

**BOARD OF COUNTY COMMISSIONERS  
Grant County, Washington**

**RESOLUTION AUTHORIZING  
EXECUTION OF ADDENDUM TO  
INTERLOCAL INVESTMENT  
SERVICES AGREEMENT BETWEEN  
GRANT COUNTY AND THE CITY OF  
QUINCY FOR THE CITY'S  
INVESTMENT IN GRANT COUNTY  
HOSPITAL DISTRICT #2 REGISTERED  
WARRANTS**

**RESOLUTION No. 17-111-CC**

**WHEREAS**, Chapter 39.34 RCW, the Interlocal Cooperation Act, permits local governmental entities to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage, for the purposes of providing services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

**WHEREAS**, Grant County, Washington, a political subdivision of the State of Washington by and through its Board of County Commissioners (the "County"), and the City of Quincy, a Washington municipal corporation (the "City"), are vested with authority to enter into an interlocal agreement pursuant to chapter 39.34 RCW; and

**WHEREAS**, the County and City previously entered into an Interlocal Investment Services Agreement (the "Investment Agreement") for the City to invest funds with the County, through the Grant County Treasurer, operating the Grant County Local Investment Pool (the "Local Investment Pool"); and

**WHEREAS**, The Grant County Hospital District No. 2 (the "Hospital District") is a Washington Public Hospital District formed and operating under RCW 70.44, whose funds are received and deposited with the County, through the County Treasurer, acting as the treasurer of the Hospital District under RCW 70.44.171. As the treasurer of the Hospital District, the County Treasurer is the public officer that issues Hospital Warrants; and

**WHEREAS**, The County holds registered warrants of the Hospital District (the "Hospital Warrants") in the approximate amount of \$4,621,000, representing approximately seven (7) months' of expenditures of the Hospital District (the "Current Hospital Warren Amounts"). This means the County is advancing County funds for the Hospital District's benefit; and

**WHEREAS**, the County is unwilling to advance funds for Hospital Warrants above the Current Hospital Warrant Amounts without the City's proposed investment and the Hospital District revising its operating structure; and

**WHEREAS**, the City is authorized to invest in Hospital Warrants under RCW 39.59.040, and is willing to invest in Hospital Warrants under an Addendum to Interlocal Investment Services Agreement and the Hospital District's agreement;

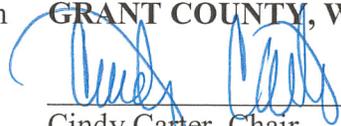
**NOW, THEREFORE, BE IT RESOLVED**, that the attached Addendum to Interlocal Investment Services Agreement be executed between Grant County and the City of Quincy.

**PASSED AND ADOPTED** this 26<sup>th</sup> day of December, 2017.

**BOARD OF COUNTY  
COMMISSIONERS  
GRANT COUNTY, WASHINGTON**

Yea    Nay    Abstain

  
\_\_\_\_\_  
Cindy Carter, Chair

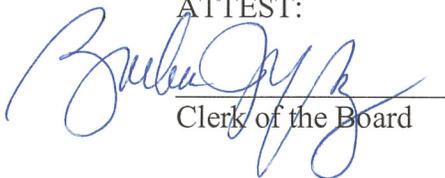
      

  
\_\_\_\_\_  
Richard Stevens, Vice-Chair

  
\_\_\_\_\_  
Tom Taylor, Member

ATTEST:

  
\_\_\_\_\_  
Clerk of the Board

**ADDENDUM  
TO  
INTERLOCAL INVESTMENT SERVICES AGREEMENT**

THIS ADDENDUM is made by the City of Quincy, a Washington municipal corporation (the "City") and Grant County, a political subdivision of the State of Washington (the "County").

**RECITALS**

A. The Parties entered into an Interlocal Investment Services Agreement (the "Investment Agreement") for the City to invest funds with the County, through the Grant County Treasurer, operating the Grant County Local Investment Pool (the "Local Investment Pool");

B. The Grant County Hospital District No. 2 (the "Hospital District") is a Washington Public Hospital District formed and operating under RCW 70.44, whose funds are received and deposited with the County, through the County Treasurer, acting as the treasurer of the Hospital District under RCW 70.44.171. As the treasurer of the Hospital District, the County Treasurer is the public officer that issues Hospital Warrants, described below;

C. The County holds registered warrants of the Hospital District (the "Hospital Warrants") in the approximate amount of \$4,621,000, representing approximately 7 months' of expenditures of the Hospital District (the "Current Hospital Warrant Amounts"). This means the County is advancing County funds for the Hospital District's benefit;

WHEREAS, the County is unwilling to advance funds for Hospital Warrants above the Current Hospital Warrant Amounts without the City's proposed investment and the Hospital District revising its operating structure; and

WHEREAS, the City is authorized to invest in Hospital Warrants under RCW 39.59.040, and is willing to invest in Hospital Warrants under this Agreement and the Hospital District's agreement.

**AGREEMENTS**

1. City's investment in Hospital Warrants. The City will invest \$1,000,000 with the County for a share of the Hospital Warrants.
2. Resulting Share of Hospital Warrants. With the City's investment the parties' respective initial share of Hospital Warrants is:

Party	Investment Cap	Share
County	\$ 4,000,000	80.00%
City	\$ 1,000,000	20.00%
Total	\$ 5,000,000	100.00%

3. Treasurer to fix interest rate. The County's Treasurer will fix the interest rate on Hospital Warrants under RCW 39.56.030. The current annual rate of interest on Hospital Warrants is 3.5%.
4. Issuing Hospital Warrants after this Addendum. The Parties' total investment in Hospital Warrants set out in section 2 represents a "cap" on Hospital Warrants. As indicated in section 6, the County Commissioners may reduce the cap on Hospital Warrants. The County Treasurer will not issue any Hospital Warrants where the total of outstanding Hospital Warrants exceeds the then-current cap on Hospital Warrants, without the City's written authorization.

5. Payment of Interest on Hospital Warrants. The County will pay interest on the City's investment monthly. The payment will be to the City's account under the Local Government Pool, unless the City otherwise requests.
6. Payments of Investment Principal. The Parties expect the total amount of Hospital Warrants will be reduced over time. The County Commissioners will reduce the cap on the total Hospital Warrants from time-to-time, upon recommendation from the County Finance Committee (consisting of a County Commissioner, the County Auditor and the County Treasurer). The County Treasurer will pay the City an amount equal to the reduction in the cap on Hospital Warrants, multiplied by the City's respective share in section 2. The payment will be to the City's account under the Local Investment Pool, unless the City otherwise requests.
7. City's Account. The City's investment in Hospital Warrants will be accounted for separately from the City's investment in the Local Investment Pool.
8. Communication. The City may attend meetings of the County Finance Committee to discuss the Parties' investment in Hospital Warrants. The County Treasurer will advise the City if the County Finance Committee will be considering a recommendation to the County Commissioners to reduce the cap on Hospital Warrants.
9. Status of Agreement. The agreement between the parties regarding the City's investment in Hospital Warrants consists of the Investment Agreement, as amended by this Addendum. Any inconsistencies between the Investment Agreement and this Addendum are intentional and the terms of this Addendum shall control.

CITY OF QUINCY

By Jim Hemberry  
Jim Hemberry, Mayor

ATTEST:

Nancy S. Schanze  
Nancy Schanze, Finance Director / Clerk

GRANT COUNTY BOARD OF COMMISSIONERS:

Signed 12-26-17

By Cindy Carter  
Cindy Carter, Chair

By Richard Stevens  
Richard Stevens, Vice Chair

By Tom Taylor  
Tom Taylor, Member

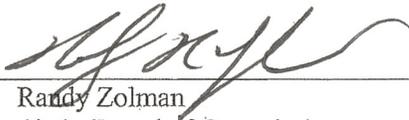
ATTEST:

Brian G. [Signature]  
Clerk of the Board

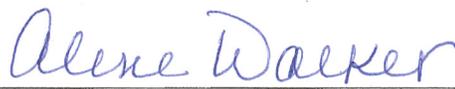
ACKNOWLEDGEMENT AND AGREEMENT

The Hospital District has reviewed and approves this Agreement.

GRANT COUNTY HOSPITAL DISTRICT NO. 2

By   
Randy Zolman  
Chair, Board of Commissioners

ATTEST

By   
Alene Walker  
Clerk of the Board of Commissioners