

BEFORE THE BOARD OF COUNTY COMMISSIONERS
PACIFIC COUNTY, WASHINGTON

RESOLUTION NO. 2016-_____

IN THE MATTER OF ESTABLISHING A SHORT TERM INTERGOVERNMENTAL LOAN FROM FUND 197 (CUMULATIVE RESERVE) TO PACIFIC COUNTY DRAINAGE DISTRICT #1 TO PROVIDE INTERIM CASH FLOW IN ANTICIPATION OF GRANT REVENUE.

WHEREAS, continued erosion impacting the entire north cove area has resulted in an imminent threat to property, homes, and vital infrastructure such as roads, dikes and drainage systems,

WHEREAS, Pacific County Drainage District #1 provides services to manage drainage issues in the North Cove/Tokeland/Grayland area that can negatively impact private property owners, local infrastructure, and cranberry farms, a major industry in Pacific County, and

WHEREAS, Pacific County Drainage District has secured \$50,000 in grant funds from the Washington State Conservation Commission to address the potential breach of the dike providing protection from salt water intrusion in the cranberry bogs, however the grant funds will not be paid until completion of the project creating a cash flow problem, and

WHEREAS, Pacific County Drainage District #1 has taxing authority to assure repayment of this short term loan should there be a problem with receipt of grant reimbursement, now therefore,

BE IT HEREBY RESOLVED that the Pacific County Board of Commissioners authorizes a short term Intergovernmental Loan from Fund 197 (Cumulative Reserve) to Pacific County Drainage District #1 to provide interim cash flow with the following conditions:

- Total loan amount- not to exceed \$50,000; interest will be applied at a rate of 3% per annum.
- Accumulated principal and interest to be paid in full on or before March 31, 2017

BE IT FURTHER RESOLVED that the Treasurer is authorized to transfer said funds to Pacific County Drainage District #1 per the terms of the intergovernmental loan agreement.

PASSED by the following vote this _____ day of _____, 2016 by the Board of Pacific County Commissioners meeting in regular session at South Bend, Washington, then signed by its membership and attested to by its Clerk in authorization of such passage:

____ YEA; ____ NAY; ____ ABSTAIN; and ____ ABSENT.

BOARD OF COUNTY COMMISSIONERS
PACIFIC COUNTY, WASHINGTON

Frank Wolfe, Chairman

Steve Rogers, Commissioner

ATTEST

Marie Guernsey, Clerk of the Board

Lisa Ayers, Commissioner

INTERGOVERNMENTAL AGREEMENT
For Short Term Loan
Between
PACIFIC COUNTY, WASHINGTON
And
PACIFIC COUNTY DRAINAGE DISTRICT #1

This Intergovernmental Agreement, ("AGREEMENT") is made between Pacific County ("COUNTY"), and Pacific County Drainage District #1, ("DISTRICT").

WHEREAS; the COUNTY's Finance Committee reviewed the request made by the DISTRICT for these loans, and has determined that this investment meets the "prudent person rule", and objectives of the Pacific County Investment Policy;

WHEREAS; due to receipt of grant revenue to address potential breach of the existing dike not being received until the close of the project, the DISTRICT will experience an intermittent cash flow shortage; and

WHEREAS; the DISTRICT has taxing authority to collect funds for repayment of this short term loan from its customers should project costs not be reimbursed by the grant as anticipated; and

WHEREAS; the COUNTY has passed Resolution No. 2016- which authorizes a short term intergovernmental loans for the DISTRICT from COUNTY'S Cumulative Reserve Fund 197 which includes 3% annual interest rate;

NOW THEREFORE IT IS HEREBY RESOLVED that the COUNTY authorizes a short term intergovernmental loan from the COUNTY's Current Expense Fund 001 in the following amount:

- An amount not to exceed \$50,000 to be repaid in full (principal + interest) by March 31, 2017, will be paid to the DISTRICT in a one-time transfer to be made by the Treasurer.

This loan is made subject to the following conditions:

- The term of loan will be as indicated above. This AGREEMENT and the performance of the parties hereto shall continue in effect through the 31st day of March, 2017 unless terms of loan are satisfied sooner.
- This loan is subject to the DISTRICT providing the following documentation to the County
 - Plan, design and scope of the entire project approved by an engineer if necessary
 - copy of any required permits from local, state, or federal agencies, or written documentation that permits are not required
 - copies of fully executed grant agreement with Pacific Conservation District and any other grantors funding the project
 - documentation of other funding sources to complete the project
- The DISTRICT shall pay their loan repayment in one lump sum. The Treasurer will make the loan repayment transfers based on approval by the Manager of the DISTRICT.
- Interest will be applied at a rate of 3% per annum.

