ORDINANCE NO. 702

An Ordinance providing for the issue and sale of refunding water revenue bonds in the sum of $88,000.00, for the purpose of paying the outstanding water refunding bonds of the City of Kent dated May 1, 1935, issued pursuant to Ordinance No. 661 as amended by Ordinance No. 662 as amended by Ordinance No. 663; creating a special fund for the payment of principal and interest of said refunding bonds; providing for the terms and conditions of said bonds; and creating a special fund for the payment of the Refunding Water Revenue Bonds of 1935; and approving the sale of said bonds.

WHEREAS, the City of Kent, Washington, pursuant to Ordinance No. 661 of said City, passed and approved on the first day of April, 1935, as amended by Ordinance No. 662, passed and approved the 15th day of April, 1935, as amended by Ordinance No. 663, passed and approved the 23rd day of April, 1935, issued and sold certain refunding water revenue bonds dated May 1, 1935, payable solely from the revenues of the water system of said City, of which refunding bond issue there is now outstanding and unpaid bonds in the principal sum of $88,000.00; and

WHEREAS, said Ordinance No. 661 as amended by Ordinance No. 662 as amended by Ordinance No. 663 of said City provides that the City shall have the right to redeem any or all of said bonds unpaid on any interest payment date on or after five years from the date of such bonds; and

WHEREAS, the City of Kent has now, by resolution adopted February 5, 1940, duly called for payment all of the outstanding bonds of said issue of refunding water revenue bonds so issued under said Ordinance No. 661 as amended by Ordinance No. 662 as amended by ordinance No. 663, and in order to secure the money necessary to retire said bonds it will be necessary to issue re-
funding water revenue bonds in the principal sum of $88,000.00, which said bonds can be sold at par at a considerably lower interest rate than that borne by the outstanding bonds, and the issuance and sale of such refunding bonds will result in a saving to said City;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENT DO ORDAIN AS FOLLOWS:

Section 1: That pursuant to the provisions of the statutes of the State of Washington, there now be issued refunding water revenue bonds of the City of Kent in the principal sum of $88,000.00, said bonds to be of the denomination of $1,000.00 each, numbered from 1 to 88, inclusive, be dated March 1, 1940, the first $35,000.00 of said bonds to bear interest at the rate of 2% per annum, and the remainder of said bond issue to bear interest at the rate of 3% per annum, all payable semi-annually on the first days of March and September of each year, and to mature serially in the order of their number as follows:

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<tr>
<td>5,000.00</td>
<td>March 1, 1941</td>
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<tr>
<td>11,000.00</td>
<td>March 1, 1950</td>
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all of said bonds, principal and interest, being payable at the office of the City Treasurer of Kent, Washington, in lawful money of the United States of America, out of the gross revenues of the water works system of said City.

The City of Kent reserves the right to redeem all or any of the unmatured bonds of this issue, in inverse order, on any interest payment date on and after six years from the date hereof, by giving thirty days' notice of such intended redemption by publication in the official City newspaper, and interest on any bonds so called for redemption shall cease on the date named.
Section 2: Said bonds shall be known as "Refunding Water Revenue Bonds of 1940," and be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF KENT
REFUNDING WATER REVENUE BOND 1940

KNOW ALL MEN BY THESE PRESENTS: That the City of Kent, in the County of King, State of Washington, is justly indebted, and for value received hereby promises to pay to bearer, on the first day of March, 19__, the principal sum of $1,000.00, with interest thereon at the rate of _______ per cent per annum, payable semi-annually on the first days of March and September of each year upon the presentation and surrender of the annexed coupons as they severally become due. Both principal and interest of this bond are payable in lawful money of the United States of America, at the City Treasurer's office of the City of Kent, Washington, out of the special fund of said City known as the "Refunding Water Revenue Bond Fund 1940," created by Ordinance No. 702 of said City, which fund is to be drawn upon for the sole purpose of paying the principal and interest of this issue of bonds.

The City of Kent reserves the right to redeem all or any of the unmatured bonds of this issue on any interest payment date on and after six (6) years from date hereof, by giving thirty (30) days' notice of such intended redemption by publication in the official City newspaper, and interest upon any bond so called for redemption shall cease on the date named.

This bond is one of an issue of special water revenue bonds in the principal sum of $88,000.00 issued pursuant to said Ordinance No. 702, for the purpose of providing funds to pay and retire a like amount of special water revenue bonds heretofore issued by said City, dated May 1, 1935, and is payable solely out of the gross revenues of the water works system.

3.
The City of Kent hereby covenants with the holder of this bond that it will keep and perform all of the covenants and promises in this bond and in said Ordinance No. 703 to be by it kept and performed, and does hereby irrevocably obligate and bind itself to set aside and pay into said special fund from the gross revenues of said water works system the various amounts in said Ordinance provided, which amounts so pledged are hereby declared to be a first lien and charge upon the gross revenues of said water works system, and all additions thereto, prior to all other liens and charges, including those for maintenance and operation of said water system.

The City of Kent further binds itself to establish and maintain rates for water service which shall provide sufficient revenues to permit the payment into said special fund of said sums which said City has pledged to be set aside for the payment of the principal and interest of these bonds, and also to pay all the expenses of maintaining and operating said water system until such bonds have been paid in full.

It is hereby found, certified, and declared that said bonds are issued pursuant to and in strict compliance with the laws and constitution of the State of Washington and the ordinances of the City of Kent, and all acts, conditions, and things required to be done precedent to and in the issuance of this bond have happened, been done, and performed as required by law.

IN WITNESS WHEREOF the City of Kent has caused this bond to be signed by its Mayor and attested by its City Clerk, and its corporate seal to be hereto affixed, and the annexed interest coupons to be signed and sealed with the facsimile of the signatures of said officers, all this first day of March, 1940.

THE CITY OF KENT, WASHINGTON

By __________________________ Mayor

Attest:

____________________________ City Clerk
(Form of Coupon)

Coupon No. __________ $ __________

On the first day of ________________, 19__, the City of Kent, Washington, will pay to bearer, at the office of the City Treasurer of the City of Kent, the sum of $ __________, in lawful money of the United States, from the special fund of said City known as "Refunding Water Revenue Bond Fund 1940," said sum being the semi-annual interest due that date on its water refunding bond dated March 1, 1940, No. __________.

THE CITY OF KENT, WASHINGTON

By ____________________________ Mayor

Attest:

______________________________ City Clerk

Section 3: That said bonds shall be signed by the Mayor and attested by the City Clerk, under the seal of the City, and each of said coupons shall be signed with a facsimile of the signatures of the said officials.

Section 4: That there be and hereby is created and established a special fund, to be called "Refunding Water Revenue Bond Fund 1940," which fund shall be drawn upon for the sole purpose of paying the interest and principal of said bonds. From and after the date of said bonds, and as long as any of the same are outstanding and unpaid, the City Treasurer shall set aside out of the gross revenues of the said water system, and pay into the special fund, certain fixed amounts as follows: Each month a sum equal to one twelfth (1/12) of the combined principal and interest payments to be made during each year said bonds are outstanding, it being understood and agreed that such payments shall be so made that there shall be on deposit in such special fund, at least ten (10) days prior to the respective dates on which the interest or principal and interest of said bonds shall become due and payable, an amount sufficient to make such payments as they become
due, and the gross revenues of said water works system are hereby pledged to the payment of the interest and principal of said bonds, which are hereby constituted a charge upon such revenues prior to all other liens and charges, including those for maintenance and operation of the water works system, and the City Treasurer of the City of Kent is hereby directed to pay said bonds and interest coupons as the same fall due from the moneys in said Refunding Water Revenue Bond Fund 1940.

The payment of such bonds and coupons as they fall due is hereby declared to be the only charge which has been made upon such special fund, or which will ever be made thereon until all of such bonds and the interest thereon shall have been fully paid.

The City of Kent hereby binds itself not to sell or in any manner dispose of the water supply system now belonging to it, and all betterments, additions, and extensions hereafter authorized, until all obligations outstanding against and payable from said special fund herein created shall have been paid in full.

The City of Kent further binds itself to establish and maintain such rates or charges for water sold by such water supply system as will provide sufficient revenues to permit the payment of said sums into such special fund which the City has herein pledged to be set aside for the payments of the principal and interest of the bonds herein authorized, until such bonds have been paid in full.

Said City hereby declares that in creating the special fund for the payment of said bonds it has exercised due regard for the cost of operating and maintaining said water works system, and that in the judgment of the corporate authorities of said City, the gross revenues to be derived from the operation of said water works system is amply sufficient to meet all expenses
of operation and maintenance and set aside in said special fund the amounts herein provided.

Section 5: That the sale of the bonds authorized by this ordinance to Dean Witter and Company and The National Bank of Commerce of Seattle, under the terms and conditions contained in a written proposal submitted to the City of Kent by said Dean Witter and Company and The National Bank of Commerce of Seattle, dated January 15, 1940, and accepted by the City of Kent on that date by R. E. Wooden, Mayor, after proper authorization by the City Council, is hereby approved and confirmed, and the City authorities are hereby authorized and directed to do all things necessary for the issuance and sale of the said bonds according to the terms of the said agreement.

Section 6: That there be and hereby is created and established a special fund, to be called "1935 Water Revenue Bond Payment Fund," which shall be drawn upon for the sole purpose of paying the principal and accrued interest on the City of Kent Refunding Water Revenue Bonds, 1935, heretofore called for redemption by resolution of the City Council of the City of Kent, when said bonds shall be presented for payment pursuant to said call. Said fund shall consist of the moneys received by the City of Kent for the sale of the bonds authorized by this ordinance, and the payment of the Refunding Water Revenue Bonds, 1935, with accrued interest to May 1, 1940, is hereby declared to be the only charge which has been made upon such special fund, or which ever will be made thereon, until all of such Refunding Water Revenue Bonds, 1935, and the interest thereon, shall have been fully paid.

Section 7: This ordinance shall take effect and be in force from and after five days after its passage, approval, and publication, as provided by law.
Passed by the Council of the City of Kent and approved by the Mayor this 5th day of February, 1940.


Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

Published February 8th, 1940.
Ordinance No. 702

Water Refunding
Bonds

Providing for
Issuance and Sale
of Refunding
Water Revenue
Bonds
and
Creating Refunding
Water Revenue Bonds
of 1935 Issue