

RESOLUTION NO. 23-1068

A RESOLUTION ESTABLISHING AN INTERFUND LOAN
FROM THE SEWER FUND (F405) TO THE WATER FUND (F401) FOR
THE CITY OF LYNDEN, WASHINGTON

WHEREAS, the City of Lynden after considering the operational needs of the City's Water Fund seeks to improve the Water Fund's cash balance to maintain a safe operational minimum; and

WHEREAS, this operational cash balance will require the City to transfer cash from another fund; and

WHEREAS, Resolution No. 23-1068 puts forth the details of an interfund loan to achieve the transfer;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lynden, Washington the following proposed establishment of an interfund loan to fund ongoing Water operations:

Section A: That an amount not to exceed the sum of \$800,000 is hereby available to be transferred from the City's Sewer Fund (F405) to the Water Fund (F401) as a three-year capital interfund loan, to be transferred this year when needed.

Section B: The borrowing fund shall make interest only payments to the lending fund at a simple interest rate that is based at the time the loan is originated on the one-year U.S. Treasury rate combined with a one percent premium. The intention is to make the interest only payments for the three-year duration of the interfund loan, then when the Water Fund is reimbursed the money for the Fire Station remodel it will in turn pay in full this interfund loan from Fund 405.

Section C: BE IT FURTHER RESOLVED that any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar as they conflict with the provisions of this resolution.

Section D: If any section, subsection, sentence, clause or phrase of this resolution is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this resolution. The Council hereby declares that it would have passed this code and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact than any one or more sections, subsections, sentences, clauses or phrases has been declared invalid or unconstitutional, and if, for any reason, this resolution should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

Section E: This resolution shall take effect and be in force from and after its passage by the Council and after its approval by the Mayor, if approved, otherwise, as provided by law and five (5) days after the date of its publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LYNDEN, WASHINGTON, BY AN AFFIRMATIVE VOTE, ____ IN FAVOR ____ AGAINST AND SIGNED BY THE MAYOR THIS ____ DAY OF MAY 2023.

Scott Korthuis
Mayor

ATTEST:

Pam Brown
City Clerk

APPROVED AS TO FORM:

Robert Carmichael
City Attorney