

WEST SLOPE WATER DISTRICT

RESOLUTION 04-2018

A RESOLUTION ESTABLISHING A RATE STABILIZATION RESERVE FUND

WHEREAS, there is a need to establish a new reserve fund within the West Slope Water District's (the District) budget to be known as the RATE STABILIZATION RESERVE. This fund will account for funds transferred into and out of the General Fund to the RATE STABILIZATION RESERVE FUND as per the terms and conditions set forth in The District's 2008 Revenue Bond Master Resolution and official statement and attached as EXHIBIT A and,

WHEREAS, from year to year the District generates varying levels of net operating revenue and desires the ability to smooth these variations between years by moving funds into or out of the Rate Stabilization Reserve fund and,

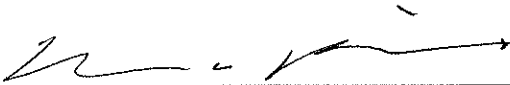
WHEREAS, the Board of Commissioners of the WSWD has determined that funds should be transferred between the GENERAL FUND and the RATE STABILIZATION FUND from time to time as is needed to assist in meeting bond debt service covenants and avoiding large rate spikes to its customers.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WEST SLOPE WATER DISTRICT THAT:

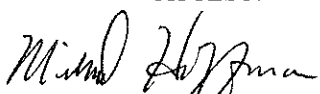
- Sections 1. The Finance Manager and General Manager are authorized to proceed with the creation of the RATE STABILIZATION RESERVE FUND.
- Section 2. The foregoing Resolution shall be carried out effective prior to June 30, 2018 and be reviewed again in 2028 in accordance with ORS 264.

INTRODUCED AND ADOPTED at the regular meeting of the Board of Commissioners of the West Slope Water District on June 20, 2018.

WEST SLOPE WATER DISTRICT

By 
Robert Rieck, Chair

ATTEST:

By 
Michael Hoffman, Secretary

Resolution 04-2018
Establish a Rate Stabilization Fund

EXHIBIT A

2008 Revenue Bond Master Resolution Excerpts

“Section 1.01 Rate Stabilization Account. Monies in the Rate Stabilization Account will be transferred as determined from time to time by the District. The District may transfer funds into the Rate Stabilization Account from the General Fund pursuant to this Master Resolution. The District may transfer funds into the Rate Stabilization Account or withdraw funds from the Rate Stabilization Account at any time without limitation, subject only to the terms and conditions set forth in this Master Resolution.

(a) Money in the Rate Stabilization Account may be withdrawn at any time and used for any purpose for which Gross Revenues may be used. Amounts withdrawn from the Rate Stabilization Account shall increase Gross Revenues for the period for which they are withdrawn, and amounts deposited in the Rate Stabilization Account shall reduce Gross Revenues for the period for which they are deposited. Credits from the Rate Stabilization Account may be posted within in accordance with governmental accounting practices and procedures. Credits to or from the Rate Stabilization Account may relate to a prior Fiscal Year consistent with governmental accounting practices and procedures and provided that such credits occur within the first quarter following the prior Fiscal Year. Earnings on the Rate Stabilization Account shall be credited to the General Fund and shall be included in the definition of Gross Revenues for purposes of calculating debt service coverage.

(b) Unless otherwise excluded, funds withdrawn from the Rate Stabilization Account shall be included as Net Revenues for all Rate Covenant purposes.”