

AGENDA SHEET

SUBMITTING DEPARTMENT: *Environmental Services Department*

CONTACT PERSON: *Kevin R. Cooke, P.E., Environmental Services Director*

PHONE NUMBER: *477-7286*

CHECK TYPE OF MEETING ITEM BELOW:

9:00 AM CEO MEETING:

2:00 PM CONSENT AGENDA:
BY LEAVE:

5:30 PM LEGISLATIVE SESSION:
BY LEAVE:

SPECIAL SESSION:

BELOW FOR CLERK'S USE ONLY:

Clerk's Resolution No. _____
Approved: Majority/Unanimous _____
Denied: Majority/Unanimous _____
Renews/Amends No. _____
Public Works No. _____
Purchasing Dept. No. _____

AGENDA TITLE: *In the matter of a loan between Fund 440 – Water Bank and Fund 010 – General Fund.*

BACKGROUND: *(Attach separate sheet(s) if necessary):*

The Board of County Commissioners approved establishing Fund 440 - Water Bank for water bank development, management, and administration services, together with all associated activities and expenditures.

The Spokane County Chief Budget Officer has recommended that the Board of County Commissioners approve an interfund loan from the Fund 010 - General Fund to Fund 440 - Water Bank in the amount of One Million Dollars (\$1,000,000.00) in order to cover the anticipated purchase of water-rights and start-up expenses incurred by Fund 440 - Water Bank prior to formalized County operation of the Water Bank and the associated sale of Water Mitigation Certificates. Fund 010 - General Fund has sufficient cash reserves for such an Interfund Loan.

REQUESTED BOARD ACTION: *Approve.*

SIGNATURES: *(Signatures must be completed before submitting to the Clerk of the Board).*



*Department Head/Elected Official or
Designated Authority (Requesting Agenda Item)*

NO. _____

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

IN THE MATTER OF A LOAN BETWEEN)
FUND 440 - WATER BANK AND FUND 010)
- GENERAL FUND)

RESOLUTION

WHEREAS, pursuant to the provisions of RCW 36.32.120(6), the Board of County Commissioners of Spokane County, Washington (hereinafter sometimes referred to as the “Board” or “Board of County Commissioners”) has the care of county property and the management of county funds and business; and

WHEREAS, pursuant to the provisions of RCW 36.01.095, the Board of County Commissioners may engage in economic development programs; and

WHEREAS, pursuant to Resolution No. 2017-0039, the Board of County Commissioners approved establishing Fund 440 - Water Bank for water bank development, management, and administration services, together with all associated activities and expenditures; and

WHEREAS, the Spokane County Chief Budget Officer has recommended that the Board of County Commissioners approve an interfund loan from the Fund 010 - General Fund to Fund 440 - Water Bank in the amount of One Million Dollars (\$1,000,000.00) (“Interfund Loan”) in order to cover the anticipated purchase of water-rights and start-up expenses incurred by Fund 440 - Water Bank prior to formalized County operation of the Water Bank and the associated sale of Water Mitigation Certificates; and

WHEREAS, the Fund 010 - General Fund has sufficient cash reserves for such Interfund Loan; and

WHEREAS, the Spokane County Chief Budget Officer has further recommended that: (1) such Interfund Loan shall be repaid based on the amortization schedule set forth in Attachment “A”, attached hereto and incorporated herein by reference; (2) such Inter fund Loan shall be for a 10 year time frame with interest only payments in years 2018 and 2019, and principal and interest in years 2020-2027, as set forth in the amortization schedule in Attachment “A”; (3) Fund 440 - Water Fund may choose to pay the Interfund Loan early with a reduction in interest and no penalty; and (4) in no event shall the duration of the Interfund Loan be for a period to exceed ten (10) years; and

WHEREAS, it is anticipated that the Interfund Loan will be repaid from revenues generated from the sale of Water Mitigation Certificates.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of County Commissioners of Spokane County, pursuant to the provisions of RCW 26.32.120(6) and RCW 36.01.085, that the Board of County Commissioners does hereby approve a loan of One Million Dollars (\$1,000,000.00) from Fund 010 - General Fund, to Fund 440 - Water Bank ("Interfund Loan") subject to the following conditions: (1) such Interfund Loan shall be repaid based on the amortization schedule set forth in Attachment "A", attached hereto and incorporated herein by reference; (2) such Interfund Loan shall be for a 10 year time frame with interest only payments in years 2018 and 2019, and principal and interest in years 2020-2027, as set forth in the amortization schedule in Attachment "A"; (3) Fund 440 - Water Fund may choose to pay the Interfund Loan early with a reduction in interest and no penalty; and (4) in no event shall the duration of the Interfund Loan be for a period to exceed ten (10) years.

PASSED AND ADOPTED this 7th day of February 2017.

BOARD OF COUNTY COMMISSIONERS
OF SPOKANE COUNTY, WASHINGTON

AL FRENCH, Chair

ATTEST:

JOSH KERNS, Vice-Chair

Ginna Vasquez
Clerk of the Board

SHELLY O'QUINN, Commissioner

Attachment A: Loan Amortization Schedule:

Loaned from: General Fund

Loaned to: Water Bank Fund 440

2/1/2017

1,000,000

2.35% Interest Rate

10 Years-1st, 2 years Interest Only payments

	Balance	Interest Rate	Interest	Principal	Total Payment
2/1/2018 \$	1,000,000.00	2.35%	\$ 23,500.00	\$ -	\$ 23,500.00
2/1/2019 \$	1,000,000.00	2.35%	\$ 23,500.00	\$ -	\$ 23,500.00
2/1/2020 \$	1,000,000.00	2.35%	\$ 23,500.00	\$ 115,076.77	\$ 138,576.77
2/1/2021 \$	884,923.23	2.35%	\$ 20,795.70	\$ 117,781.07	\$ 138,576.77
2/1/2022 \$	767,142.16	2.35%	\$ 18,027.84	\$ 120,548.92	\$ 138,576.76
2/1/2023 \$	646,593.24	2.35%	\$ 15,194.94	\$ 123,381.82	\$ 138,576.76
2/1/2024 \$	523,211.42	2.35%	\$ 12,295.47	\$ 126,281.29	\$ 138,576.76
2/1/2025 \$	396,930.13	2.35%	\$ 9,327.86	\$ 129,248.90	\$ 138,576.76
2/1/2026 \$	267,681.23	2.35%	\$ 6,290.51	\$ 132,286.25	\$ 138,576.76
2/1/2027 \$	135,394.98	2.35%	\$ 3,181.78	\$ 135,394.98	\$ 138,576.76
				\$ -	\$ -
			<u>\$ 155,614.10</u>	<u>\$ 1,000,000.00</u>	<u>\$ 1,155,614.10</u>