ORDINANCE NO. 802

AN ORDINANCE of the City of Kent, Washington, providing for the construction and installation of certain additions and improvements to the water supply and distribution system of the city, declaring the estimated cost thereof, providing for the issuance of water revenue bonds in the principal sum of $200,000 to pay therefor, fixing the date, form, terms and maturities of said bonds, creating a special fund for the payment of the principal and interest thereof, providing certain protective features safeguarding such payment, and confirming the sale thereof, ratifying and confirming certain calls for bids for materials and installation thereof and contracts entered into pursuant thereto, and declaring an emergency.

WHEREAS, the City of Kent, Washington, now owns, maintains and operates a water supply and distribution system which is in need of certain repairs, replacements and additions in order to provide the city and its inhabitants and people living in the vicinity thereof with an adequate supply of water; and

WHEREAS, it is deemed necessary and advisable that the city issue and sell its water revenue bonds in the principal sum of $200,000 for the purpose of providing funds to pay the cost of making such repairs and replacements and constructing and installing such additions and improvements;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kent, Washington, as follows:

Section 1. The following described plan of repairs, replacements, additions and improvements to the water supply and distribution system of the city is hereby specified and adopted, to wit:

A. The city shall drill a test well to be located on property upon which it has an option to purchase, approximately 250 feet south of Smith Street between N. Kennebec Avenue and E. Titus Street. If said well will provide an adequate supply of water, the
city shall then complete said well, construct a booster pumping station and pump house at said well site, install a deep well pump therein, construct a road into said well site, and install the necessary main connecting said well to the present water distribution system. If said test well does not provide an adequate supply of water, the money to be used for the balance of the above described improvements shall be used for the replacement of wooden mains and laterals throughout the city as hereinafter provided.

B. The city shall acquire and install two large meters to measure the flow of water from the headworks and from the city's reservoirs to the consumer, and shall purchase necessary shop equipment.

C. The city shall acquire approximately 40,000 feet of steel, cast iron or transite pipe from 4 to 8 inches in diameter and install the same throughout the distribution system where necessary to replace existing worn-out wood stave pipe and where necessary to furnish all the inhabitants of the city and in the vicinity thereof with an adequate supply of water.

D. The city shall return approximately $5,000 to the Water Department Fund, which sum has been previously expended for the purchase of some of the above described pipe and the installation of the same, and shall return any further moneys which might be paid out of said fund for materials and labor necessary to carry out said plan of improvements prior to the delivery and sale of the bonds authorized herein.

The city shall also acquire any and all real property, water rights, easements, and rights-of-way necessary to carry out said plan of improvements, and shall acquire and install all valves,
connections, fittings and other appurtenances necessary for the completion thereof.

Said plan of repairs, replacements, additions and improvements is all as more particularly set forth in maps, plans and specifications prepared by the city engineer and other city officials and now on file in the office of the city clerk. Said plan shall be subject to such additions or changes as to details, or other changes not affecting the main general plans as hereinbefore set forth, as may be authorized by the City Council.

Section 2. The estimated cost of carrying out and completing said plan of improvements is hereby fixed, as near as may be, to be the sum of $200,000, which sum shall be paid from the proceeds of the sale of the bonds hereinafter provided for.

Section 3. The city does hereby propose and adopt as an integral part of the carrying out and completing of said plan of improvements to its water supply and distribution system that payment of the cost thereof shall be made by the issuance and sale of its water revenue bonds in the principal sum of $200,000. Said bonds shall be dated November 1, 1948, shall be in denominations of $1,000 each, and shall be numbered from 1 to 200 inclusive. Bonds numbered 1 to 110 inclusive, maturing from November 1, 1951 through November 1, 1961, shall bear interest at the rate of 2 3/4% per annum, and bonds numbered 111 to 200 inclusive, maturing from November 1, 1962 through November 1, 1968, shall bear interest at the rate of 3% per annum, all of said interest being payable semiannually on the first days of May and November of each year. Said bonds shall mature in order of their number as follows:
November 1, 1951 $ 9,000  November 1, 1960 $11,000  
November 1, 1952    9,000  November 1, 1961    11,000  
November 1, 1953    9,000  November 1, 1962    12,000  
November 1, 1954    9,000  November 1, 1963    12,000  
November 1, 1955    10,000  November 1, 1964    12,000  
November 1, 1956    10,000  November 1, 1965    13,000  
November 1, 1957    10,000  November 1, 1966    13,000  
November 1, 1958    11,000  November 1, 1967    14,000  
November 1, 1959    11,000  November 1, 1968    14,000  

Both principal and interest of said bonds shall be payable in lawful money of the United States of America at the office of the City Treasurer in Kent, Washington, and shall be obligations only against the special fund created by this ordinance.

The City of Kent hereby reserves the right to redeem any or all of said bonds at par in inverse numerical order on any interest payment date on and after ten years from date of issue by giving thirty days' notice of such intended redemption by one publication thereof in a newspaper of general circulation within the city not more than forty nor less than thirty days prior to said redemption date. Interest on any bond or bonds so called for redemption shall cease on such redemption date.

Section 4. Said bonds shall be in substantially the following form:

<table>
<thead>
<tr>
<th>No.</th>
<th>United States of America</th>
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<tbody>
<tr>
<td></td>
<td>State of Washington, City of Kent</td>
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<td></td>
<td>Water Revenue Bond, 1948</td>
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</tbody>
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KNOW ALL MEN BY THESE PRESENTS:

That the City of Kent, a municipal corporation of the State of Washington, hereby acknowledges itself to owe and for value received promises to pay to bearer on the first day of November, 19__, the principal sum of ONE THOUSAND DOLLARS

with interest thereon at the rate of __% per annum payable semiannually on the first days of May and November of each year as evidenced by and upon presentation and surrender of the annexed interest coupons as they severally become due.
Both principal and interest are payable in lawful money of the United States of America at the office of the City Treasurer in Kent, Washington, solely out of the special fund known as "Kent 1948 Water Revenue Bond Redemption Fund", created by Ordinance No. 802 of said city.

The City of Kent has reserved the right to redeem any or all of the outstanding bonds of this issue at par in inverse numerical order on any interest payment date on and after ten years from date hereof by giving thirty days' notice of such intended redemption by one publication thereof in a newspaper of general circulation throughout the city not more than forty nor less than thirty days prior to said redemption date.

This bond is one of an issue of water revenue bonds in the total principal sum of $200,000, issued for the purpose of providing funds for the making of certain repairs and replacements and the construction and installation of certain additions and improvements to the water supply and distribution system of the city, and is payable solely out of the gross revenues of said system.

The City of Kent hereby covenants and agrees with the holder of this bond that it will keep and perform all the covenants of this bond and of Ordinance No. 802 to be by it kept and performed. The city does hereby pledge and bind itself to set aside from the gross revenues of said water supply and distribution system and all additions and improvements thereto, and to pay into said Bond Redemption Fund the various amounts required by said Ordinance No. 802 to be paid into and maintained in said fund, within the times provided by said ordinance. Said amounts so pledged are hereby declared to be a prior lien and charge upon all the gross revenues of said water supply and distribution system, including all additions and improvements thereto, superior to all other charges of any kind or nature except the necessary cost of maintenance and operation of said system and except the charges necessary for the payment of the principal and interest of the outstanding water revenue refunding bonds of the city dated March 1, 1948.

The city has further bound itself to maintain said system in good condition and repair, to operate the same in an efficient manner and at a reasonable cost, and to establish, maintain and collect rates and charges for water that will provide sufficient revenues to pay the cost of maintenance and operation of said system, the charges necessary for the payment of the principal and interest of said outstanding water revenue refunding bonds dated March 1, 1947, and to pay into said Bond Redemption Fund the amounts which the city has pledged to be set aside therein.
It is hereby certified and declared that said bonds are issued pursuant to and in strict compliance with the Constitution and Laws of the State of Washington and Ordinances of the City of Kent, and that 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 Clerk under the corporate seal of the city, and the interest coupons hereto attached to be signed with the facsimile signatures of said officials, this first day of November, 1948.

CITY OF KENT, WASHINGTON

ATTEST:

City Clerk

The interest coupons to be attached to said bonds shall be in substantially the following form:

No. ___________________________ $ ___________________________

On the first day of ___________, 19____, the City of Kent, Washington, will pay to bearer at the office of the City Treasurer in Kent, Washington, the sum of ___________ DOLLARS in lawful money of the United States of America, from a special fund of said city known as "Kent 1948 Water Revenue Bond Redemption Fund", said sum being the semiannual interest due that day on its water revenue bond dated November 1, 1948, and numbered ______.

CITY OF KENT, WASHINGTON

ATTEST:

City Clerk

Section 5. Said bonds shall be signed by the Mayor of the city and attested by the City Clerk under the corporate seal of the city, and the interest coupons attached thereto shall be signed with the facsimile signatures of said officials.
Section 6. That there be and is hereby created a special fund to be known as "Kent 1948 Water Revenue Bond Redemption Fund", hereinafter referred to as the "Bond Fund", which fund is to be drawn upon for the sole purpose of paying the principal and interest of the bonds authorized herein. The City of Kent hereby obligates and binds itself to set aside and pay into said Bond Fund, out of the gross revenues of its water supply and distribution system and all additions and improvements thereto, certain fixed amounts necessary to pay the principal and interest on all the outstanding bonds authorized herein as the same respectively become due.

Such payments shall be made into said Bond Fund on or before the 20th day of each month in the amounts hereinafter specified:

A. Beginning with November, 1948, and continuing as long as any of the bonds authorized herein are outstanding and unpaid, an amount equal to at least one-sixth of the interest to become due and payable at the end of the next ensuing six months period on all the bonds then outstanding;

B. Beginning with November, 1950, and continuing as long as any of the bonds authorized herein are outstanding and unpaid, an amount equal to at least one-twelfth of the principal of said bonds to become due and payable on the next principal payment date;

Provided, however, that when there is sufficient money in said Bond Fund to pay the principal and interest to maturity of all the outstanding bonds authorized herein, then no further payments need be made into said Bond Fund.

Said amounts so pledged are hereby declared to be a prior lien and charge upon the gross revenues of said water supply and distribution system and all additions and improvements thereto, superior to all other charges of any kind or nature except the necessary cost.
of maintenance and operation of said system and except the charges necessary to pay the principal and interest of the outstanding water revenue refunding bonds of the city dated September 1, 1947.

Section 7. The corporate authorities of the City of Kent hereby declare that in fixing the amounts to be paid into said Bond Fund as aforesaid they have exercised due regard to the cost of operation and maintenance of said water supply and distribution system and the part of the revenues of such system previously pledged for the payment of the principal and interest of the outstanding water revenue refunding bonds of the city dated September 1, 1947, and have not obligated the city to set aside into said Bond Fund a greater amount or proportion of the revenues of said system than in their judgment will be available over and above such cost of maintenance and operation and the payment of the principal and refunding interest of said outstanding water revenue bonds.

Section 8. The city covenants with the owner and holder of each of said bonds as follows:

A. The city will establish, maintain and collect rates and charges for water for as long as any of the bonds authorized herein are outstanding which shall be adequate to provide sufficient revenues to meet all obligations of the city as herein set forth, including the payment of the cost of operation and maintenance of said water supply and distribution system, the payment of the amounts necessary to pay the principal and interest of the outstanding water revenue refunding bonds of the city dated September 1, 1947, and the payment of the amounts necessary to pay the principal and interest of the bonds authorized herein.

B. The city will at all times maintain and keep said water supply and distribution system and all additions and improvements
thereto in good repair, working order and condition, and will at all times operate such properties and the business in connection therewith in an efficient manner and at a reasonable cost.

C. The city agrees not to sell or otherwise dispose of such system unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal and interest of all the outstanding bonds authorized herein in accordance with the terms thereof.

Section 9. The moneys derived from the sale of the bonds authorized herein shall be used solely for the payment of the cost of carrying out and completing the plan of improvements to the water supply and distribution system of the city as provided in Section 1 hereof, and the city officials are hereby authorized and directed to do everything necessary for the completion of such plan of improvements, for the issuance, execution and delivery of said bonds, and for the proper use and application of the funds derived from their sale.

Section 10. The action of the city officials in authorizing and publishing calls for bids for materials for the water supply and distribution system and the construction and installation of certain improvements thereto under dates of February 6, 1947, April 27, 1948, August 4, 1948 and September 17, 1948, and the further action of said city and its officials in entering into any contracts pursuant to such calls for bids are hereby in all respects ratified and confirmed.

Section 11. The action of the city and its officials in accepting the written offer dated October 18, 1948 of Foster & Marshall of Seattle, Washington, to purchase the bonds herein
authorized, under the terms contained in said offer and as provided herein, is hereby in all respects ratified and confirmed.

Section 12. 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 required by law.

PASSED by the City Council of the City of Kent, Washington, and approved by its Mayor this 22 day of October, 1948.

CITY OF KENT, WASHINGTON

By

Mayor

ATTEST:

City Clerk

Approved as to form:

City Attorney
Ordinance No. 802

1948 Rent Water Bond
$200,000

Providing for Repairs, Replacement
& Additions to Water System
& Providing for Issuance of Water Revenue
Bonds
$200,000