

**WEST SOUND UTILITY DISTRICT
RESOLUTION 524-14**

**A RESOLUTION OF THE
WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS
RESTRUCTURING THE DISTRICT'S FUNDS
AND REPEALING DISTRICT RESOLUTION 327-11**

WHEREAS, the West Sound Utility District Board of Commissioners adopted Resolution 327-11 on November 21, 2011, which restructured the District's funds; and

WHEREAS, the newly-formatted 2015-16 Biennial Budget has been presented to the Board of Commissioners for adoption resulting in the need to modify existing funds and establish new funds; **NOW, THEREFORE**,

THE WEST SOUND UTILITY DISTRICT BOARD OF COMMISSIONERS HEREBY RESOLVES:

Section 1. Resolution 327-11 shall be repealed effective January 1, 2015.

Section 2. The Board of Commissioners hereby approves the creation of the following funds that will be used in the operation and management of the District's financial systems:

Fund

- 91924 - Water/Sewer Revenue Bonds Fund
- 91925 - Wastewater Operating Fund
- 91926 - Water Operating Fund
- 91927 - Information Technology Fund
- 91928 - Joint Wastewater Treatment Plant (SKWRF) Operating Fund
- 91929 - Facilities Construction Fee Fund
- 91930 - Water Capital Improvement Fund
- 91931 - Joint Wastewater Treatment Plant (SKWRF) Capital Improvement Fund
- 91932 - Joint Wastewater Treatment Plant (SKWRF) Equipment Repair & Replacement Fund
- 91933 - Wastewater Capital Improvement Fund
- 91934 - Water/Wastewater Equipment Repair & Replacement Fund
- 89751 - Bond Reserve Fund
- 89752 - Phillips Road Utility Local Improvement District Construction Fund (pending formal final approval of the formation of the ULID by the Board of Commissioners)

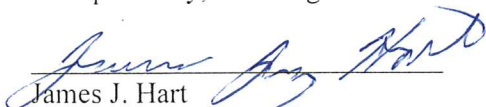
Section 3. The funds established under Section 2 of this Resolution shall have the following purposes:

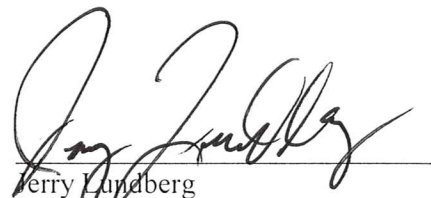
- A. Fund 91924 is a debt service fund which is established for the accumulation of resources of principal and interest for various revenue bonds and utility local improvement district bonds.
- B. Fund 91925 is an enterprise fund which is established to account for and fund the operational expenses for the District's wastewater utility.
- C. Fund 91926 is an enterprise fund which is established to account for and fund the operational expenses for the District's water utility.

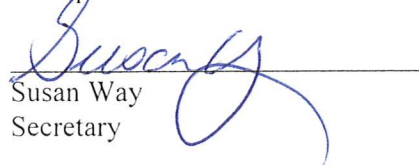
- D. Fund 91927 is an internal service fund which is established to account for and finance information technology services for the District and other entities.
- E. Fund 91928 is an enterprise fund which is established to account for and fund operational expenses for the Joint Wastewater Treatment Facility.
- F. Fund 91929 is a fiduciary fund which is established to account for the collection of system development charges that are reserved for use for Joint Wastewater Treatment Facility.
- G. Fund 91930 is a capital asset fund which is established to account for and fund the District's water utility capital improvement projects.
- H. Fund 91931 is a capital asset fund which is established to account for and fund capital improvement project for Joint Wastewater Treatment Facility.
- I. Fund 91932 is an internal service fund which is established to account for and finance the repair and replacement of Joint Wastewater Treatment Facility vehicles and ancillary equipment.
- J. Fund 91933 is a capital asset fund which is established to account for and fund the District's wastewater system capital improvement projects.
- K. Fund 91934 is an internal service fund which is established to account for and finance the repair and replacement of the District's water utility and wastewater utility vehicles and ancillary equipment.
- L. Fund 89751 is a reserve fund which is established to account for and maintain minimum fund balances as a reserve and guaranty to meet the legal requirements of the District's issued revenue bonds and utility local improvement district(s) bonds.
- M. Fund 89752 is a capital asset fund which is established to account for and fund the Phillips Road Utility Local Improvement District (the creation of this fund is pending final approval of the formation of the ULID by the Board of Commissioners).

APPROVED and ADOPTED by the Board of Commissioners of West Sound Utility District at a regular scheduled meeting on October 20, 2014.

WEST SOUND UTILITY DISTRICT
Kitsap County, Washington


James J. Hart
Chairperson


Jerry Lundberg
Vice Chairperson


Susan Way
Secretary