

ORDINANCE NO. 538

AN ORDINANCE of the City of Kirkland, Washington, specifying, adopting and ordering a plan or system for the construction of certain improvements, betterments and extensions of the sanitary sewerage system, within the limits of said city, declaring the estimated cost thereof as near as may be, providing for the issuance and sale of sewer revenue bonds in the sum of Fifteen Thousand Dollars (\$15,000.00) to pay for the construction of said system, providing for the payments of said sewer revenue bonds and providing a special fund for the payment of said bonds, providing for the form, maturities and terms thereof, and authorizing the construction of said system, and confirming the sale of said bonds.

WHEREAS, the City of Kirkland has in use and operation a sanitary sewerage system, and

WHEREAS, the said sanitary sewer system does not furnish sewer service to a certain portion within the City of Kirkland situate in the Northwesterly corner of said city, and

WHEREAS, certain other extensions are necessary in said sewer system in order to accomodate residential establishments recently constructed, and said territory within the City of Kirkland which is not now being served by said sewer system uses cess pools and septic tanks for the disposal of sewage, which said cess pools and septic tanks are wholly inadequate for the reason that in many such cases the sewage runs out of said cess pools and tanks on top of the ground and remains there, or drains into open ditches and into Lake Washington; and

WHEREAS, by reason of such conditions, the health and welfare of the City of Kirkland, and its inhabitants is menaced and endangered;

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. That the following described plan or system for the construction of additions and betterments and extensions to the sanitary sewerage system of the City of Kirkland, Washington, is hereby proposed, specified and adopted, to wit:

Waverly Way from 10th West to alley, Block 22, Blewett's First Add., 10" pipe.

Easement across North 10ft. of Lots 10-11-12-13 and 14, Block 22, Blewett's First Add., 8" pipe.

11th Ave. W. from 6th St. W. to Northwest line of Blewett's First Add., 6" pipe.

Easement across the North 10ft. Lots 25-26, Block 30, Blewett's First Add., 8" pipe.

Easement across the West 10 ft., Lots 23-24-25 and 26, Block 30, Blewett's First Add., 10" pipe.

Easement across the West 10 ft., Lots 10-11-12-13-and 14, Block 30, Blewett's First Add., 10" pipe.

Alley in Block 30, Blewett's First Add., 6" pipe.

13th Ave. West from 6th St. West to West line of Blewett's First Add., 8" pipe.

Easement across the West 10 ft. of Lot 17, Block 34, Blewett's First Add., 10" pipe.

7th St. West from the West line of Blewett's First Add. to 16th Ave. West, 8" pipe.

14th Ave. West from 5th St. West to 7th St. West, 8" pipe.

16th Ave. West from 5th St. West to 7th St. West, 8" pipe.

That the estimated cost of constructing such improvements, betterments and extensions, including all materials and the necessary labor and incidental expenses, is hereby fixed as near as may be at the sum of \$15,000.00 to be paid from the proceeds of the sale of the revenue bond issue herein provided for.

Section 2. Said city does hereby propose, specify and adopt as an integral part of the plan for constructing said additions, betterments and extensions to said sewer system and for the purpose of paying therefor, that it shall issue its sewer revenue bonds in the principal sum of \$15,000.00, said bonds to be numbered 106 to 120 inclusive and to bear interest at the rate of three (3) per cent per annum, payable semi-annually upon the 1st day of June and December of each year. Said bonds shall be dated June 1, 1947, shall be in denomination of \$1,000.00 each, shall be numbered 106 to 120 inclusive, shall be payable solely out of the gross revenue of the municipal sewage system of the City of Kirkland

from that certain special fund designated as "Kirkland 1947 Sewer Revenue Bond Fund" and shall mature serially in order of their number as follows:

December 1, 1964	\$5,000.00
December 1, 1965	\$5,000.00
December 1, 1966	\$5,000.00

The City of Kirkland hereby reserves the right to call any or all of said bonds in inverse numerical order on any interest payment date on and after December 1, 1948, at par. Notice of such call shall be given by publication of a notice thereof in the official city newspaper of the City of Kirkland, or if said city does not have an official newspaper, in a newspaper of general circulation within said city, at least thirty (30) days before said call date. Interest on said bonds so called shall cease upon the date named.

All of said bonds, principal and interest, shall be payable at the Office of the City Treasurer of the City of Kirkland, Washington, in lawful money of the United States solely out of the gross revenues of the municipal sewerage system of said city of Kirkland, subject, however, to the lien or claim against said gross revenues in favor of the Sewer Revenue Bonds of said City of Kirkland heretofore issued and outstanding.

Section 3. Said bonds shall be known as "Kirkland Sewer Revenue Bonds, 1947", and shall be in substantially the following form:

No. _____ \$1,000.00

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF KIRKLAND
KIRKLAND SEWER REVENUE BOND, 1947

KNOW ALL MEN BY THESE PRESENTS: That the City of Kirkland, Washington, for value received, hereby promises to pay to bearer on the first day of December, 19 , the principal sum of

ONE THOUSAND DOLLARS

with interest thereon at the rate of 3% per annum, payable semi-annually on the first days of June and December of each year, upon the 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 at the Office of the Treasurer of the City of Kirkland out of the special fund known as "Kirkland, 1947, Sewer Revenue Bond Fund" created by Ordinance Number 538 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.

This bond is one of an issue of sewer revenue bonds in the principal sum of \$15,000.00, issued pursuant to said Ordinance Number 538 for the purpose of providing funds with which to pay the cost of constructing certain improvements, betterments and extensions to the municipal sewerage system for the City of Kirk-

land, Washington.

The City of Kirkland has reserved the right to call any or all of said bonds in inverse numerical order on any interest payment date on and after December 1, 1948, by publication of a notice of such call in the official city newspaper, or if said city does not have an official newspaper, in a newspaper of general circulation in said city at least thirty (30) days before such call date.

The City of Kirkland hereby agrees with the holder of this bond, that it will keep and perform all the covenants in this bond and in said Ordinance Number 538 authorizing the issuance of said revenue bonds and creating such sewer revenue bond fund, to be by it kept and performed, and does hereby irrevocably obligate and bind itself to set aside and pay into said fund from the gross revenues of said sewerage system and all additions thereto, a sufficient amount by the 15th day of each month to equal at least one-twelfth (1/12) of the combined principal and interest payments to be made during the next succeeding twelve (12) months, in which there are any bonds of this issue outstanding, provided however, that said amounts so pledged are hereby declared to be subject to a prior lien and charge upon the gross revenues of said sewerage system, and all additions thereto created by Ordinance Number 453 of the City of Kirkland in favor of the holders of Kirkland Sewer Revenue Bonds of 1941. Said amount so pledged are hereby declared to be a prior lien and charge upon the gross revenues of said sewerage system and all additions thereto prior to all other liens and charges, excepting the necessary charges for maintenance and operation of said sewerage system, and excepting the aforementioned sewer revenue bonds of 1941.

The City of Kirkland further binds itself to establish and maintain rates for sewerage service which shall provide sufficient revenues to permit the payment into said Kirkland, 1947, Sewer Revenue Bond Fund of the sums which said city has pledged to be set aside for the payment of the principal and interest of this bond issue, and also to pay all the expenses of maintaining and operating said sewerage system, and all payments of principal and interest of the bond issue of 1941 sewer revenue bonds until such bonds have been paid in full.

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 of the ordinances of the City of Kirkland and all acts, conditions and things required to be done precedent to and in issuance of this bond have happened, been done and performed as required by law.

IN WITNESS WHEREOF, the City of Kirkland, Washington, has caused this bond to be signed by its Mayor and attested by the City Clerk, and its corporate seal to be hereto affixed, and the annexed interest coupons to be signed with the facsimile signatures of said officials on this 1st day of June, 1947.

CITY OF KIRKLAND, WASHINGTON

By _____
H. M. Everett, Mayor

ATTEST:
C. F. Trent

City Clerk

The interest coupons attached to the said bonds shall be

in substantially the following form:

No. _____

\$ _____

On the 1st day of _____, 19____, the City of Kirkland, Washington, will pay to bearer at the office of the City Treasurer of the City of Kirkland, the sum of \$ _____ in lawful money of the United States from the special fund of said city known as "Kirkland, 1947, Sewer Revenue Bond Fund", said sum being the semi-annual interest due that date on its sewer revenue bond dated June 1, 1947, numbered _____.

CITY OF KIRKLAND, WASHINGTON

By _____
H. M. Everett, Mayor

ATTEST:
C. F. Trent

City Clerk

Section 4. Said bonds shall be signed by the Mayor and attested by the City Clerk under the seal of said city, and each of the interest coupons shall be signed with the facsimile signatures of said officials.

Section 5. That there be and is hereby created a special fund to be known as "Kirkland, 1947, Sewer Revenue Bond Fund", which fund shall be drawn upon for the sole purpose of paying the principal and interest of the said sewer revenue bonds. From and after the date of the said bonds, as long as any of said bonds are outstanding and unpaid, the City Treasurer shall set aside and pay into said special fund by the 15th day of each month an amount equal to 1/12th of the combined principal and interest payments to be made during the next succeeding twelve months in which there are any bonds of this issue outstanding. Said payments shall be made solely out of the gross revenues of said sewerage system, including all additions and extensions thereto.

The gross revenues from said sewerage system are hereby pledged to such payments which shall constitute a charge upon all such gross revenues prior and superior to all other charges whatsoever excepting the prior lien and charge for the "Kirkland, 1941, Sewer Revenue Bond Fund" and excepting the necessary charges for maintenance and operation.

Section 6. The City of Kirkland hereby covenants and agrees with the purchasers and holders of these bonds as follows:

That the City will keep proper books of account in accordance with the uniform system of accounting for public utilities, and the city agrees to have its said books of account audited annually by independent qualified and competent public accountants. Copies of such audits shall be promptly filed with the National Bank of Commerce of Seattle, Washington. Said City further agrees that at any time after forty-five days following the close of any fiscal year the City will furnish upon request to the purchaser of these bonds and to any bondholder a copy of the balance sheet and profit and loss statement of the sewerage system as of the close of such fiscal year, and the income and expenses thereof for such year, including the amounts paid into the bond redemption fund, created by Ordinance No. 453 of the City of Kirkland, and the amount remaining in such fund at the close of such year. Said City further agrees that any bondholder shall have the right at all reasonable times to inspect said sewerage system and all records and books of account of the city pertaining thereto, and that each of the above mentioned audits shall show whether or not the city has in all respects performed and complied with the covenants set forth in this ordinance with respect to, among other things, the payments into the bond redemption fund hereinbefore provided for, the efficient management of the said system, the maintenance of sufficient rates for the payment of costs of maintenance and operation and bond service, and the keeping of its books of account.

Section 7. It is hereby declared by the corporate authorities of the City of Kirkland that in the creation of such special fund as in this ordinance provided said authorities have exercised due regard to the cost of operation and maintenance of said sewerage system and in their judgment the revenues derived from the said system will be sufficient to meet all expenses of

operation and maintenance and to set aside into said fund the amounts herein specified.

The City of Kirkland covenants and agrees to and with the holders of each and every one of said bonds in the event such bonds or any portion thereof be issued, to maintain in good condition and operate said sewerage system, and to establish and maintain such rates for sewerage service as will provide sufficient revenue to produce the gross revenue required to meet the obligations of said city as herein set forth.

Section 8. The sale of these bonds to the National Bank of Commerce of Seattle, Washington, as agreed upon by said company and the City Council of the City of Kirkland on July 28th, 1947, is hereby in all respects ratified and confirmed. The corporate authorities of the City of Kirkland are hereby authorized and directed to take such proceedings as may be necessary for the construction of said sewerage system, for the delivery of said bonds according to said agreement, and for the creation of a fund to pay therefore, all as herein provided.

Section 9. This ordinance shall go into effect immediately upon its passage, approval and publication as required by law.

Introduced and first reading this 28th day of July, 1947.

PASSED by the City Council of the City of Kirkland and approved by the Mayor this 18th day of August, 1947.

CITY OF KIRKLAND, WASHINGTON

By

Harry M. Everts
Mayor

Attest:

C. J. Innes
City Clerk

Approved:

L. M. Chandler
City Attorney