may be issued and sold for such purposes must be submitted to the qualified electors of the District and cannot be issued without the assent of a majority of the qualified electors of the District voting in an election called for this purpose; and

WHEREAS, to authorize the Bonds, the Board has determined to call and conduct a special municipal bond election for the aforesaid purposes as required by the Revenue Bond Act; and

WHEREAS, pursuant to the provisions of the Idaho Code, the District has elected to have the County Clerk conduct the election under the provisions of Title 34, Chapter 14, and Title 42, Chapter 41;

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Chairman and Board of Directors of Bayview Water and Sewer District, Kootenai and Bonner Counties, Idaho, as follows:

Section 1. THE PROJECT

A. It is deemed necessary and advisable that the District acquire, construct and install certain improvements, additions and betterments to the District's water system (the "System") to serve the residents of the District and surrounding areas (the "Project"). The Project shall consist of the following:

(1) The acquisition, construction and installation of a new reservoir to replace the Farragut Reservoir and the Dromore Reservoir and booster in order to increase pressure and fire flow throughout the System;

(2) The acquisition, construction, and installation of a new transmission line to replace leaking and aging pipes in the Farragut area;

(3) The acquisition, construction and installation of new distribution/transmission mains and well connections on the south side of Bayview to a new reservoir on the north side of Bayview in order to increase pressure and fire flow;

(4) The acquisition, construction and installation of pressure-reducing valve (PRV) rebuilds and supervisory control and data acquisition (SCADA) upgrades;

(5) The acquisition, construction and installation of a back-up generator at Well 7;

(6) The acquisition, construction and installation of other necessary improvements, additions and betterments to the System;

(7) Payment of consultant fees, engineering fees, administrative costs, accounting fees, legal fees and all other costs incidental thereto; together with the purchase of sites and easements therefor and all agreements, appurtenances and equipment necessary or useful with said Project, all pursuant to the preliminary plans and specifications of the District therefor which are being prepared by JUB Engineers, Coeur d'Alene, Idaho, heretofore selected by the Board for such purpose and on file in the office of the Secretary/Treasurer of the District; and

(8) Payment of the costs of issuance of the Bonds.

B. The estimated cost and expense of the acquisition, installation, and construction of the Project is approximately \$2,150,000, all of which may be paid out of the proceeds of the Bonds, including the cost of issuing and selling the Bonds as such expenses are set forth in the Municipal Bond Law. To the maximum extent available, the costs of the Project will be paid with other legally available funds, including grant funds and other funds of the District, thereby reducing the principal amount of Bonds issued.

C. Subject to the following paragraph, the acquisition of the Project as described herein, is hereby ordered.

D. Subject to the approval of a majority of the qualified electors voting at the special election, the District shall issue the Bonds to pay part of the funds of the Project.

Section 2. SPECIAL ELECTION

A special election shall be held on Tuesday, May 21, 2019, for the purpose of submitting the proposition set forth in Section 4 hereof to the qualified electors of the District. The election shall be held in accordance with the laws of the State of Idaho.

Section 3. CONDUCT OF ELECTION BY COUNTY CLERKS

Said election shall be conducted by the Kootenai and Bonner County Clerks, as specified in Idaho Code, Title 34, Chapter 14, and Title 42, Chapter 41.

Section 4. POLLING HOURS AND PLACES

(a) *Polling Hours.* The polls of said election shall open at the hour of 8:00 a.m. on May 21, 2019, and shall remain open continuously on said day until the hour of 8:00 p.m., at which time said polls shall be closed.

(b) *Polling Places.* The polling places for the election shall be as follows:

Precinct No.	Precinct Name and Polling Location – Kootenai County	Address
4	Bayview Community Center	20298 E Perimeter Road Bayview

Precinct No.	Precinct Name and Polling Location – Bonner County	Address
-	Careywood Fire Station	456055 Highway 95 Cocolalla

Section 5. BALLOT TITLE

The ballot title for the special election shall be in substantially the following form:

SHALL BAYVIEW WATER AND SEWER DISTRICT ISSUE AND SELL ITS WATER REVENUE BONDS TO PAY PART OF THE COSTS OF ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN IMPROVEMENTS, ADDITIONS AND BETTERMENTS TO THE WATER SYSTEM OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,150,000? THE BONDS SHALL MATURE OVER A PERIOD OF NOT TO EXCEED THIRTY (30) YEARS, AND SHALL BE PAYABLE SOLELY FROM THE REVENUES OF THE WATER SYSTEM, ALL AS MORE FULLY PROVIDED IN RESOLUTION NO. 2019-001, ADOPTED ON MARCH 20, 2019.

INSTRUCTIONS TO VOTERS: To vote in favor of the WATER REVENUE BONDS, the voter must make a cross [X] in the square opposite the words "IN FAVOR OF." To vote against the WATER REVENUE BONDS, the voter must make a cross [X] in the square opposite the words "AGAINST." If you change your mind, tear, or make a mistake on this ballot, request a new ballot from an election worker.

The following information is required by Idaho Code § 34-439, as amended:

The Project to be financed, in part, by the sale of the proposed water revenue bonds in the aggregate principal amount of not to exceed \$2,150,000, is the acquisition, construction and installation of certain additions and betterments to the District's water system. The date of the District's special election is May 21, 2019. The total existing bonded indebtedness of the District is \$0.00. The interest rate anticipated on the proposed water revenue bonds, based upon available funding options, is 1.75% per annum. The total amount to be repaid over the life of the proposed water revenue bonds, principal and interest, based on the anticipated interest rate, is estimated to be \$2,765,064, consisting of \$2,150,000 in principal and \$615,064 in interest.

IN FAVOR OF issuing water revenue bonds in the aggregate principal amount of not to exceed \$2,150,000 for the purpose stated in Resolution No. 2019-001

AGAINST issuing water revenue bonds in the aggregate principal amount of not to exceed \$2,150,000 for the purpose stated in Resolution No. 2019-001

Section 6. NOTICE OF SPECIAL BOND ELECTION

Pursuant to Idaho Code § 42-4109, the Secretary/Treasurer of the District is hereby authorized and directed to forward to the Kootenai and Bonner County Clerks the Notice of Special Bond Election in substantially the form attached hereto as Exhibit "A," prior to said election, for publication as follows:

A. Publication. Said Notice of Special Election shall be published in the official newspaper of the County.

B. Affidavits. Proof of publication shall be upon the affidavit of the publisher of the newspaper, and proof of posting notice shall be upon the affidavit of the person posting the same.

Such affidavits shall be filed with the Board by those posting and publishing such Notice.

Section 7. APPROVAL; ISSUANCE OF BONDS

If, at said election, a majority of the qualified electors of the District voting therein vote in favor of the issuance of the Bonds for the purposes set forth herein and designated on the aforesaid ballot, fully registered water revenue bonds of the District shall be authorized, issued, sold, and delivered. The Bonds shall mature over a period of not to exceed thirty (30) years, and shall bear interest payable annually or at such lesser intervals and at such rate or rates as may be prescribed by the ordinance or resolution authorizing the issuance of such obligations.

The net revenues of the System (gross revenues minus normal expenses of maintenance and operation) will be pledged for the payment of principal and interest, and redemption premiums, if any, on the Bonds, on a parity with any outstanding water revenue bonds of the District. The Bonds will be payable solely out of and derived from rates and charges for the use of and services rendered by, and all other income, earnings and revenue, of the System.

The Bonds shall be issued in the form and manner, and be registered, disposed of, and redeemed, in accordance with the provisions of the Revenue Bond Act of the State of Idaho, Sections 42-4101 to 42-4115, inclusive, Idaho Code, and the Municipal Bond Law of the State of Idaho, Chapter 2 of Title 57, Idaho Code.

Section 8. DEBT DISCLOSURE STATEMENT

Pursuant to Idaho Code §34-439, as amended, a Debt Disclosure Statement shall be prepared and verified by the County.

Section 9. OFFICERS AUTHORIZED

The officers of the District are hereby authorized to take all action necessary to effectuate the provisions of this Resolution.

Section 10. REIMBURSEMENT

This constitutes an official statement of intent of the District to reimburse itself from the proceeds of the Bonds for any expenses incurred prior to the actual issuance of the Bonds, in accordance with the applicable rules and regulations of the Internal Revenue Service and state law.

Section 11. RATIFICATION

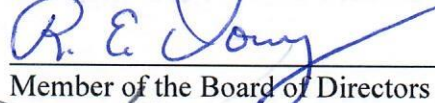
All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Board and the officers of the District directed toward the costs incurred by the District to construct and make improvements to the System and issuing the Bonds of the District therefor, are hereby ratified, approved, and confirmed.

PASSED AND ADOPTED this 20th day of March, 2019.

BAYVIEW WATER AND SEWER
DISTRICT
Kootenai and Bonner Counties, Idaho


Chairman of the Board of Directors

Member of the Board of Directors


Member of the Board of Directors


Member of the Board of Directors

Member of the Board of Directors

ATTEST:


Secretary/Treasurer

(SEAL)



I, the undersigned, the Secretary/Treasurer of Bayview Water and Sewer District, Kootenai and Bonner Counties, Idaho, hereby certify that the foregoing Resolution is a full, true, and correct copy of a Resolution duly adopted at a regular meeting of the Board of Directors, held at the regular meeting place thereof on March 20, 2019, of which meeting all members of the Board had due notice and at which a majority thereof was present; and that at the meeting the Resolution was adopted by the following vote:

AYES, and in favor thereof, Board members: *Richard Doney, Sharon Meyer and Stephen May*

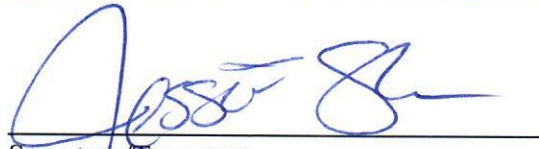
NOES, Board members:

ABSENT, Board members: *Robyn Edwards, Jan Jones*

ABSTAIN, Board members:

I further certify that I have carefully compared the same with the original Resolution on file and of record in my office; that the Resolution is a full, true, and correct copy of the original Resolution adopted at the meeting; and that the Resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the District on this 20th day of March, 2019.


Secretary/Treasurer

(SEAL)



EXHIBIT A

BAYVIEW WATER AND SEWER DISTRICT
Kootenai and Bonner Counties, Idaho

NOTICE OF SPECIAL BOND ELECTION

NOTICE IS HEREBY GIVEN that pursuant to Resolution No. 2019-001 of Bayview Water and Sewer District, Kootenai and Bonner Counties, Idaho, adopted on March 20, 2019, a Special Bond Election will be held in the District on

TUESDAY, MAY 21, 2019

between the hours of 8:00 A.M. and 8:00 P.M., for the purpose of voting upon a proposition authorizing the issuance of water revenue bonds in an aggregate principal amount of not to exceed \$2,150,000 and for a term not to exceed thirty (30) years for the purpose of providing the funds to pay the costs of acquisition, construction and installation of certain additions and betterments to the District's water system (the "Project"), pursuant to the provisions of the Resolution.

The polling places are established by the Kootenai and Bonner County Clerks, and are designated as follows:

Precinct No.	Precinct Name and Polling Location – Kootenai County	Address
4	Bayview Community Center	20298 E Perimeter Road Bayview

Precinct No.	Precinct Name and Polling Location – Bonner County	Address
-	Careywood Fire Station	456055 Highway 95 Cocolalla

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Only those persons who at the time of the special election are registered, qualified electors shall be able to vote in the election. The Kootenai and Bonner County Clerks shall be the

registrar(s) for the special election and shall conduct voter registration pursuant to Idaho Code § 34-1402.

If, at the election, a majority of the qualified electors of the District vote in favor of the issuance of the bonds for the purposes set forth in Resolution No. 2019-001, the water revenue bonds of the District will be issued for said purposes. The bonds will mature over a period of not to exceed thirty (30) years, and will bear interest at a rate or rates to be prescribed by the resolution authorizing the issuance of the Bonds. The principal of and interest on the Bonds will be payable solely from the revenue derived from the rates and charges for the use of, and services rendered by the water system of the District, as more particularly set forth in a resolution or resolutions to be hereafter passed and adopted by the Board of Directors.


DATED this 20th day of March, 2019.



BAYVIEW WATER AND SEWER
DISTRICT
Kootenai and Bonner Counties, Idaho


Chairman of the Board of Directors

ATTEST:


Secretary/Treasurer

(S E A L)

OFFICIAL BALLOT

BAYVIEW WATER AND SEWER DISTRICT
Kootenai and Bonner Counties, Idaho

May 21, 2019

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