

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

RESOLUTION NO. 12-18

A RESOLUTION of the Board of Directors of Wenatchee School District No. 246, Chelan County, Washington, setting the time and place for a public hearing to be held on November 13, 2018, to consider whether state or local circumstances should cause alterations to the specific expenditures from the District's State of Washington financing assistance originally authorized in Resolution No. 07-13, as amended by Resolution 20-15, and to receive public testimony; directing that notice be given of the public hearing; and providing for related matters.

ADOPTED: OCTOBER 23, 2018

This document prepared by:

*FOSTER PEPPER PLLC
618 West Riverside Avenue, Suite 300
Spokane, Washington 99201
(509) 777-1602*

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BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WENATCHEE SCHOOL DISTRICT NO. 246, CHELAN COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Directors (the "Board") of Wenatchee School District No. 246, Chelan County, Washington (the "District") takes note of the following facts and makes the following findings and determinations:

(a) On October 10, 2013, the Board adopted Resolution No. 07-13 ("Resolution No. 07-13"), providing for the submission to the District's voters at a special election on February 11, 2014, of a ballot proposition authorizing the District to issue its general obligation bonds in the principal amount of no more than \$66,500,000 (the "Bonds") to pay costs to "remodel and expand Lincoln Elementary School, construct and equip a new Washington Elementary School, remodel Special Education/Early Childhood Learning Center, make safety improvements and remodel gymnasium at Pioneer Middle School and make safety improvements at Mission View Elementary School" (collectively referred to herein as the "Projects"). Resolution No. 07-13, which was incorporated by reference in the ballot proposition, further defined the Projects in Section 2.

(b) At the February 11, 2014 special election, the District's voters approved the Bonds. Pursuant to this authorization, the District issued the Bonds.

(c) Section 7 of Resolution No. 07-13 provides that the District may receive money from the State of Washington as state financing assistance under chapter 28A.525 RCW with respect to the Projects (the "State Financing Assistance"). The State Financing Assistance must be used, when and in such amounts as it may become available, to carry out and accomplish the Projects. Section 7 further provided that if the State Financing Assistance is more than sufficient to carry out and accomplish the Projects, the District may use such excess State Financing Assistance to, among other things, make other capital improvements to the District's facilities, all as the Board may determine by resolution after holding a public hearing thereon pursuant to RCW 28A.530.020.

(d) Section 8 of Resolution No. 07-13 also provided: "If the Board shall subsequently determine that state or local circumstances, including, but not limited to, changed conditions or needs, regulatory considerations or incompatible development, should cause any alteration to the Projects, the District shall not be required to accomplish the Projects and may apply the Bond Proceeds or State Financing Assistance (or any portion thereof) to: (a) other portions of the Projects; (b) acquire, construct, install, equip and make other capital improvements to the District's facilities; or (c) retire

and/or defease a portion of the Bonds or other outstanding bonds of the District, all as the Board may determine by resolution after holding a public hearing thereon pursuant to RCW 28A.530.020.”

(e) RCW 28A.530.020(2) provides that “[i]f the school board subsequently determines that state or local circumstances should cause any alteration to the specific expenditures from the debt financing or of the state assistance, the Board shall first conduct a public hearing to consider those circumstances and to receive public testimony. If the board then determines that any such alterations are in the best interests of the district, it may adopt a new resolution or amend the original resolution at a public meeting held subsequent to the meeting at which public testimony was received.”

(f) Due to lower than expected construction costs, the District had State Financing Assistance available for other District capital improvements (“Excess State Financing Assistance”). On July 28, 2015, the Board adopted Resolution No. 20-15 (“Resolution No. 20-15”). Resolution No. 20-15 altered the specific expenditures from the State Financing Assistance to permit the District to use the Excess State Financing Assistance to carry out and accomplish a portion of the District’s next phase of capital projects (the “Phase II Projects”), including, but not limited to, the feasibility analysis and design of the Phase II Projects not originally included in the Projects (the “2015 Alterations”). Resolution No. 20-15 also amended the Resolution No. 07-13 to incorporate the 2015 Alterations into the Projects. References below to the Projects therefore include the 2015 Alterations.

(g) Based on review and analysis, District Administration has provided a recommendation to the Board as to whether state and local circumstances should cause alterations to the specific expenditures from the District’s Excess State Financing Assistance, which is on file with the District and incorporated by this reference (the “Recommendation”).

(h) Since the adoption of Resolution No. 07-13, the 2014 Election, and the adoption of Resolution No. 20-15, the following state and local circumstances have occurred related to the specific expenditures from State Financing Assistance and Excess State Financing Assistance for the Projects (collectively, the “State and Local Circumstances”):

(i) The District has Excess State Financing Assistance available to pay costs of other capital improvements to the District’s facilities (“Additional Excess State Financing Assistance”); and

(ii) Due to increasing safety and security concerns and deteriorating and educationally outdated infrastructure, there is an immediate need to (a) make District-wide security and safety upgrades and improvements; (b) provide new classroom additions; and (c) make health, energy efficiency and infrastructure upgrades and improvements.

(n) In view of the foregoing and after research and analysis, the Recommendation proposes, after satisfaction of the public hearing requirements contained in Resolution No. 07-13 and RCW 28A.530.020, that the District (i) *Alter* the specific expenditures from Excess State Financing Assistance for the Projects, all as originally authorized by Resolution No. 07-13, as amended by Resolution No. 20-15, to permit the District to use Additional Excess State Financing Assistance to pay costs to: (A) make District-wide safety and security improvements, all as determined necessary and advisable by the Board; (B) provide new classroom additions (including, but not limited to,

purchasing, constructing, installing and renovating portable or permanent classroom additions), at schools to be determined by the Board, all as determined necessary and advisable by the Board; and (C) make District-wide health, energy efficiency and infrastructure improvements, all as determined necessary and advisable by the Board (collectively, the “Additional Alterations”); and (ii) *Adopt a new resolution or amend* Resolution No. 07-13 and Resolution No. 20-15, to reflect the Additional Alterations; provided that, the District may still use the Additional Excess State Financing Assistance as originally authorized by Resolution No. 07-13 and Resolution No. 20-15.

Section 2. Public Hearing. Pursuant to Resolution No. 07-13 and RCW 28A.530.020(2), the Board shall conduct a public hearing on November 13, 2018, starting at 6:00 P.M., in the Boardroom located in the District’s Administrative Office, 235 Sunset Avenue, Wenatchee, Washington, to: (a) consider whether the State and Local Circumstances should cause the District to carry out the Additional Alterations; and (b) receive public testimony.

Section 3. Subsequent Public Meeting to Consider the Additional Alterations. If the Board determines that the Additional Alterations are in the best interests of the District, taking into account the State and Local Circumstances and public testimony presented at the public hearing, the Board may, at a public meeting held subsequent to the public hearing, adopt a new resolution or amend Resolution No. 07-13 and Resolution No. 20-15 to approve and order the Additional Alterations. Among the objectives of the Board in making its decision will be: (a) addressing urgent and necessary improvements to school facilities; (b) improving the quality of the educational programs offered by the District; (c) achieving efficiency in the construction, maintenance and operation of District facilities; (d) promoting the best interest of the District, its students and the community; and (e) such other criteria as the Board may determine appropriate.

Section 4. Notice of Public Hearing. Notice of the public hearing shall be given by publication in a newspaper of general circulation within the District, as soon as practicable after adoption of this resolution. In addition, any local radio or television stations, other newspapers of general circulation that have a written request to be notified of special meetings shall also be given such notice. The notice shall also be posted on the District’s website. Further, such notice shall be posted in locations throughout the District, if the District has a practice of posting such notices. The published, posted, mailed or otherwise distributed notices shall be in substantially the form attached hereto as Exhibit “A,” which is incorporated by this reference.

Section 5. General Authorization and Ratification. The Secretary, the President of the Board, the District’s Executive Director of Business and Finance, and other appropriate officers of the District and the District’s special counsel, Foster Pepper PLLC, are further severally authorized to take all other actions and execute all other documents necessary to effectuate the provisions of this resolution, and all prior actions taken in furtherance of and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

Section 6. Effective Date. This resolution takes effect from and after its adoption.

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ADOPTED by the Board of Directors of Wenatchee School District No. 246, Chelan County, Washington, at a regular open public meeting held this 23rd day of October, 2018, the following Directors being present and voting in favor of the resolution.

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

President and Director

Vice President and Director

Director

Director

Director

ATTEST:

BRIAN L. FLONES
Secretary to the Board of Directors

EXHIBIT "A"

FORM OF NOTICE OF PUBLIC HEARING

**WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON**

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN, pursuant to Resolution No. 12-18, that the Board of Directors (the "Board") of Wenatchee School District No. 246, Chelan County, Washington (the "District") will hold a public hearing on November 13, 2018, at 6:00 P.M., or as soon thereafter as possible, in the Boardroom located in the District's Administrative Office, 235 Sunset Avenue, Wenatchee, Washington. The purpose of the public hearing is to: (a) consider whether certain state and local circumstances should cause alterations to the specific expenditures from the State of Washington financing assistance originally authorized in Resolution No. 07-13, as amended by Resolution No. 20-15; and (b) receive public testimony. If the Board determines that the alterations are in the best interests of the District, the Board may, at a future public meeting, adopt a new resolution or amend Resolution No. 07-13 and Resolution No. 20-15 approving the alterations.

All residents of the District wishing to be heard should appear at the public hearing and present their views. Alternatively, or in addition, such interested residents may submit their views in writing and deliver them to: Larry Mayfield, Executive Director of Business and Finance, 235 Sunset Avenue, Wenatchee, Washington 98801, on or before the date of the public hearing. Copies of Resolution No. 12-18, which set the time and place for the public hearing will be posted on the District's website at <http://home.wsd.wednet.edu> or may be obtained by contacting Larry Mayfield, at (509) 663-8161.

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

/s/ Brian L. Flonas
Superintendent and Secretary to the
Board of Directors

CERTIFICATION

I, BRIAN L. FLONES, Secretary to the Board of Directors (the “Board”) of Wenatchee School District No. 246, Chelan County, Washington (the “District”), hereby certify as follows:

1. The foregoing Resolution No. 12-18 (the “Resolution“) is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board held at its regular meeting place on October 23, 2018, as that Resolution appears on the minute book of the District, 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 sufficient number of members of the Board present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of October, 2018.

WENATCHEE SCHOOL DISTRICT NO. 246
CHELAN COUNTY, WASHINGTON

BRIAN L. FLONES
Secretary to the Board of Directors