

ORDINANCE NO. 639

AN ORDINANCE of the City of Kirkland, Washington, providing for the issuance of \$90,000 of water and sewer revenue bonds of the city out of the \$150,000 of such bonds authorized by Ordinance No. 627 of the city for the purpose of acquiring, constructing and installing certain additions and improvements to the combined water and sewerage system of the city, fixing the date, form, terms and maturities of said bonds, creating a Bond Redemption Fund for the payment of the principal and interest thereof and a Reserve Account, providing certain covenants safeguarding such payments, and confirming the sale of said bonds.

WHEREAS, by Ordinance No. 627, passed and approved August 7, 1952, the Council of the City of Kirkland provided that certain additions and improvements to the combined water and sewerage system of the city should be acquired, constructed, and installed, and in order to pay the cost thereof that the city should issue its water and sewer revenue bonds in the principal sum of not to exceed \$150,000; and

WHEREAS, pursuant to Ordinance No. 630, passed and approved September 2, 1952, \$60,000 of said bonds were sold to provide part of the funds necessary for said purposes; and

WHEREAS, it is deemed necessary that the remaining \$90,000 of said bonds so authorized should now be issued and sold to provide the balance of the funds necessary to carry out said plan of additions and improvements; and

WHEREAS, by said Ordinance No. 630 it was provided that additional revenue bonds of the city could be issued on a parity with the \$60,000 of revenue bonds authorized by said ordinance if certain conditions as set forth in said ordinance were met; and

WHEREAS, it appears to the Council that such conditions have been and may be met and that said \$90,000 of water and sewer revenue bonds may now be issued on a parity with the outstanding water and sewer revenue bonds of the city authorized by said Ordinance No. 630 issued under date of September 1, 1952, and designated "Water and Sewer Revenue Bonds, 1952"; and

WHEREAS, the city has agreed to sell the bonds authorized herein to Grande & Co., Inc. and H. P. Pratt & Company of Seattle, Washington, under the terms and conditions of said bonds as herein set forth;

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

Section 1. The Council hereby finds and determines that all acts, conditions and things required by Section 7(d) of Ordinance No. 630 of the city to have been performed, to exist, and to have happened in order to authorize the city to incur additional indebtedness and issue additional water and sewer revenue bonds therefor in the amount hereinafter specified and to create the special fund hereinafter created for the payment of the principal and interest thereof, into which fund payments may be made out of the gross revenue of the combined water and sewerage system of the city in fixed amounts sufficient to pay the principal of and interest on such additional bonds, the payments into which special fund shall rank equally with payments into the "Kirkland 1952 Water and Sewer Revenue Bond Redemption Fund" created by Ordinance No. 630, have been performed, do exist and have happened in due time, form and manner, in strict compliance with the terms and provisions of said ordinance and section thereof, in that

First, ~~that~~ there is not at this time any deficiency in the Kirkland 1952 Water and Sewer Revenue Bond Redemption Fund or in the Reserve Account created therein, which Fund and Account were created for the payment of the principal and interest of the outstanding water and sewer revenue bonds of the city issued under date of September 1, 1952; and

Second, ~~that~~ at the time of the delivery of the bonds authorized herein the city will have on file a certificate from an independent licensed professional engineering firm (Metcalf & Harstad Associates, Seattle, Washington) signed by an independent licensed professional engineer as partner (James I. Metcalf) of such firm showing that in his and its opinion he and it are reasonably certain that the income of the combined water and sewerage system of the city as added to and improved by the improvements to be paid for out of the proceeds of the sale of the bonds authorized herein and after expenses of maintenance and operation of said combined system will equal at least 1.4 times the average annual amount required to be paid for principal and interest due and payable on all of the outstanding water and sewer revenue bonds of the city and on the additional revenue bonds authorized herein.

The Council hereby expressly finds and declares that said conditions and requirements having been met as aforesaid, the water and sewer revenue bonds provided for in this ordinance shall be entitled to and are declared to be on a parity with the outstanding water and sewer revenue bonds of the city issued under date of September 1, 1952, and that the bonds authorized herein constitute a lien on the gross revenue of the combined water and sewerage system of the city and all additions and improvements thereto superior to all other charges whatsoever except those necessary for maintenance and operation of said combined system and except the charges necessary to pay the principal

and interest of the outstanding water and sewer revenue bonds of the city issued prior to September 1, 1952.

Section 2. That for the purpose of providing funds to acquire, construct and install the additions and improvements to the combined water and sewerage system of the city as provided in Ordinance No. 627, and to pay the balance of the cost thereof, the city shall now issue and sell its water and sewer revenue bonds in the total principal sum of \$90,000.

Said bonds shall be dated May 1, 1953, shall be in denominations of \$1,000 each, shall be numbered from 1 to 90, inclusive, shall bear interest at the rate of 3 1/2% per annum payable semiannually on the first days of May and November of each year, and shall mature in order of their number as follows:

May 1, 1955	\$2,000	1-2	May 1, 1967	\$2,000	25-26
May 1, 1956	2,000	3-4	May 1, 1968	2,000	27-28
May 1, 1957	2,000	5-6	May 1, 1969	5,000	29-33
May 1, 1958	2,000	7-8	May 1, 1970	6,000	34-39
May 1, 1959	2,000	9-10	May 1, 1971	6,000	40-45
May 1, 1960	2,000	11-12	May 1, 1972	6,000	46-51
May 1, 1961	2,000	13-14	May 1, 1973	6,000	52-57
May 1, 1962	2,000	15-16	May 1, 1974	7,000	58-64
May 1, 1963	2,000	17-18	May 1, 1975	8,000	65-72
May 1, 1964	2,000	19-20	May 1, 1976	9,000	73-81
May 1, 1965	2,000	21-22	May 1, 1977	9,000	82-90
May 1, 1966	2,000	23-24			

Both principal and interest of these bonds shall be payable in lawful money of the United States of America at the office of the City Treasurer in Kirkland, Washington, and shall be obligations only against the special Bond Redemption Fund created by this ordinance.

The City of Kirkland hereby reserves 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 of issue. Notice of any such intended redemption shall be given by one

publication thereof in the official city newspaper not more than forty nor less than thirty days prior to said redemption date and by mailing a like notice at the same time to Grande & Co., Inc. and H. P. Pratt & Company at their places of business in Seattle, Washington. Interest on any bond or bonds so called for redemption shall cease on such redemption date.

Section 3. Said bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$1,000

STATE OF WASHINGTON
CITY OF KIRKLAND

WATER AND SEWER REVENUE BOND
1953

KNOW ALL MEN BY THESE PRESENTS:

That the City of Kirkland, a municipal corporation of the State of Washington, hereby acknowledges itself to owe and for value received promises to pay to bearer on the 1st day of May, 19___, the principal sum of

ONE THOUSAND DOLLARS

together with interest thereon at the rate of 3 1/2% 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 attached 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 Kirkland, Washington, solely out of the special fund of the city known as "Kirkland 1953 Water and Sewer Revenue Bond Redemption Fund" created by Ordinance No. ____ of the city.

The city 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 the date hereof. Notice of any such intended redemption shall be given by one publication thereof in the official city newspaper not more than forty nor less than thirty days prior to said redemption date and by mailing a like notice at the same time to Grande & Co., Inc. and H. P. Pratt & Company at their places of business in Seattle, Washington.

This bond is one of an issue of water and sewer revenue bonds of the city of like date and tenor in the total principal sum of \$90,000, and is issued for the purpose of providing funds to acquire, construct and install certain additions and improvements to the combined water and sewerage system of the city, and is payable solely out of the gross revenue of said combined system.

The City of Kirkland hereby covenants and agrees with the holder of this bond that it will keep and perform all the covenants of this bond and of Ordinances No. 627, No. 630 and No. ____ to be by it kept and performed.

The city does hereby pledge and bind itself to set aside out of the gross revenue of said combined water and sewerage system and all additions and improvements thereto, and to pay into said Bond Redemption Fund and the Reserve Account created therein the various amounts required by said Ordinance No. ____ to be paid into and maintained in said Fund and Account, all within the times provided by said ordinance.

Said amounts so pledged are hereby declared to be a prior lien and charge upon the gross revenue of said combined system and all additions and improvements thereto, superior to all other charges of any kind or nature except the charges necessary for the maintenance and operation of said combined system and for the payment of the outstanding water and sewer revenue bonds of the city issued prior to September 1, 1952, and equal in rank to the charges for the payment of the principal and interest of the outstanding water and sewer revenue bonds of the city issued under date of September 1, 1952.

The city has further bound itself to maintain said combined system in good repair, working order and condition, to operate the same and the business in connection therewith in an efficient manner and at a reasonable cost, and to establish, maintain and collect rates and charges for water and sewage disposal service that will provide revenue equal to at least 1.4 times the average annual amount required to pay the principal and interest of all previously issued and outstanding water and sewer revenue bonds of the city, the bonds of this issue, and any water and sewer revenue bonds which may later be issued on a parity with the bonds of this issue after necessary costs of maintenance and operation of said combined system have been paid but before depreciation.

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 Kirkland, 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 Kirkland, Washington, has

caused this bond to be signed by its Mayor, attested by its Clerk, and have the corporate seal of the city impressed thereon, and the interest coupons attached hereto to be signed with the facsimile signatures of said officials, this 1st day of May, 1953.

CITY OF KIRKLAND, WASHINGTON

By _____
Mayor

ATTEST:

City Clerk

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

NO. _____ \$17.50

On the 1st day of _____, 19____, the City of Kirkland, Washington, will pay to bearer at the office of the City Treasurer in Kirkland the sum of SEVENTEEN AND 50/100 DOLLARS in lawful money of the United States of America out of the special fund of the city known as "Kirkland 1953 Water and Sewer Revenue Bond Redemption Fund," said sum being the semiannual interest due that day on its Water and Sewer Revenue Bond dated May 1, 1953, and numbered _____.

CITY OF KIRKLAND, WASHINGTON

By _____
Mayor

ATTEST:

City Clerk

Section 4. Said bonds shall be signed on behalf of the city by its Mayor and attested by the City Clerk, and shall have the corporate seal of the city impressed thereon, and the interest coupons attached to said bonds shall be signed with the facsimile signatures of said officials.

Section 5. That there be and is hereby created a special fund of the city to be known as "Kirkland 1953 Water and Sewer Revenue

Bond Redemption Fund," which fund is to be drawn upon for the sole purpose of paying the principal and interest of the water and sewer revenue bonds authorized herein as the same shall become due and payable.

The city hereby obligates and binds itself to set aside and pay into said Bond Redemption Fund, out of the gross revenue of its combined water and sewerage system and all additions and improvements thereto, certain fixed amounts necessary to pay such principal and interest as the same respectively become due and payable. Such payments shall be a charge upon such revenue ranking equally and ratably and on a parity with the payments required by the terms of Ordinance No. 630 to be made into the Kirkland 1952 Water and Sewer Revenue Bond Redemption Fund.

Said payments shall be made into said 1953 Bond Redemption Fund on or before the twentieth day of each month in the amounts hereinafter specified:

(a) Beginning with the month of May, 1953, 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 6-months period on all the bonds then outstanding.

(b) Beginning with the month of May, 1954, 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 payable on the next principal payment date.

When there is sufficient money in said Bond Redemption Fund and the Reserve Account hereinafter created to pay the principal and interest to maturity of all the outstanding bonds of the issue authorized herein, then no further payments need be made into said Bond Redemption Fund.

Said amounts so pledged and the amounts required herein to be paid into the Reserve Account hereinafter created are hereby declared to be a prior lien and charge upon the gross revenue of said combined water and sewerage system and all additions and improvements thereto superior to all charges of any kind or nature except the necessary cost of maintenance and operation of said combined system and the charges necessary to pay the principal and interest of the outstanding water and sewer revenue bonds of the city issued prior to September 1, 1952, and on a parity with the charges necessary to pay the principal and interest of the outstanding water and sewer revenue bonds of the city issued under date of September 1, 1952.

Section 6. A Reserve Account is hereby created in said Bond Redemption Fund, and the city hereby agrees that it will set aside and pay into said Reserve Account the sum of \$150 a month commencing with the month of May, 1953, until the total sum of \$9,250 has been paid into said Reserve Account.

The city further agrees that when said sum of \$9,250 has been paid into said Reserve Account, it will at all times maintain that amount therein until there is a sufficient amount in the Bond Redemption Fund and Reserve Account to pay the principal and interest to maturity of all the outstanding bonds of the issue authorized herein.

In the event there shall be a deficiency in said Bond Redemption Fund to meet maturing installments of either principal or interest of the bonds authorized herein, such deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up from the gross revenue of said combined water and sewerage system and all additions and improvements thereto first available after making necessary provision for the

required payments into the Bond Redemption Fund.

All money in said Reserve Account may be kept in cash or invested in direct obligations of the United States Government maturing not later than twelve years from date of purchase and in no event later than the last maturity of the outstanding bonds of the issue authorized herein. Interest earned on any such investments shall be deposited in and become a part of the Bond Redemption Fund.

Section 7. The corporate authorities of the City of Kirkland hereby declare, in fixing the amounts to be paid into said Bond Redemption Fund and Reserve Account, that they have exercised due regard to the cost of maintenance and operation of said combined water and sewerage system and the charges necessary to pay the principal and interest of the previously issued and outstanding water and sewer revenue bonds of the city, and have not obligated the city to set aside and pay into said Fund and Account a greater amount or proportion of the revenue of said combined system than in their judgment will be available over and above such cost of maintenance and operation and the charges necessary to pay the principal and interest of said previously issued and outstanding water and sewer revenue bonds.

Section 8. The covenants and agreements of the city contained in Ordinance No. 630, and more particularly set forth in Section 7 thereof, constituting agreements of the city protecting and safeguarding the security and rights of the holders of the water and sewer revenue bonds of the city issued under date of September 1, 1952, shall be equally applicable to the bonds authorized herein, and shall inure to the benefit of the holders from time to time of these bonds, and are hereby made a part of this ordinance with respect to the bonds authorized herein as though fully set forth herein.

The city hereby reserves the right to issue refunding water and sewer revenue bonds or to incur additional indebtedness and issue additional water and sewer revenue bonds therefor, and to create special funds for the payment of the principal and interest of any such bonds, into which funds payments may be made out of the gross revenue of the combined water and sewerage system of the city of fixed amounts to pay the principal and interest thereof, and to maintain an adequate reserve therefor, the payments into which special funds may rank equally with the payments into the 1952 Bond Redemption Fund created by Ordinance No. 630 and the Bond Redemption Fund created herein, upon the same terms, conditions and requirements and with the same limitations and restrictions as provided in Section 7(d) of Ordinance No. 630 for the issuance of refunding or additional bonds of equal lien with the outstanding water and sewer revenue bonds of the city issued under date of September 1, 1952.

Section 9. The sale of the bonds authorized herein to Grande & Co., Inc. and H. P. Pratt & Company of Seattle, Washington, under the terms of said bonds as herein set forth is hereby in all respects ratified and confirmed. The proper officials of the city are hereby authorized and directed to do everything necessary for the immediate execution and delivery of the bonds and for the proper use and application of the proceeds of the sale thereof for the purposes herein set forth.

Section 10. This ordinance shall become effective five days from and after its passage, approval and publication as provided by law.

PASSED by the Council of the City of Kirkland, Washington, and approved by its Mayor this 6th day of April, 1953.

CITY OF KIRKLAND, WASHINGTON

By

Alfred E. Heland
Mayor

ATTEST:

Loren L. Vitch
City Clerk

APPROVED AS TO FORM:

Charles W. Johnson Jr.
City Attorney

I hereby certify that the foregoing is a true and correct copy of an Ordinance of the City of Kirkland and that the same was published or posted according to law, said Ordinance being No. 639 and entitled "An Ordinance as above.

Barry P. Yates, City Clerk."