

RESOLUTION NO. 650

CITY OF LACEY, WASHINGTON
WATER AND SEWER UTILITY REVENUE BONDS, 1989
\$3,300,000

A RESOLUTION approving an official statement; accepting a proposal for the purchase of water and sewer utility revenue bonds of the City in the principal amount of \$3,300,000; and fixing the interest rates on such bonds.

WHEREAS, the City of Lacey, Washington, by Ordinance No. 863 (the "Bond Ordinance"), passed September 28, 1989, authorized the sale and issuance of water and sewer utility revenue bonds in the principal amount of \$3,300,000 to provide funds to pay part of the costs of the improvements specified by the Bond Ordinance and directed the Finance Director to obtain proposals for purchase of said bonds; and

WHEREAS, a proposal of Merrill Lynch Capital Mkts., of Los Angeles, California, to purchase the Bonds is the best proposal received, and it is in the best interest of the City that the Bonds be sold to such firm on the terms set forth in their proposal and as provided in the Bond Ordinance and this resolution; NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, as follows:

Section 1. The defined terms used in this resolution have the meanings set forth in the Bond Ordinance.

Section 2. The official statement prepared for the sale of the Bonds authorized by the Bond Ordinance is hereby approved and the Finance Director is hereby authorized to execute said official statement on behalf of the City.

Section 3. The proposal of Merrill Lynch Capital Mkts. to purchase the Water and Sewer Utility Revenue Bonds, 1989 of the City as set forth in the proposal attached hereto as Exhibit A is hereby accepted, and the interest rates on said bonds shall be as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>
1991	\$ 90,000	8.00%
1992	95,000	8.00
1993	105,000	8.00
1994	110,000	8.00
1995	115,000	8.00
1996	125,000	8.00
1997	130,000	8.00
1998	140,000	8.00
1999	150,000	6.80
2000	160,000	6.90
2001	175,000	7.00
2002	185,000	7.00
2003	200,000	7.10
2004	210,000	7.10
2005	225,000	7.10
2006	245,000	7.20
2007	260,000	7.20
2008	280,000	6.25
2009	300,000	6.00

Section 4. Accrued interest on the Bonds shall be deposited in the "1977 City of Lacey Water and Sewer Revenue Bond Fund" and applied to payment of the interest coming due on the Bonds on June 1, 1990.

The principal proceeds of the Bonds shall be deposited in the Construction Fund and used for paying part of the costs of


improvements ordered by the Bond Ordinance and for paying expenses incidental thereto and to the issuance of the Bonds.

ADOPTED by the City Council at a regular open public meeting on October 12, 1989.



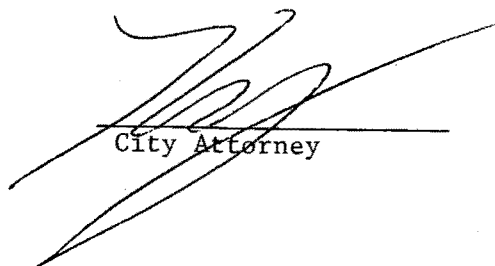
MAYOR

ATTEST:



City Clerk

APPROVED AS TO FORM



City Attorney

OFFICIAL BID FORM

October 12, 1989

\$3,300,000
CITY OF LACEY, WASHINGTON
WATER AND SEWER UTILITY REVENUE BONDS, 1989

Blaine Martin
Finance Director
City of Lacey
Lacey, Washington

For \$3,300,000 par value Water and Sewer Utility Revenue Bonds, 1989 (the "1989 Bonds") of the City of Lacey dated November 1, 1989, as described in the official Notice of Bond Sale, which is hereby made a part of this bid, and for all of the 1989 Bonds, with interest rates per annum on the bonds maturing December 1 as indicated below,

Year	Amount	Rate	Year	Amount	Rate
1991	\$ 90,000	<u>2.00%</u>	2000	\$160,000	<u>6.90%</u>
1992	\$ 95,000	<u>8.00</u>	2001	\$175,000	<u>7.00</u>
1993	\$105,000	<u>8.00</u>	2002	\$185,000	<u>7.00</u>
1994	\$110,000	<u>8.00</u>	2003	\$200,000	<u>7.10</u>
1995	\$115,000	<u>8.00</u>	2004	\$210,000	<u>7.10</u>
1996	\$125,000	<u>8.00</u>	2005	\$225,000	<u>7.10</u>
1997	\$130,000	<u>8.00</u>	2006	\$245,000	<u>7.20</u>
1998	\$140,000	<u>8.00</u>	2007	\$260,000	<u>7.20</u>
1999	\$150,000	<u>6.80</u>	2008	\$280,000	<u>6.25</u>
			2009	\$300,000	<u>6.00</u>

we offer to pay the sum of \$ 3,250,640.15, together with accrued interest, if any, to the date of delivery.

In accordance with the terms of the Notice of Bond Sale, there is enclosed herewith a certified or bank cashier's check for \$75,000.00 payable to the order of the Treasurer of the City of Lacey, Washington. The proceeds of said check are to be applied in accordance with the terms of the Notice of Bond Sale if said 1989 Bonds are awarded to us or said check is to be returned to us if the 1989 Bonds are not awarded to us.

Information Only

Total interest cost
\$ 2,999,862.08

Less premium, if any,
\$ _____

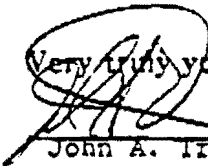
Plus discount, if any,
\$ 49,359.85

Net interest cost
\$ 3,039,221.93

Net interest rate
7.058929 %

Return of the good faith deposit
check in the amount of \$75,000.00
is hereby acknowledged:

Very truly yours,


John A. Iresch, Vice President & Regional
For: MERRILL LYNCH CAPITAL MKTS. Manager
400 So. Hope Street, 19th Floor
Los Angeles, CA 90071-9737