

ORDINANCE NO. 67

AN ORDINANCE specifying and adopting a system or plan for the construction of additions and betterments to the Water System of the Town of Redmond, declaring the estimated cost thereof as near as may be, and submitting the proposition of the adoption of said plan and the issuance of not to exceed \$18,000.00 of Water Revenue Bonds in part payment thereof, to the qualified voters of said Town for ratification or rejection at a special election to be held therein, and providing for the holding of such election.

WHEREAS the Town of Redmond now owns and operates a Water System, which consists to certain extent of wooden water mains which are now in such condition as to require replacement, and it is deemed advisable to immediately replace them with cast iron mains; and

WHEREAS the United States of America and/or the State of Washington are willing to contribute one-half the cost of making such additions and betterments; and

WHEREAS the First National Bank of Redmond, the owner and holder of all the unpaid and outstanding Water Revenue Bonds of the Town of Redmond, (the total principal sum of which is now \$10,000.00), is willing to modify the terms of said bonds as specified therein and in Ordinance No. 51 by consenting to a reduction of the percentage of gross revenues which is pledged to pay said bonds and which must be deposited in "Water Revenue Fund Number 2, Town of Redmond", from seventy-five per cent to fifty-five per cent;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF REDMOND AS FOLLOWS:

Section 1. That the Town of Redmond proceed to construct additions and betterments to its Water System by replacing all its wooden mains with cast iron mains, and it does hereby specify and adopt as the system or plan for the construction of additions and betterments to its existing Water System said replacement of existing wooden mains with cast iron mains.

Section 2. That the estimated cost of the aforescribed additions and betterments to the existing Water System, as nearly as may be determined, will be Thirty Thousand Dollars (\$30,000.00), one-half of which shall be paid by the United States of America and/or the State of Washington, and one-half of which shall be paid by the issuance of Water Revenue Bonds as hereinafter set forth.

Section 3. That the revenue for the purchase and construction of said additions and betterments to the said Water System be raised in the following manner:

(a) One-half thereof shall be paid and contributed by the United States of America and/or the State of Washington.

(b) The remaining one-half thereof shall be raised by the issuance of not to exceed Eighteen Thousand Dollars (\$18,000.00) of Water Revenue Bonds, bearing interest at a rate not exceeding six per cent per annum, payable semi-annually, both principal and interest payable solely from a special fund designated as "Special Water Revenue Fund, Town of Redmond", as hereinafter created,- said issue of Special Revenue Bonds to be in denominations of Five Hundred Dollars (\$500.00) each, to fall due at the expiration of twenty years from the date thereof, and to be numbered from one up, consecutively. Said Town shall reserve the right to retire any or all of said bonds then remaining unpaid on any interest payment date. All of said bonds shall be payable, both principal and interest, at the office of the Town Treasurer of the said Town of Redmond, and shall bear such date and be in such form as the Town Council shall hereafter by ordinance prescribe.

Section 4. There is hereby created a special fund to be known as "Special Water Revenue Fund, Town of Redmond", which fund shall be drawn upon for the sole purpose of paying the principal and interest of said Special Revenue Bonds. From and after the date of said Special Revenue Bonds, and so long as any of the same are outstanding and unpaid, and so long as any bonds heretofore issued pursuant to Ordinance No. 51 and payable out of "Water Revenue Fund Number 2, Town of Redmond" shall be outstanding and unpaid, the Town Treasurer shall set aside and pay into the fund hereby created thirty-five per cent of the gross revenue of said Water System. Immediately after all of the bonds issued pursuant to said Ordinance Number 51 and payable out of said "Water Revenue Fund Number 2, Town of Redmond" shall have been paid and retired, there shall be set aside and paid into the fund hereby created and known as "Special Water Revenue Fund, Town of Redmond", ninety per cent of the gross revenue of said Water System. The aforesaid gross revenues are hereby pledged to be paid into the fund hereby created, which shall constitute a charge upon all of such gross revenues prior and superior to all other charges whatsoever, including charges for maintenance and operation, but excepting the charges heretofore imposed thereon for the payment of the said bonds issued pursuant to Ordinance Number 51 and payable out of "Water Revenue Fund Number 2, Town of Redmond." In creating such Fund, the said Town of Redmond hereby declares that it has exercised due regard to the cost of maintenance and operation of the said Water System, and has exercised due regard to the said bond issue still outstanding; that no portion of the revenues of said System have been previously pledged for any other indebtedness except for the payment of the said bonds issued pursuant to Ordinance Number 51. That the gross revenues to be derived from the operation of said Water System, in the judgment of the corporate authorities of said Town, will be sufficient to meet all expenses for operation and maintenance, and to permit the setting aside into

said special fund of amounts sufficient to pay the interest and principal of the bonds hereby authorized. Said Town hereby irrevocably binds and obligates itself not to sell, lease, or in any manner dispose of said Water System or any additions, extensions or betterments thereto, until all such bonds, with interest thereon, shall have been fully paid, and said Town hereby covenants and agrees to and with the holders of each and every of said bonds, in the event such bonds or any portion thereof be issued, to maintain in good condition and to operate said Water System, and to establish and maintain rates and charges for water, sufficient to produce the gross revenues required to meet the obligations of said Town as herein set forth. The said bonds shall not constitute an indebtedness of the Town of Redmond within the meaning of the constitutional provisions and limitations. Each of said bonds shall state upon its face that it is payable from the said Special Fund, and shall refer to this Ordinance.

Section 5. That a special election is hereby called, to be held at the Town of Redmond on August 8, 1933, at which time there shall be submitted to the qualified voters of said Town for ratification or rejection, the system or plan herein specified and adopted for the construction of additions and betterments to the existing Water System, and the issuance of Special Water Revenue Bonds to pay one-half the cost thereof, such election to be held in the manner and notice thereof to be given as required by law.

PASSED BY THE TOWN COUNCIL this 21st day of July, 1933.



MAYOR

Attest:



Clerk