

**INTERLOCAL AGREEMENT AUTHORIZING AN INTERAGENCY LOAN FROM
SAN JUAN COUNTY TO THE SAN JUAN COUNTY PUBLIC HOSPITAL DISTRICT
#2 (LOPEZ ISLAND) IN THE AMOUNT OF \$200,000**

BACKGROUND

1. This Agreement is made and entered into at Friday Harbor, Washington, between San Juan County and the San Juan County Public Hospital District #2 (dba Lopez Island Hospital District) pursuant to RCW 39.34.080.
2. The Lopez Island Hospital District is in its first year of operation. The Board of Commissioners has authorized for tax year 2018 a levy in the amount of \$.75 per \$1,000 of assessed valuation. The levy is estimated to generate about \$790,000.
3. Prior to receiving tax revenue, Lopez Island Hospital District is anticipating a cash shortfall of less than \$200,000.
4. The San Juan County Finance Committee met on July 5, 2017, and recommended approval by Council of a fifteen-month, \$200,000 loan to the San Juan County Public Hospital District #2.
5. The San Juan County Public Hospital District #2 desires to accept the loan on the terms described by San Juan County.

NOW THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

- a. A loan from the San Juan County Current Expense Fund (Fund 0001) to the San Juan County Public Hospital District #2 will be made by San Juan County in the amount of \$200,000, with the loan proceeds being transferred on or about August 1, 2017.
- b. Interest shall be assessed monthly on the average outstanding balance of the loan, at the average rate of the Local Government Investment Pool for the assessment period plus 75 basis points (.75%).
- c. San Juan County Public Hospital District #2 shall repay one-half (\$100,000) of the loan principal, plus all accrued interest to date, by April 30, 2018.
- d. San Juan County Public Hospital District #2 shall repay the balance of the loan principal (\$100,000), plus all remaining interest, by October 31, 2018.
- e. In the case of default by San Juan County Public Hospital District #2, the San Juan County Treasurer is authorized to take the funds still owing from the tax receipts of the hospital district.

- f. No separate legal or administrative entity is created by this Agreement and any real or personal property acquired is the sole and separate property of the acquiring agency. This Agreement will be administered by the San Juan County Auditor.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of this 25TH day of JULY, 2017.

**SAN JUAN COUNTY
PUBLIC HOSPITAL DISTRICT #2
BOARD OF COMMISSIONERS**

EXCUSED
Iris Graville, President and Commissioner

Albert Berger
Albert Berger, Commissioner

Christa Campbell
Christa Campbell, Commissioner

EXCUSED
James Orcutt, Commissioner

Rebecca Presley
Rebecca Presley, Commissioner

**SAN JUAN COUNTY
COUNTY COUNCIL**

Rick Hughes
Rick Hughes, Chair, District 2

EXCUSED
Bill Watson, Vice-Chair, District 1

Jamie Stephens
Jamie Stephens, District 3

APPROVED AS TO FORM ONLY
RANDALL K. GAYLORD

By: [Signature]
Date: 7/25/17