

PUBLIC HOSPITAL DISTRICT NO. 1
OKANOGAN AND DOUGLAS COUNTIES, WASHINGTON

RESOLUTION NO. 2023-03

A RESOLUTION of the Commission of Public Hospital District No. 1, Okanogan and Douglas Counties, Washington, providing for the submission to the voters of the District at a special election to be held therein on November 7, 2023, in conjunction with the state general election to be held on the same date, of a proposition authorizing the District to issue general obligation bonds in the aggregate principal amount of no more than \$72,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), for the purpose of paying or reimbursing costs of constructing, equipping, and furnishing a new hospital and related health care facilities, the principal of and interest on such bonds to be payable from annual property tax levies to be made in excess of regular property tax levies; designating the Superintendent of the District and bond counsel to receive notice of the ballot title from the Auditors of Okanogan and Douglas Counties, Washington; and providing for related matters.

ADOPTED: July 26, 2023

This document prepared by:

*FOSTER GARVEY P.C.
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

PUBLIC HOSPITAL DISTRICT NO. 1
OKANOGAN AND DOUGLAS COUNTIES, WASHINGTON

RESOLUTION NO. 2023-03

A RESOLUTION of the Commission of Public Hospital District No. 1, Okanogan and Douglas Counties, Washington, providing for the submission to the voters of the District at a special election to be held therein on November 7, 2023, in conjunction with the state general election to be held on the same date, of a proposition authorizing the District to issue general obligation bonds in the aggregate principal amount of no more than \$72,000,000 (or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness), for the purpose of paying or reimbursing costs of constructing, equipping, and furnishing a new hospital and related health care facilities, the principal of and interest on such bonds to be payable from annual property tax levies to be made in excess of regular property tax levies; designating the Superintendent of the District and bond counsel to receive notice of the ballot title from the Auditor of Okanogan and Douglas Counties, Washington; and providing for related matters.

BE IT RESOLVED BY THE COMMISSION OF PUBLIC HOSPITAL DISTRICT NO. 1, OKANOGAN AND DOUGLAS COUNTIES, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Commission (the “Commission”) of Public Hospital District No. 1, Okanogan and Douglas Counties, Washington (the “District”), hereby makes the following findings and determinations:

(a) The District is a duly incorporated public hospital district operating under and by virtue of the Constitution and the laws of the State of Washington (the “State”), doing business as Three Rivers Hospital.

(b) The existing condition of health care facilities requires that the District construct and equip a new hospital and carry out other capital improvements as deemed necessary or advisable by the Commission, all as more particularly defined and described in Section 3 herein (the “Plan”).

(c) The District lacks sufficient money with which to pay costs of the Plan.

(d) To pay costs of the Plan, the Commission hereby deems it necessary and advisable that the District issue and sell unlimited tax general obligation bonds in the principal amount of no more than \$72,000,000 (the “Bonds”), or such lesser maximum amount as may be legally issued under the laws governing the limitation of indebtedness or required to carry out and accomplish the Plan.

(e) The District is authorized pursuant to Article VII, Section 2(b) of the Washington Constitution and laws of the State (including RCW 39.36.050, 70.44.060(5)(b) and RCW 84.52.056) to submit to the District’s voters at a special election, for their approval or rejection,

the proposition of whether or not the District shall issue the Bonds to pay costs of the Plan and levy annual excess property taxes to pay and retire the Bonds.

Section 2. Public Interest. The Commission hereby finds and declares that the public interest, health, welfare, safety and convenience require that the District specify, adopt, accomplish and carry out the Plan as hereinafter provided.

Section 3. Description of the Plan. The Commission hereby finds and declares that the Plan to be paid for with proceeds of the Bonds is more particularly defined and described as follows:

(a) Construct, equip and furnish a new hospital to be located in the City of Brewster, Washington.

(b) Carry out other capital improvements, all as deemed necessary or advisable by the Commission and as permitted by law.

(c) Acquire and install all necessary equipment, fixtures, equipment and appurtenances in the foregoing, all as deemed necessary or advisable by the Commission and as permitted by law.

(d) Pay-costs incurred in connection with carrying out and accomplishing the foregoing pursuant to RCW 39.46.070. Such costs include, but are not limited to, costs related to the sale, issuance and delivery of the Bonds; payments for fiscal and legal expenses; obtaining ratings and bond insurance, if necessary; printing, advertising, establishing and funding accounts; necessary and related engineering, architectural, planning, consulting, inspection and testing costs; administrative and relocation expenses; site acquisition and improvement; demolition; on and off-site utilities; and other similar activities or purposes, all as deemed necessary or advisable by the Commission and as permitted by law.

The Commission hereby specifies and adopts the foregoing Plan. The Commission may modify details of the Plan where deemed necessary or advisable by the Commission and make additional capital improvements as it may find necessary or advisable. The Plan, or any portion or portions thereof, shall be made insofar as is practicable with available money and in such order of time as shall be deemed necessary or advisable by the Commission. The Commission shall determine the application of available money between the various parts of the Plan so as to accomplish, as near as may be, all of the Plan. The Commission shall determine the exact order, extent and specifications for the Plan. The Plan is to be more fully described in the specifications to be prepared by the District's architects and engineers and to be filed with the District. The estimated cost of carrying out the Plan specified and adopted in this Section 3 herein is declared to be, as nearly as may be, the amount of \$72,000,000.

Section 4. Authorization to Issue the Bonds.

(a) The Bonds, if approved and issued, shall be sold in such amounts and at such time or times as deemed necessary or advisable by the Commission and as permitted by law, shall bear interest at such rate or rates (not to exceed the maximum provided by law at the time the Bonds are sold) and in such manner as the Commission shall determine at the time the Bonds are sold, and shall mature in such amounts as determined by the Commission within a maximum term of

not to exceed 30 years from the date of issue, but may mature at an earlier date or dates as authorized by the Commission and as provided by law. The Bonds may be issued as a single issue, as a part of a combined issue with other authorized bonds, or in more than one series.

(b) The Bonds shall be unlimited tax general obligation bonds of the District, and unless paid from other sources, both principal thereof and interest thereon shall be payable out of annual tax levies to be made in excess of regular property tax levies upon all the taxable property within the District without limitation as to the rate or amount but only in amounts sufficient to meet the payment of principal and interest on the Bonds as they come due. The designation of the Bonds may be changed to reflect the actual date of issuance. The exact date, form, term and maturity of the Bonds shall be hereafter fixed by resolution of the Commission.

(c) Pending the issuance of the Bonds, the District may issue short-term obligations pursuant to chapter 39.50 RCW or such other obligations as are permitted by law to pay for the costs of the Plan. Such obligations may be paid or refunded with the proceeds of the Bonds.

Section 5. Intent to Reimburse. The Commission declares that to the extent, prior to the date the Bonds or other obligations are issued to finance the Plan, the District shall make capital expenditures for the Plan from money that is not (and is not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the District under its existing and reasonably foreseeable budgetary and financial circumstances to finance the Plan, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other obligations issued in an amount not to exceed the principal amount of the Bonds provided by this resolution.

Section 6. Sufficiency of Bond Proceeds; Alteration of Expenditures.

(a) The cost of the Plan shall be paid from the proceeds of the sale, issuance and delivery of the Bonds, if the proposition specified in Section 8 below is approved by the voters of the District as required by the Washington Constitution and the laws of the State. In the event the District has other legally available money or there are Bond proceeds (or interest earnings thereon) remaining after the Plan has been completed or duly provided for, the Commission retains the right to make such additional capital improvements to Three Rivers Hospital or other District health care facilities as are deemed necessary or advisable by the Commission and as permitted by law.

(b) If in the opinion of the Commission, the needs of the District change in a manner that results in a circumstance wherein any portion of the Plan is not required or feasible, the Commission retains the right not to acquire, construct and install such capital improvements and to reallocate the money originally contemplated therefore to other capital improvements deemed more necessary or advisable by the Commission, to pay principal of or interest on the Bonds, or to otherwise modify details of the Plan where deemed necessary or advisable by the Commission. In the event the proceeds of the sale of the Bonds and other legally available money are insufficient to make all the capital improvements herein provided for, the District shall use the available money for paying the costs of those improvements for which Bonds were approved and deemed necessary or advisable by the Commission.

Section 7. Calling of Election.

(a) The Auditor of Okanogan and Douglas Counties, Washington, as *ex officio* Supervisor of Elections (the “Auditor”), is requested to call and conduct a special election in the District, in the manner provided by law, to be held therein on November 7, 2023, in conjunction with the state general election to be held on the same date, for the purpose of submitting to the District’s voters, for their approval or rejection, the proposition of whether or not the District shall issue the Bonds to pay costs of the Plan and levy annual excess property taxes to pay and retire the Bonds.

(b) If such proposition is approved by the requisite number of voters, the District will be authorized to issue and sell the Bonds in the manner described in this resolution, spend the proceeds thereof to pay costs of the Plan, and levy annual excess property taxes to repay the Bonds. The money derived from the sale of the Bonds shall be used, either with or without additional money now available or hereafter available to the District, for capital purposes only, as permitted by law, which shall not include the replacement of equipment.

Section 8. Form of Ballot Title. Pursuant to RCW 29A.36.071, the Okanogan and Douglas Counties Prosecuting Attorney is requested to prepare the concise description of the aforesaid proposition for the ballot title in substantially the following form:

PROPOSITION 1

PUBLIC HOSPITAL DISTRICT NO. 1
OKANOGAN AND DOUGLAS COUNTIES WASHINGTON
(Three Rivers Hospital)

BONDS FOR NEW HOSPITAL

The Commission of Public Hospital District No. 1, Okanogan and Douglas Counties, Washington, adopted Resolution No. 2023-03 concerning a proposition for the construction of a new hospital and related health care facilities. If approved, this proposition would authorize the District to construct, equip and furnish a new hospital and carry out other capital improvements deemed necessary or advisable by the Commission; issue no more than \$72,000,000 of general obligation bonds maturing within 30 years; and levy annual excess property taxes to repay the bonds, all as provided in Resolution No. 2023-03. Should this proposition be:

Approved.....
Rejected.....

Section 9. Authorization to Delivery Resolution to Auditor and Perform Other Necessary Duties. The Superintendent of the District or her designee is authorized and directed to

(a) present a certified copy of this resolution to the Auditor no later than August 1, 2023; and
(b) perform such other duties as are necessary or required by law to submit to the District’s voters at the aforesaid special election, for their approval or rejection, the proposition of whether or not

the District shall issue the Bonds to pay costs of the Plan and levy annual excess property taxes to pay and retire the Bonds.

Section 10. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Commission hereby designates (a) the Superintendent of the District (Scott Graham, phone: (509) 689-2517; email: jgraham@trhospital.net; and (b) bond counsel, Foster Garvey, P.C. (Brad Berg, phone: (206) 447-8970; email: Brad.Berg@foster.com) as the individuals to whom the Auditor shall provide such notice. The Superintendent of the District and Chair of Commission are each authorized individually to approve changes to the ballot title, if any, deemed necessary by the Auditor or Okanogan and Douglas Counties Prosecuting Attorney.

Section 11. General Authorization and Ratification of Prior Acts. This resolution may be executed by the Commissioners being present and voting in favor of the resolution, in tangible medium, manual, facsimile or electronic form under any security procedure or platform, and notwithstanding any other District resolution, rule, policy or procedure (“electronic form”), or in any other manner evidencing its adoption. The Superintendent, the Chair, the Secretary, other appropriate officers of the District and bond counsel, Foster Garvey P.C., are each individually authorized to take such actions and to create, accept, execute, send, use and rely upon such documents, records and signatures (including in electronic form) as in their judgment may be necessary or desirable to effectuate the provisions of this resolution. All actions taken prior to the effective date of this resolution in furtherance of and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

Section 12. Severability. If any provision of this resolution shall be declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution, of the Bonds, or of the levy or collection of the taxes pledged to pay and retire the Bonds.

Section 13. Effective Date. The resolution shall be in full force and effect upon its adoption in accordance with law.

ADOPTED and APPROVED by the Commission of Public Hospital District No. 1, Okanogan and Douglas Counties, Washington, at an open public meeting thereof, this 26th day of July, 2023, the following Commissioners being present and voting:

Chair and Commissioner

Commissioner

Tracy Shadle

Commissioner

Commissioner

Lisli McNamara

Secretary and Commissioner

CERTIFICATION

I, the undersigned, Secretary of the Commission (the "Commission") of Public Hospital District No. 1, Okanogan and Douglas Counties, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 2023-03 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Commission held at the regular meeting place thereof on July 26, 2023, as that Resolution appears on the minute book of the District; and the Resolution is now in full force and effect;

2. That a quorum was present throughout the meeting through telephonic, electronic, internet, or other means of remote access, and a majority of the members of the Commission of the District so present at the meeting voted in the proper manner for the adoption of the Resolution; and

3. That all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of July, 2023.

PUBLIC HOSPITAL DISTRICT NO. 1,
OKANOGAN AND DOUGLAS COUNTIES,
WASHINGTON


Secretary of the Commission