

ORDINANCE NO. 675

AN ORDINANCE of the City of Kirkland, Washington, providing for the issuance of \$100,000 of water and sewer revenue bonds of the city to provide funds to pay the cost of acquiring, constructing and installing certain additions and improvements to and extensions of the combined water and sewerage system of the city authorized by Ordinance No. 674, providing the date, form, terms and maturities of said bonds, creating a special Bond Redemption Fund for the payment of the principal thereof and interest thereon and a Reserve Account, adopting certain covenants and protective features safeguarding the payment of such principal and interest, confirming the sale of said bonds, and declaring an emergency.

WHEREAS, by Ordinance No. 674, passed and approved June 6, 1955, the Council of the City of Kirkland provided that the city should issue its water and sewer revenue bonds in the principal sum of \$100,000 for the purpose of providing funds to acquire, construct and install certain additions and improvements to and extensions of the combined water and sewerage system of the city; and

WHEREAS, by Ordinance No. 630 of the city, passed and approved September 2, 1952, it was provided that additional water and sewer revenue bonds of the city for the purpose of acquiring, constructing and installing additions and improvements to and extensions of its combined water and sewerage system could be issued on a parity with previously authorized, issued and outstanding water and sewer revenue bonds of the city if the conditions set forth in Section 7(d) of said Ordinance No. 630 were met; and

WHEREAS, it appears to the Council that such conditions have been and will be met at the time of the issuance and delivery of the bonds authorized herein and that such bonds may be issued on

a parity with the outstanding water and sewer revenue bonds issued pursuant to Ordinances No. 630 and No. 639 under dates of September 1, 1952 and May 1, 1953, respectively; and

WHEREAS, the City Council has heretofore accepted the offer of Grande & Co., Inc. and H. P. Pratt & Company, both of Seattle, Washington, to purchase the bonds authorized herein under the terms, conditions and covenants of the same as hereinafter 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, as required by Section 7(d) of Ordinance No. 630 of the city, as follows:

(a) That the bonds authorized herein are issued for the purpose of acquiring, constructing and installing additions and improvements to and extensions of the combined water and sewerage system of the city.

(b) That at the time of the adoption of this ordinance and at the time of the issuance and delivery of the bonds authorized herein there is not nor will there be any deficiency in the bond redemption funds and reserve accounts created by Ordinances No. 630 and No. 639 of the city for the payment of the principal of and interest on the outstanding September 1, 1952 and May 1, 1953 water and sewer revenue bonds of the city. That the city has not issued nor does it have outstanding any water and sewer revenue bonds on a parity with the outstanding revenue bonds of said September 1, 1952 issue except for the outstanding revenue bonds of said May 1, 1953 issue.

(c) That at the time of the issuance of the bonds authorized herein the city will have on file a certificate from ~~Ray Beck & Associates~~ ^{HARRY SISLER}, an independent licensed professional engineer, showing that in his opinion he is reasonably certain that the income of the combined water and sewerage system of the city as added to, improved and extended by the acquisition and construction of the additions, improvements and extensions authorized by Ordinance No. 674 available for debt service on the heretofore issued and outstanding water and sewer revenue bonds of the city, including the outstanding bonds of the issues of September 1, 1952, May 1, 1953, and the bonds authorized herein, after expenses of maintenance and operation of said combined system have been paid will equal at least 1.4 times the average annual amount required to be paid for interest and principal due and payable on all of such bonds.

The conditions contained in Section 7(d) of Ordinance No. 630 for the issuance of parity revenue bonds being complied with in the issuance of the bonds authorized herein, the payments into the Bond Redemption Fund and Reserve Account created in this ordinance shall constitute a lien and charge upon the revenue of the combined water and sewerage system of the city and all additions and improvements thereto equal in rank with the lien and charge on such revenue for the payments required to be made into the bond redemption funds and reserve accounts created by said Ordinances No. 630 and No. 639 for the payment of the principal of and interest on the outstanding September 1, 1952 and May 1, 1953 water and sewer revenue bonds of the city.

Section 2. That for the purpose of providing funds to

acquire, construct and install those certain additions and improvements to and extensions of the combined water and sewerage system of the city authorized by Ordinance No. 674, the city shall issue its water and sewer revenue bonds in the total principal sum of \$100,000.

Said bonds shall be dated July 1, 1955, shall be in denominations of \$1,000 each, shall bear interest at the rate of 3% per annum payable semiannually on the first days of January and July of each year, and shall be numbered and mature in order of their number as follows:

<u>Bond Nos.</u>	<u>Maturity Date</u>	<u>Amount</u>
1 - 32	July 1, 1978	\$32,000
33 - 65	July 1, 1979	33,000
66 - 100	July 1, 1980	35,000.

Both principal of and interest on said 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 of the special Bond Redemption Fund created by this ordinance.

Section 3. 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 or to their successor or successors in business, if any, of said firms or either of them at their main place or places of business. Interest on any bond or bonds so called for redemption

shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

Section 4. 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
1955

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 first day of July, 19__, the principal sum of

ONE THOUSAND DOLLARS

together with interest thereon at the rate of 3% per annum payable semiannually on the first days of January and July 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 1955 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 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 or to the successor or successors in business, if any, of said firms or either of them at their main place or places of business.

This bond is one of an issue of water and sewer revenue bonds of the city of like amount, date and tenor in the total principal sum of \$100,000, which bonds are issued for the purpose of providing funds to acquire, construct and install certain additions and improvements to and extensions of the combined water and sewerage system of the city and which are payable solely out of the gross revenue of said combined system.

The City of Kirkland hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and of Ordinances No. 630, No. 674 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 by said Ordinance No. _____, the various amounts required by said ordinance 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 necessary cost of maintenance and operation of said combined system and the charges necessary for the payment of the outstanding water and sewer revenue bonds of the city issued under dates prior to September 1, 1952, and equal in rank to the charges necessary for the payment of the principal of and interest on the outstanding water and sewer revenue bonds of the city issued under dates of September 1, 1952 and May 1, 1953.

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 for sewage disposal service that will provide revenue equal to at least 1.4 times the average annual amount required to pay the principal of and interest on 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 the bonds of this issue 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.

IN WITNESS WHEREOF, the City of Kirkland has caused this bond to be signed by its Mayor, attested by its Clerk, the corporate seal of the city to be impressed hereon, and the interest coupons attached hereto to be signed with the facsimile signatures of said officials, this first day of July, 1955.

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. _____ \$15.00

On the first day of _____, 19____, the City of Kirkland, Washington will pay to bearer at the office of the City Treasurer in Kirkland the sum of FIFTEEN AND NO/100 DOLLARS in lawful money of the United States of America out of the special fund of the city known as "Kirkland 1955 Water and Sewer Revenue Bond Redemption Fund," said sum being the semiannual interest due that day on its water and sewer revenue bond dated July 1, 1955, and numbered _____.

CITY OF KIRKLAND, WASHINGTON

By _____ Mayor

ATTEST:

City Clerk

Section 5. Said bonds shall be signed on behalf of the city by its Mayor, attested by its Clerk, and shall have the corporate seal of the city impressed thereon. 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 of the city to be known as "Kirkland 1955 Water and Sewer Revenue Bond Redemption Fund," which Fund is to be drawn upon for the sole purpose of paying the principal of and interest on the 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 shall 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" and the Reserve Account created therein and the payments required by the terms of Ordinance No. 639 to be made into the "Kirkland 1953 Water and Sewer Revenue Bond Redemption Fund" and the Reserve Account created therein.

Such payments shall be made into said 1955 Bond Redemption Fund on or before the twentieth day of each month in the amounts hereinafter specified:

(a) Beginning with the month of July, 1955 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 on the next interest payment date on all of such bonds then outstanding.

(b) Beginning with the month of July, 1977 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

of such bonds to become payable on the next principal payment date.

When there is sufficient money in the 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 to be paid into said Bond Redemption Fund and the Reserve Account therein hereinafter created are hereby declared to be a prior lien and charge upon the gross revenue of the combined water and sewerage system of the city 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 combined system and the charges necessary to pay the principal of and interest on the outstanding water and sewer revenue bonds of the city issued under dates prior to September 1, 1952, and equal in rank to the charges necessary to pay the principal of and interest on the outstanding water and sewer revenue bonds of the city issued under dates of September 1, 1952 and May 1, 1953.

Section 7. That there be and is hereby created a Reserve Account in said Bond Redemption Fund, and the city hereby agrees that it will set aside and pay into said Reserve Account the sum of \$130 a month commencing with the month of January, 1956, until the sum of \$35,000 has been paid therein. The city further agrees that when said sum of \$35,000 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 of and interest on all of the outstanding bonds authorized herein.

In the event there shall be a deficiency in the Bond Redemption Fund to meet maturing installments of either interest on or principal of and interest on the bonds authorized herein, such deficiency shall be made up by withdrawal of cash from the Reserve Account. Any deficiency created in the Reserve Account by reason of such withdrawal shall then be made up from the gross revenue of the 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 the Reserve Account may be kept in cash or invested in obligations of the United States Government having a guaranteed market and maturing not later than the last maturity of the bonds authorized herein. Interest earned on any such investments shall be deposited in and become a part of the Bond Redemption Fund.

Section 8. The corporate authorities of the City of Kirkland hereby declare in fixing the amounts to be paid into the Bond Redemption Fund and Reserve Account created by this ordinance 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 of and interest on 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 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 of and interest on such outstanding bonds.

Section 9. 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 (and 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 May 1, 1953 by virtue of Section 8 of Ordinance No. 639), shall apply equally 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 such bonds 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 of and interest on 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 thereof and interest thereon and to maintain adequate reserves therefor, the payments into which special funds may rank equally with the payments into the 1952 Bond Redemption Fund created by Ordinance No. 630, the 1953 Bond Redemption Fund created by Ordinance No. 639 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 on a parity with the outstanding water and sewer revenue bonds of the city issued under date of September 1, 1952.

Section 10. The sale of the bonds authorized herein to Grande & Co., Inc. and H. P. Pratt & Company, both of Seattle, Washington, under the terms of said bonds as herein set forth and at a price of \$98.17 per \$100 par value, 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 such bonds and for the proper use and application of the proceeds of the sale thereof for the purposes authorized in Ordinance No. 674.

Section 11. 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 Kirkland, 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 provided by law.

PASSED by the Council of the City of Kirkland, Washington and approved by its Mayor at a regular meeting of said Council held this 20th day of June, 1955.

CITY OF KIRKLAND, WASHINGTON

By Alfred E. Reland Mayor

ATTEST:

Joseph L. Jiles
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. 675 and entitled "An Ordinance as above."

Joseph L. Jiles, City Clerk.