

## **RESOLUTION 2022-A**

### **A RESOLUTION OF THE TOWN OF EATONVILLE, WASHINGTON, REPEALING RESOLUTION 2021-LL AND ADOPTING NEW TERMS FOR AN INTERFUND LOAN BETWEEN THE WATER FUND AND ELECTRIC FUND**

**WHEREAS**, on November 22, 2021 the Town Council approved Resolution 2021-LL established terms for an interfund payback plan for an interfund loan between the water fund and the electric fund; and

**WHEREAS**, the Finance/Legislative Committee recommends that additional one-time transfers of funds from the water fund to the electric fund be made, lowering the balance owed on the interfund loan; and

**WHEREAS**, the Finance/Legislative Committee recommends, because of the additional one-time transfers, the reduction of the length of the interfund loan; and

**WHEREAS**, the Finance/Legislative Committee has calculated the average interest rate of the Local Government Investment Pool from June 2011 through August 2021 and recommends an interfund loan interest rate that is more reflective of the actual interest lost by the electrical fund as the result of the accounting error; and

**WHEREAS**, the Finance/Legislative Committee has provided a loan amortization schedule related to this resolution, attached hereto as Exhibit A; now, therefore

### **THE TOWN COUNCIL OF THE TOWN OF EATONVILLE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The Town Council hereby repeals Resolution 2021-LL.

**Section 2.** The Town Council hereby approves a one-time \$310,000 transfer from the Water Fund to the Electric Reserve Fund.

**Section 3.** The Town Council hereby approves a one-time \$290,000 transfer from the Water Capital Fund to the Electric Reserve Fund.

**Section 4.** The Town Council hereby approves a one-time \$47,000 transfer from the Water Reserve Fund to the Electric Reserve Fund, resulting in a Water Reserve Fund balance that satisfies the enterprise reserve fund minimum balance requirements outlined in the Financial Policies adopted by Resolution 2021-JJ.

**Section 5.** The Town Council hereby acknowledges, after the transfers noted in Sections 2, 3, and 4 of this resolution, a revised repayment balance of \$553,596.32.

**Section 6.** The Town Council hereby approves a repayment term of 6 years.

**Section 7.** The Town Council hereby approves an annual interest rate of 0.6789%.

**Section 8.** The Town Council hereby approves semiannual interfund loan payments of \$47,157.24 from the Water Fund to the Electric Reserve Fund every June and December, beginning June 2022 and ending on or before December 2027.

**PASSED** by the Council of the Town of Eatonville and attested by the Town Clerk in authentication of such passage this 10<sup>th</sup> day of January 2022.

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David Baublits, Mayor

ATTEST:

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Miranda Doll, Town Clerk

**Amortization Schedule**  
**\$553,596.32 at 0.6789% interest**  
**with 12 semi-annual payments**  
**Total Payments: \$565,886.89**  
**Total Interest: \$12,290.57**

#	Payment Amount	Principal Amount	Interest Amount	Balance Owed
1	47,157.24	45,278.06	1,879.18	508,318.26
2	47,157.24	45,431.75	1,725.49	462,886.51
#	Payment	Principal	Interest	Balance
3	47,157.24	45,585.97	1,571.27	417,300.54
4	47,157.24	45,740.71	1,416.53	371,559.83
#	Payment	Principal	Interest	Balance
5	47,157.24	45,895.98	1,261.26	325,663.85
6	47,157.24	46,051.77	1,105.47	279,612.08
#	Payment	Principal	Interest	Balance
7	47,157.24	46,208.10	949.14	233,403.98
8	47,157.24	46,364.95	792.29	187,039.03
#	Payment	Principal	Interest	Balance
9	47,157.24	46,522.34	634.90	140,516.69
10	47,157.24	46,680.26	476.98	93,836.43
#	Payment	Principal	Interest	Balance
11	47,157.24	46,838.71	318.53	46,997.72
12	47,157.25	46,997.72	159.53	0.00