CITY OF KENT, WASHINGTON

ORDINANCE NO. 2559

AN ORDINANCE relating to the storm and surface water utility of the City of Kent, Washington; declaring the estimated cost of the system or plan of additions to and betterments and extensions of that storm and surface utility as near as may be; authorizing the issuance and sale of approximately $3,580,000 of sewerage system revenue bonds to provide part of the funds necessary to carry out that system or plan; creating a construction fund; and authorizing the issuance of interest-bearing warrants drawn upon such construction fund and/or other interim financing pending the sale of such revenue bonds.

WHEREAS, the City of Kent, Washington (the "City"), operates and maintains a system of sewerage pursuant to the provisions of RCW 35.67.020, 35.21.120, 35.92.020, and 35A.80.010; and

WHEREAS, the City established a storm and surface water utility and adopted a system or plan of storm water collection and treatment for the City by Ordinance No. 2325, passed on December 21, 1981; and

WHEREAS, the City combined its storm and surface water utility with its sanitary sewage collection and disposal system and its garbage and refuse collection and disposal system, the combined system to be referred to as the "system of sewerage," by Ordinance No. 2547, passed on April 1, 1985; and

WHEREAS, the City adopted the "City of Kent Surface Drainage Utility Drainage Master Plan," dated February 20, 1985 (the "Drainage Master Plan"), by Ordinance No. 2547, as the system or plan of additions to and betterments and extensions of the storm and surface water utility; and

WHEREAS, the City Council deems it in the best interest of the City and its residents to implement the Drainage Master Plan and to provide for the issuance of revenue bonds to pay a part
of the cost of commencing a portion of the capital improvements proposed by that plan; NOW, THEREFORE,

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

Section 1. Included in the Drainage Master Plan shall be compliance with all applicable legal requirements, and the acquisition of all necessary property interests and appurtenances to such facilities.

The City may modify the details of the Drainage Master Plan where such modifications do not substantially alter the purposes of that system or plan.

Section 2. The life of the foregoing additions to and betterments and extensions of the system of sewerage is declared to be at least thirty years.

Section 3. The estimated cost of the acquisition, construction, installation and financing of the improvements described in the Drainage Master Plan is set forth in the "Financial Plan and Revenue Program for Storm Drainage Utility, 1985," prepared by the Department of Public Works of the City, and is declared to be approximately $8,786,000.

Section 4. The City Council orders the carrying out of that portion of such system or plan described in Exhibit A, attached hereto and incorporated herein by reference, the estimated cost of which is $2,985,000.

Section 5. Sewerage system revenue bonds in the amount of approximately $3,580,000 are authorized to be issued to pay the cost of acquiring, constructing and making the foregoing additions to and betterments and extensions of the system of sewerage ordered to be carried out by Section 4, to capitalize the reserve for and to pay the costs of issuance of such bonds, to capitalize interest on such bonds during the period of construction, if necessary, and to pay such other costs as may
be allowed by law. The bonds shall be named; shall bear interest at such rate or rates not to exceed the maximum rate permitted by law; shall be issued in such series; shall be in such denominations and form; shall bear such date or dates; shall be payable at such place or places; shall mature serially in accordance with such schedule ending not later than thirty years after the date of issuance 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; shall be payable out of such special sewerage system revenue bond fund; and shall contain and be subject to such provisions or covenants as hereafter shall be provided by ordinance.

Section 6. The sewerage system revenue bonds herein authorized to be issued shall be payable from the gross revenue received from charges for services furnished and other revenue of the system of sewerage of the City.

Section 7. There is created in the office of the City Treasurer a special construction fund of the City to be known as the "Drainage Construction Fund, 1985" (the "Construction Fund"), which shall be obligated to pay all of the costs incurred respecting the acquisition, construction, installation and financing of the improvements specified in Section 4 of this ordinance. All of the principal proceeds of the sewerage system revenue bonds authorized by Section 5 of this ordinance, when issued, and any other money which the City determines to use for such purpose shall be deposited into the Construction Fund.

Section 8. Pending the receipt of bond proceeds or other money, the City Council authorizes the issuance of interest-bearing warrants drawn on the Construction Fund to pay duly approved costs incurred in carrying out such system or plan of improvements, such warrants to bear interest at such rate or
rates, not exceeding 12% per annum, as may hereafter be negotiated by the City Finance Director and to be redeemed from the proceeds received from the sale of such revenue bonds and receipt of such other money.

In lieu of such interest-bearing warrants, the City Finance Director is authorized to negotiate and enter into contracts for the sale of short-term obligations as authorized by chapter 39.50 RCW up to the maximum amount of sewerage system revenue bonds authorized to be issued by Section 5 of this ordinance. Such obligations may bear a fixed rate or rates or a variable rate or rates of interest which may be based on a bank prime or the most recent prime rate of interest published in the Wall Street Journal, but in any event shall not exceed a net effective interest rate of 12% per annum. Such short-term obligations shall be dated as of the date of their issuance and shall not be outstanding, together with any other short-term obligations issued to redeem the same, for longer than the time permitted by chapter 39.50 RCW. Such short-term obligations shall be registered if so required in order to exempt the interest thereon from federal income taxation, and the City Finance Director may designate the registrar depending on the volume of certificates required.

The short-term obligations may be paid from the proceeds of the sewerage system revenue bonds authorized to be issued by Section 5 of this ordinance, from the proceeds of the issuance of other short-term obligations, or from other City funds made available for that purpose. The short-term obligations shall be drawn on the Construction Fund created by Section 7 of this ordinance and, unless otherwise permitted by law, shall be payable solely out of that fund.

The short-term obligations may be subject to prior redemption, may be sold at a discount, at par, or at a premium and

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shall be in such denominations and bear such other covenants
respecting payment as the City Finance Director may determine.
Both principal of and interest on the short-term obligations
shall be payable in lawful money of the United States of America
at the office or offices of the registrar.

The City Council finds and determines that the maximum rate
of interest and the standards for the index for the variable
interest rates established in this ordinance are in the best
interest of the City.

Section 9. This ordinance shall take effect and be in
full force five (5) days 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 open public meeting held
on the 6 day of May, 1985.

ATTEST:

City Clerk

FORM APPROVED:

City Attorney

PASSED the 6 day of May, 1985.
APPROVED the 7 day of May, 1985.
PUBLISHED the 10 day of May, 1985.
<table>
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<tr>
<th>Project</th>
<th>Location</th>
<th>Improvement</th>
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<tr>
<td>1. Valley Detention Basin</td>
<td>South of 216th Street and West of 64th Avenue</td>
<td>Investigate, evaluate and design a storm water detention facility and related appurtenances including control structures, outlet/inlet channels, etc. capable of providing 270-400 AC feet of storm water storage. Acquire the respective property and/or easements.</td>
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<tr>
<td>2. Garrison Creek Detention Basin</td>
<td>East of SR 167 and North of S. 218th Street</td>
<td>Investigate, evaluate and design a storm water detention facility and related appurtenances including control structures, outlet/inlet channels, etc. capable of providing approximately 100 AC feet of storm water storage. Acquire the respective property and/or easements.</td>
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<tr>
<td>3. Mill Creek Upper Detention Basin</td>
<td>South of 267th Street and East of 104th Avenue</td>
<td>Investigate, evaluate, design and construct a storm water detention facility and related appurtenances including control structures, outlet/inlet channels, etc. capable of providing approximately 60 AC feet of storm water storage. Acquire the respective property and/or easements and make modification to an existing detention basin located at Jason Avenue and SR 516.</td>
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<tr>
<td>4. Green River Levee Improvements</td>
<td>South 212th Street and Green River Bridge</td>
<td>Restore levee bank.</td>
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<td>5. Miscellaneous Drainage Improvements and Major Equipment Purchases</td>
<td>Various locations throughout the drainage service area</td>
<td>Construct storm drain facility to relieve existing drainage problems attributed to lack of or inadequate existing facilities. Also purchase various pieces of equipment ranging from pickup to backhoe to IVAL truck.</td>
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I, MARIE JENSEN, City Clerk of the City of Kent, Washington, certify that the attached copy of Ordinance No. 2559 is a true and correct copy of the original ordinance passed on the 6th day of May, 1985, as that ordinance appears on the Minute Book of the City.

DATED this 10th day of May, 1985.

MARIE JENSEN, City Clerk