

## RESOLUTION NO. 2012-015

A Resolution of the Board of Commissioners of PUD No. 1 of Jefferson County, Washington ("the PUD"), approving the acquisition of all of the real and personal property of Jefferson County Water District No. 3 ("WD3"); authorizing the assumption of the operation of WD3's water distribution system; and authorizing the District Manager, James Parker, to execute all documents necessary to close that transaction.

WHEREAS, WD3 was formed in 1976 to construct a water distribution system and provide water service to customers in the area around Coyle, at the southern end of the Toandos Peninsula in Jefferson County, and now serves about 100 customers; and

WHEREAS, the Commissioners of WD3 have determined that the WD3 water system can no longer be safely and competently operated without substantial capital improvements and more efficient management; and

WHEREAS, the PUD is authorized by RCW 54.16.030 to operate water distribution systems anywhere in Jefferson County; and

WHEREAS, the PUD is authorized by RCW Chapter 57.42 to receive the property of a water district and to take over the operations of its water distribution system; and

WHEREAS, the Commissioners of WD3 have determined that it would be in the best interests of the PUD and the customers of WD3 that the WD3 water distribution system be conveyed to and hereafter operated by the PUD; and

WHEREAS, the PUD Commissioners are willing to accept the property of WD3 and to commit to operate the WD3 water system in the future upon terms set forth in an Agreement which has been negotiated between the PUD and WD3.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Public Utility District No. 1 of Jefferson County, as follows:

Section 1. The Commissioners have determined, in accordance with the procedures set forth in RCW Chapter 57.42, that it is in the public interest and conducive to the public health, welfare, and convenience, for the property of Jefferson County Water District No. 3 to be transferred to the PUD and that the PUD take over the operations of the WD3 water distribution system as a part of the PUD's system.

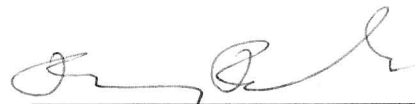
Section 2. Attached hereto as Exhibit "A" is a copy of the Agreement which has been negotiated with WD3 for the proposed transaction, which agreement is subject to certain contingencies stated in the Agreement, including the approval of the Jefferson County Superior Court, as contemplated by RCW 57.42.030. The Commissioners hereby authorize and direct the District Manager, James Parker, to execute the Agreement on behalf of the PUD and to take all

necessary steps to satisfy the contingencies in the Agreement, including the contingency for Court approval. Mr. Parker is further authorized to agree upon minor amendments to the Agreement prior to closing, as necessary to complete the transaction on terms acceptable to the PUD.

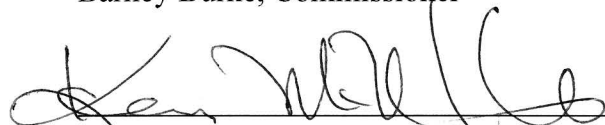
Section 3. Upon satisfaction of all contingencies, including the Court's approval of the transaction, the District Manager is authorized to sign all final closing documents necessary to close the transaction.

Section 4. The Commissioners recognize that assumption of the WD3 water distribution system will necessitate that certain repairs and capital improvements be made to that system. The Commissioners will address those capital improvements and repairs, and the means of financing them, in future Resolutions.

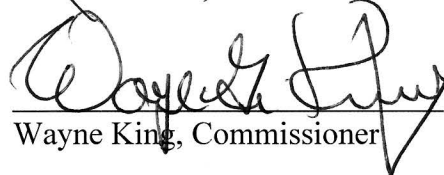
ADOPTED by the Board of Commissioners of PUD No. 1 of Jefferson County at a Regular Meeting thereof, held this 1st day of October, 2012.



Barney Burke, Commissioner



Ken McMillen, Commissioner



Wayne King, Commissioner

ATTEST:

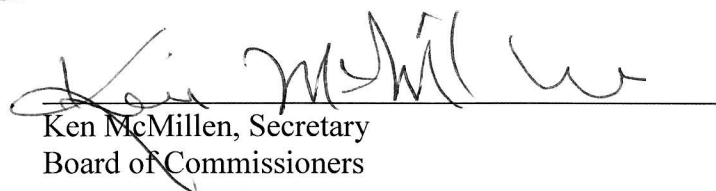


Secretary, Board of Commissioners

#### CERTIFICATION

I, Ken McMillen, Secretary of the Board of Commissioners of PUD No. 1 of Jefferson County, do hereby certify that the document attached hereto is a true and correct copy of Resolution No. 2012-015 of the said Board, duly adopted at a regular meeting thereof held on the 20th day of September, 2012.

1st day of October 2012 ~~to~~



Ken McMillen, Secretary  
Board of Commissioners