

WEST VALLEY SCHOOL DISTRICT NO. 208
YAKIMA COUNTY, WASHINGTON

RESOLUTION NO. 23-06-757 BOND ALTERATIONS

A RESOLUTION of the Board of Directors of West Valley School District No. 208, Yakima County, Washington, finding, declaring and directing that certain state and local circumstances should cause alterations to the specific expenditures from the District's general obligation bonds and State of Washington funding assistance originally authorized in Resolution No. 18-11-680; and providing for related matters.

ADOPTED: JUNE 27, 2023

This document prepared by:

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WEST VALLEY SCHOOL DISTRICT NO. 208
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BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WEST VALLEY SCHOOL DISTRICT NO. 208, YAKIMA COUNTY, WASHINGTON, as follows:

Section 1. Findings and Determinations. The Board of Directors (the "Board") of West Valley School District No. 208, Yakima County, Washington (the "District") takes note of the following facts and makes the following findings and determinations:

(a) On November 26, 2018, the Board adopted Resolution No. 18-11-680, providing for the submission to the District's voters at a special election on February 12, 2019 (the "2019 Election"), of a ballot proposition authorizing the District to issue its general obligation bonds in the principal amount of no more than \$59,000,000 (the "Bonds") to pay costs to construct and equip new buildings to replace Apple Valley and Summitview Elementary Schools (collectively, the "Improvements"). Resolution No. 18-11-680, which was incorporated by reference in the ballot proposition, further defined the Improvements in Section 2.

(b) At the 2019 Election, the District's voters approved the Bonds, and pursuant to this authorization, the District issued, sold and delivered the Bonds using the entire voter authorization of \$59,000,000. The proceeds of the Bonds, including interest earnings thereon and any original issue premium deposited into the District's Capital Projects Fund, are collectively referred to herein as "Bond Proceeds."

(c) Section 2 of Resolution No. 18-11-680 also provided that if available funds (including Bond Proceeds) are sufficient for the Improvements, and State or local circumstances require, "the District shall acquire, construct, equip and make other capital improvements to the facilities of the District, all as the Board of Directors may determine, after holding a public hearing thereon pursuant to RCW 28A.530.020."

(d) Section 2 further provided that "[i]t is anticipated that the District will receive funds from the State of Washington pursuant to RCW 28A.525 in the estimated amount of \$11,000,000. The District intends to apply such funds to the completion of the Improvements described in Section 2. Such funds may also be applied to pay the principal of or interest on the Bonds provided for herein or to make other capital improvements to the facilities of the District as the Board may determine after holding a public hearing thereon pursuant to RCW 28A.530.020." The foregoing funds received by the District from the State of Washington are collectively referred to herein as "State Funding Assistance."

(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 [*i.e.*, bond proceeds] or of the state [funding] 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) 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 Bond Proceeds and State Funding Assistance, which is on file with the District and incorporated by this reference (the “Recommendation”).

(g) As detailed in the Recommendation, since the adoption of Resolution No. 18-11-680, the 2019 Election and the issuance of the Bonds, the following state and local circumstances have occurred related to the specific expenditures from Bond Proceeds and State Funding Assistance (collectively, “State and Local Circumstances”):

(i) The Improvements have been completed, and due to: (A) actual costs of construction of the Improvements having been significantly lower than anticipated and budgeted by the District at the time the Bonds were issued, (B) prudent and effective project and fiscal management by the District, and (C) receipt of State Funding Assistance in excess of the amount anticipated by the District when the Board adopted Resolution No. 18-11-680, the District expects to have approximately \$6,000,000 of unspent Bond Proceeds (the “Excess Bond Proceeds”) and \$13,100,000 of excess State Funding Assistance (the “Excess State Funding Assistance”).

(ii) Due to the existing condition of school facilities (including health, safety and security needs and educationally outdated infrastructure) and the requirements for educational programs, there is an immediate and ongoing need to upgrade, modernize and/or improve certain District facilities, systems and equipment, and acquire land, all of which were not originally included in the Improvements.

(iii) Debt service on the outstanding Bonds may be reduced through a legal defeasance of a portion of such Bonds, thereby achieving a savings to the District and a corresponding reduction of future excess property taxes for District taxpayers.

(h) In view of the foregoing and after research and analysis, the Recommendation proposes, after satisfaction of the public hearing requirements contained in Resolution No. 18-11-680 and RCW 28A.530.020, that the District:

(i) *Alter* the specific expenditures from Bond Proceeds and State Funding Assistance for the Improvements, all as originally authorized by Resolution No. 18-11-680, to permit the District to use Excess Bond Proceeds and Excess State Funding Assistance to pay costs of the following alterations (collectively, the “Alterations”):

(A) Replace and/or repair roofs at Cottonwood, Wide Hollow and Mountainview Elementary Schools, all as determined necessary and advisable by the Board;

(B) Upgrade, modernize and/or improve heating, ventilation and air conditioning systems and equipment at Cottonwood and Wide Hollow Elementary Schools, all as determined necessary and advisable by the Board;

(C) Upgrade, modernize, expand and/or improve the parking lot and water well and emergency generator at Mountainview Elementary School, all as determined necessary and advisable by the Board;

(D) Make capital improvements at West Valley Mid-Level Campus, including, but not limited to: (1) upgrade, modernize and/or improve water piping, auditorium storage, seating and accessibility, gymnasium bleachers and heating, ventilation and air conditioning systems and equipment; and (2) make other capital improvements, all as determined necessary and advisable by the Board;

(E) Upgrade, modernize and/or improve field, bleachers, press box, track and other athletic fields and facilities at West Valley High School and Innovation Center, all as determined necessary and advisable by the Board;

(F) Upgrade, modernize and/or improve single use restrooms throughout existing schools and facilities, all as determined necessary and advisable by the Board;

(G) Acquire land and interests in land as sites for new and expanded facilities of the District, all as determined necessary and advisable by the Board (the term "land" as used herein includes all real property and improvements and other structures thereon and all interests therein);

(H) Make other health, safety, security, technology and infrastructure improvements throughout existing schools and facilities, all as determined necessary and advisable by the Board; and

(I) Pay principal of and interest on (*i.e.*, legally defease) a portion of the outstanding Bonds, all as determined necessary and advisable by the Board; and

(ii) *Adopt a new resolution* that amends Resolution No. 18-11-680 to incorporate the Alterations.

(i) Pursuant to Resolution No. 18-11-680 and RCW 28A.530.020(2), the Board determined by Resolution No. 23-05-755, adopted by the Board on May 23, 2023, to: (i) after providing adequate public notice, conduct a public hearing on June 20, 2023 (the "Public Hearing") to consider whether the State and Local Circumstances should cause the District to carry out the Alterations; and (ii) take under advisement any such testimony concerning whether the Board should, at a future public meeting of the Board, adopt a new resolution that amends Resolution No. 18-11-680 to incorporate the Alterations, in such manner as shall be found appropriate, taking into account the State and Local Circumstances and any public testimony presented at the Public Hearing.

(j) Notice of the Public Hearing was given by advance publication in the *Yakima Herald-Republic*, a newspaper of general circulation within the District.

(k) The Public Hearing was held on June 20, 2023, wherein the District's Superintendent (i) described the State and Local Circumstances and the Alterations and (ii) introduced into the record the Recommendation and certain exhibits. Further, the public was given the opportunity to speak, and all who wished to speak were heard.

(l) In addition to the Recommendation, the exhibits and other evidence received at the Public Hearing, the Board has also considered the following objectives with respect to the Alterations: (i) addressing urgent and necessary improvements to school facilities; (ii) improving the quality of the educational programs offered by the District; (iii) achieving efficiency in the construction, maintenance and operation of District facilities; (iv) promoting the best interest of the District, its students and taxpayers, and the community; and (v) such other criteria as the Board may determine appropriate.

Section 2. Alterations Approved and Ordered. After due consideration, and being fully informed and advised, the Board finds and declares that it is in the best interest of the District, its students and taxpayers, and the community, that the specific expenditures from the Bond Proceeds and State Funding Assistance originally authorized by Resolution No. 18-11-680 should be and they are hereby altered to permit the District to use the Excess Bond Proceeds and Excess State Funding Assistance to carry out and accomplish the Alterations as defined herein.

It is hereby ORDERED that Resolution No. 18-11-680 is amended to incorporate the Alterations into the Improvements. Except as so amended, Resolution No. 18-11-680 shall remain in full force and effect.

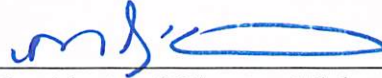
Section 3. Execution; General Authorization and Ratification. This resolution may be executed by the Directors being present and voting in favor of the resolution, or only the President of the Board (the "President"), and attested by the Secretary to the Board (the "Secretary"), in tangible medium, manual, facsimile or electronic form under any security procedure or platform, and notwithstanding any other District resolution, rule, policy or procedure, or in any other manner evidencing its adoption. The Secretary, the President, the District's Assistant Superintendent of Business Operations, other appropriate officers of the District and the District's special counsel, Foster Garvey P.C., are severally authorized and directed to take such actions and to create, accept, execute, send, use and rely upon such tangible medium, manual, facsimile or electronic documents, records and signatures under any security procedure or platform, and notwithstanding any other District resolution, rule, policy or procedure, 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 thereof and not inconsistent with the provisions of this resolution are ratified and confirmed in all respects.

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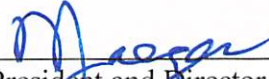
Section 4. Effective Date. This resolution takes effect from and after its adoption.

ADOPTED by the Board of Directors of West Valley School District No. 208, Yakima County, Washington, at a regular open public meeting held this 27th day of June, 2023.

WEST VALLEY SCHOOL DISTRICT NO. 208
YAKIMA COUNTY, WASHINGTON



President and Director, Michael Thorner



Vice President and Director, Dave Jaeger



Director, Mike Meyer



Director, Mark Mochel



Director, Mark Strong

ATTEST:



DR. PETER FINCH
Secretary to the Board of Directors

CERTIFICATION

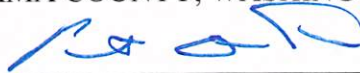
I, DR. PETER FINCH, Secretary to the Board of Directors (the "Board") of West Valley School District No. 208, Yakima County, Washington (the "District"), hereby certify as follows:

1. The foregoing Resolution No. 23-06-757 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Board of Directors of the District (the "Board") held at the regular meeting place on June 27, 2023 (the "Meeting"), as that Resolution appears in the records of the District, and the Resolution is now in full force and effect; and

2. The Meeting was duly convened, held and included an opportunity for public comment, in all respects in accordance with law, 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 27th day of June, 2023.

WEST VALLEY SCHOOL DISTRICT NO. 208
YAKIMA COUNTY, WASHINGTON



DR. PETER FINCH
Secretary to the Board of Director