

DISCOVERY CLEAN WATER ALLIANCE

RESOLUTION NO. 2015-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF DISCOVERY CLEAN WATER ALLIANCE, ADOPTING A SYSTEM OF REGISTRATION OF BONDS AND OBLIGATIONS OF THE ALLIANCE.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DISCOVERY CLEAN WATER ALLIANCE AS FOLLOWS:

Section 1. Definitions. The following words have the following meanings when used in this resolution:

(a) **"Alliance"** means Discovery Clean Water Alliance, a Washington joint municipal utility services authority under chapter 39.106 RCW, and its permitted successors.

(b) **"Administrative Lead"** means the Alliance staff (if any) and/or a service provider by contract with the Alliance responsible for administering and managing the Alliance and the Regional Assets. The Administrative Lead is currently Clark Regional Wastewater District, Clark County, Washington. If the Alliance determines to undertake administrative responsibilities itself, using its own staff, then as used in this resolution, the term "Administrative Lead" shall mean the chief executive officer of the Alliance.

(c) **"Bond"** or **"bonds"** has the meaning defined in RCW 39.46.020(1), as the same may be amended from time to time.

(d) **"Fiscal Agent"** means the duly appointed fiscal agent of the State of Washington serving as such at any given time.

(e) **"Joint Agreement"** means the Restated Discovery Clean Water Alliance Interlocal Formation Agreement dated September 27, 2012, as amended by Resolution No. 2014-07 of the Alliance on August 15, 2014, by which the Alliance was formed as a municipal corporation under the Joint Municipal Utilities Services Act, chapter 39.106 RCW, as that Agreement may be amended from time to time.

(f) **"Obligation"** or **"obligations"** has the meaning defined in RCW 39.46,020(3), as the same from time to time may be amended.

(g) **“Registrar”** means the person, persons or entity designated by the Alliance to register ownership of bonds or obligations under this resolution or under a resolution of the Alliance authorizing the issuance of such bonds or obligations.

(h) **“Treasurer”** means the Finance Director of the Administrative Lead appointed to serve as treasurer of the Alliance pursuant to Resolution No. 2013-06 and other persons or entities carrying out treasury operations under the direction of that treasurer, or such other treasurer appointed by the Alliance pursuant to the Joint Agreement.

Section 2. Findings and Determinations.

(a) Section 149(a) of the Internal Revenue Code of 1986, as amended, requires municipal bonds and obligations offered to the public having a maturity of more than one year to be in registered form as a condition of the exclusion from gross income for federal income tax purposes of the interest on those bonds and obligations.

(b) RCW 39.46.030 authorizes the Alliance to establish a system of registering the ownership of its bonds or obligations as to principal and interest, or principal only.

(c) The Board of Directors of the Alliance finds that it is in the Alliance’s best interest to establish a system of registering the ownership of its bonds and obligations in the manner permitted by law.

Section 3. Adoption of Registration System. The Alliance adopts the following system of registering the ownership of its bonds and obligations.

(a) **Registration Requirement.** All Alliance bonds and obligations offered to the public, having a maturity of more than one year, on which the interest is intended to be excluded from gross income for federal income tax purposes, shall be registered as to both principal and interest as provided in this resolution.

(b) **Method of Registration.** The registration of all Alliance bonds and obligations required to be registered shall be carried out either by

(1) a book-entry system of recording the ownership of the bond or obligation on the books of the Registrar, whether or not a physical instrument is issued; or

(2) recording the ownership of the bond or obligation and requiring as a condition of the transfer of ownership of any bond or obligation the surrender of the old bond or obligation and either the

reissuance of the old bond or obligation or the issuance of a new bond or obligation to the new owner.

No transfer of any Alliance bond or obligation subject to registration requirements shall be effective until the name of the new owner and the new owner's mailing address, together with such other information deemed appropriate by the Registrar, are recorded on the books of the Registrar.

(c) **Denominations.** Except as may be provided otherwise by the resolution authorizing their issuance, registered Alliance bonds or obligations may be issued and reissued in any denomination up to the outstanding principal amount of the bonds or obligations of which they are a part. Such denominations may represent all or a part of a maturity or several maturities and on reissuance may be in smaller amounts than the individual denominations for which they are reissued.

(d) **Appointment of Registrar.** Unless otherwise provided in the resolution authorizing the issuance of registered Alliance bonds or obligations, the Treasurer shall be the Registrar for all registered interest-bearing warrants, installment contracts, interest-bearing leases and other registered bonds or obligations not usually subject to trading without a fixed maturity date or maturing one year or less after issuance and the Fiscal Agent shall be the Registrar for all other Alliance bonds and obligations with a fixed maturity date or maturing more than one year after issuance.

(e) **Duties of Registrar.** The Registrar shall serve as the Alliance's authenticating trustee, transfer agent, registrar and paying agent for all registered bonds and obligations for which the Registrar serves as Registrar and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties.

The rights, duties, responsibilities and compensation of the Registrar shall be prescribed in each resolution authorizing the issuance of Alliance bonds or obligations, which rights, duties, responsibilities and compensation shall be embodied in a contract executed by the Alliance and the Registrar, except that (i) when the Fiscal Agent serves as Registrar, the Alliance adopts by reference the contract between the State Finance Committee of the State of Washington and the Fiscal Agent in lieu of executing a separate contract and prescribing by resolution the rights, duties, obligations and compensation of the Registrar and (ii) when the Treasurer serves as Registrar, a separate contract shall not be required.

In all cases when the Registrar is not the Fiscal Agent and Alliance bonds or obligations are assignable, the resolution authorizing the issuance of the registered bonds or obligations shall specify the terms and conditions of:

- (1) making payments of principal and interest;
- (2) printing any physical instruments, including the use of identifying numbers or other designation;
- (3) specifying record and payment dates;
- (4) determining denominations;
- (5) establishing the manner of communicating with the owners of the bonds or obligations;
- (6) establishing the methods of receipting for the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction;
- (7) registering or releasing security interests, if any; and
- (8) such other matters pertaining to the registration of the bonds or obligations authorized by such resolution as the Alliance may deem to be necessary or appropriate.

Section 4. Statement of Transfer Restrictions. Any physical instrument issued or executed by the Alliance subject to registration under this resolution shall state that the principal of and interest on the bonds or obligations shall be paid only to the owner thereof registered as such on the books of the Registrar as of the record date defined in the instrument and to no other person, and that such instrument, either principal or interest, may not be assigned except on the books of the Registrar.

ADOPTED AND APPROVED by the Board of Directors of the Discovery Clean Water Alliance at a regular open public meeting held on this 19th day of June, 2015.

DISCOVERY CLEAN WATER ALLIANCE



Tom Mielke, Chair of the Board of Directors

CERTIFICATION

I, the undersigned, Secretary to the Board of Directors (the "Board") of Discovery Clean Water Alliance (the "Alliance"), hereby certify as follows:

1. The attached copy of Resolution No. 2015-03 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board held on June 19, 2015, at the time and meeting place for which notice was given in accordance with law, as that resolution appears on the minute book of the Alliance; and the Resolution is now in full force and effect; and

2. A quorum of the members of the Board was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of June, 2015.

DISCOVERY CLEAN WATER ALLIANCE



Ron Onslow, Secretary of the Board