CITY OF KENT, WASHINGTON
ORDINANCE NO. 1488

AN ORDINANCE specifying and adopting a system or plan for making additions to and betterments and extensions of the water supply and distribution system of the City of Kent, Washington; declaring the estimated cost thereof as nearly as may be; providing for the issuance and sale of not to exceed $250,000.00 par value of water revenue bonds for the purpose of obtaining the funds to pay the cost of carrying out said system or plan; creating a special construction fund; and providing for the issuance and sale of interest bearing warrants pending the sale of the water revenue bonds; and declaring an emergency.

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DO ORDAIN as follows:

Section 1. It is hereby found and declared that the public health and welfare require and it is in the best interests of the inhabitants of the City of Kent, Washington, that certain water system improvements be undertaken including the north water supply main extension, a Military Road water main, exploratory test drilling work, and the preparation of a Comprehensive Water Plan Report, and the City of Kent, therefore, hereby specifies and adopts a system or plan for making additions to and betterments and extensions of the existing water supply and distribution system of the City to consist of the following:

1. There shall be constructed and installed the north water supply main extension consisting of an extension to the City's 16 inch water transmission main on the East Valley Highway from South 192nd Street to South 180th Street.
2. There shall be constructed and installed the following Military Road water main consisting of an 8 inch line at the following locations:

<table>
<thead>
<tr>
<th>On</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Road</td>
<td>South 251st St.</td>
<td>South 264th St.</td>
</tr>
<tr>
<td>South 264th St.</td>
<td>Military Road</td>
<td>33rd Avenue So.</td>
</tr>
</tbody>
</table>

3. Exploratory test drilling work shall be undertaken at the City's well site on Icy Creek described as the North 1/2 of Government Lot 3, in Section 20, Township 21 North, Range 7 East W.M., King County, Washington.

4. A Comprehensive Water Plan Report shall be prepared consisting of Phase I covering in general the population and water usage projections and study and recommendations regarding the location and type of water sources available to the City, and Phase II covering the transmission, storage, service levels, specific economic recommendations, and complete comprehensive water plan for the City.

There shall be included in the foregoing the acquisition and installation of all necessary valves, fittings, and other necessary appurtenances and the acquisition of such property and easements as may be required.

The City Council may modify the details of the foregoing system or plan of additions and betterments, such as to make reasonable modifications in the size and location of water mains and in any other details of said system or plan where, in the judgment of the City Council, it appears advisable, provided such modifications do not substantially alter the purposes hereinbefore set forth.

Section 2. The life of the additions, betterments and extensions set forth in Section 1 of this ordinance is hereby declared to be at least thirty years.
Section 3. The estimated cost of the acquisition, construction and installation of the above described additions to and betterments and extensions of the water supply and distribution system of the City is hereby declared to be, as near as may be, the sum of $250,000.00.

Section 4. The cost of acquiring, constructing, and making the foregoing additions to and betterments and extensions of the water supply and distribution system of the City shall be paid from the proceeds received from the issuance and sale of water revenue bonds of the City in an amount not to exceed $250,000.00.

Section 5. The gross revenues and benefits to be derived from the operation and maintenance of the water supply and distribution system of the City will, in the judgment of the City Council, be more than sufficient to meet the cost of operation and maintenance thereof and to permit the setting aside into a special bond redemption fund out of the gross revenues of the water supply and distribution system of the City of sufficient amounts to pay the interest on the water revenue bonds herein authorized to be issued and on the presently outstanding "Water Revenue Bonds, 1963, Issue No. 1," "Water Revenue Bonds, 1963, Issue No. 2," and "Water Revenue Bonds, 1964," and the water revenue bonds authorized to be issued by Ordinances Nos. 1300 and 1408, when issued, as such interest becomes due and payable to pay and redeem all of said bonds at maturity.

Section 6. The water revenue bonds herein authorized to be issued shall be issued in one or more series at such times as the City Council shall deem advisable and may be combined with the not to exceed $35,000.00 par value of water revenue bonds authorized to be issued by the City by Ordinance No. 1300, passed by the City Council and approved by the Mayor on June 7, 1966, and with the not to exceed $1,200,000.00 par value of water revenue bonds authorized to be issued by the City by Ordinance No. 1408, passed by the City Council and approved by the
Mayor on November 7, 1966, none of which bonds has heretofore been issued. The water revenue bonds shall bear interest at an effective rate not to exceed 6% per annum, payable semiannually, and shall be numbered from "1" upwards, consecutively, within each series as issued. The bonds shall be issued in such series; shall bear such designation; shall be in such denominations and form; shall be payable at such place or places; shall mature serially in accordance with such schedule, beginning not earlier than one year after the date of issuance and ending not later than thirty years thereafter or shall be term bonds; shall have such option of payment prior to maturity; shall guarantee such coverage and collection of rates; shall provide for such additional funds and accounts and shall contain and be subject to such provisions and covenants as shall hereafter be provided by ordinance. The bonds shall be sold in such manner and at such times as the City Council shall determine to be in the best interests of the City.

Section 7. If the conditions required to be met for the issuance of parity bonds, as set forth in Section 9 of Ordinance No. 1178 of the City, shall be met at the time of the issuance of the bonds herein authorized and said bonds shall be issued as parity bonds with the outstanding "Water Revenue Bonds, 1963, Issue No. 1," the "Water Revenue Bonds, 1963, Issue No. 2," and the "Water Revenue Bonds, 1964," the bonds herein authorized shall be payable solely out of the special fund of the City created by Ordinance No. 1178, adopted April 1, 1963, and known as the "Water Revenue Bond Redemption Fund, 1963."

In the event that the bonds herein authorized shall not be issued as parity bonds, the bonds shall be payable solely out of such special fund as shall be hereafter created in connection with the issuance and sale of such bonds and shall be a valid claim of the holder thereof only as against such special fund and the amount of the revenues of the
water supply and distribution system of the City pledged to such special fund, and shall not be a general obligation of the City of Kent, Washington.

From and after the date of the issuance of the bonds and so long thereafter as bonds are outstanding, the City Treasurer shall set aside and pay into the appropriate bond redemption fund out of the gross revenues of the water supply and distribution system of the City, a fixed amount without regard to any fixed proportion, namely, an amount sufficient to pay the principal of and interest on all bonds payable out of the special appropriate fund as they respectively become due, and to create such surplus and reserve, if any, that may hereafter be prescribed by ordinance. The gross revenues from the said water supply and distribution system are hereby pledged to such payment, and the bonds herein authorized shall constitute a charge or lien upon such revenues prior and superior to any other charges whatsoever, excluding charges for maintenance and operation, provided, however, that if the conditions required to be met for the issuance of parity bonds as set forth in Section 9 of Ordinance No. 1178 shall be met at the time of the issuance of the bonds herein authorized, the charge or lien upon such gross revenues for the bonds herein authorized shall be on a parity with the charge or lien upon such gross revenues for the outstanding "Water Revenue Bonds, 1963, Issue No. 1," "Water Revenue Bonds, 1963, Issue No. 2," and "Water Revenue Bonds, 1964," and water revenue bonds authorized to be issued by Ordinance Nos. 1300 and 1408, when issued, and if issued as parity bonds. If said parity conditions shall not be met, the charge or lien upon such gross revenues for the bonds herein authorized shall be subordinate and inferior to the prior charge or lien upon such gross revenues for all other outstanding water revenue bonds of the City.

Section 8. There is hereby created and established in the office of the City Treasurer, a special fund of the City to be known as the "Water Construction Fund, 1967," which shall be used for the sole
purpose of making the additions to and betterments and extensions of
the water supply and distribution system of the City as specified in
Section 1 hereof and of paying the cost and expenses connected therewith,
and into which fund shall be deposited the proceeds from the sale of the
water revenue bonds herein authorized to be issued. Pending the sale
of the water revenue bonds herein authorized, the City may issue interest
bearing warrants drawn upon the "Water Construction Fund, 1967," to be
paid out of the proceeds from the sale of such water revenue bonds within
such period of time and to bear interest at such rate as the City Council
shall hereafter determine.

Section 9. This ordinance is declared to be one necessary for
the immediate preservation of the public peace, property, health and
safety of the people of the City of Kent, Washington. An emergency is
hereby declared to exist and this ordinance is hereby declared to be in
full force and effect from and after its passage, approval and publication
as provided by law.

PASSED by the City Council of the City of Kent, Washington,
and APPROVED by its Mayor at a regular meeting thereof held on the 6th
day of November, 1967.

ATTEST:

FORM APPROVED:

- 6 -