

Town of Redmond, Washington

ORDINANCE NO. 149

AN ORDINANCE providing for the issuance of \$56,000 of "Water Revenue Bonds, 1951" of the Town of Redmond provided for in Ordinances No. 145 and 147, for the purpose of obtaining funds with which to carry out the plan or system for additions and betterments to and extensions of the waterworks utility system of the Town, fixing the interest rate, date, form, denominations, maturities, terms and covenants of said bonds, and directing their sale and delivery to H.P. Pratt & Company and Grande & Co., Inc., pursuant to Ordinance No. 147.

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

Section 1. That for the purpose of obtaining funds with which to carry out the plan or system for making of additions and betterments to and extensions of the existing waterworks utility system of the Town of Redmond provided for in Ordinance No. 145, there be issued "Water Revenue Bonds, 1951" of the Town of Redmond in the principal sum of \$56,000. Said bonds shall be in denominations of \$1,000 each; shall be numbered from "One " to "Fifty-Six" inclusive; shall be dated August 1, 1951; and shall bear interest at the rate of 3 percent per annum, payable semiannually on February 1st and August 1st of each year, interest to maturity being evidenced by coupons attached to said bonds. Both principal and interest of said bonds shall be payable in lawful money of the United States at the office of the Town Treasurer of the Town of Redmond, Washington, and said bonds shall be an obligation only against the special fund created and established in Ordinance No. 145 and designated "Water Revenue Bond Fund, 1951." Said bonds shall mature serially, annually, over a period of from one to twenty years from the date of issuance in accordance with the following schedule, to wit:

<u>Bond Numbers</u>	<u>Amount</u>	<u>Maturities</u>
1-2	\$2,000.00	August 1, 1952
3-4	\$2,000.00	August 1, 1953
5-6	\$2,000.00	August 1, 1954
7-8	\$2,000.00	August 1, 1955
9-11	\$3,000.00	August 1, 1956
12-14	\$3,000.00	August 1, 1957

15-17	\$3,000.00	August 1, 1958
18-20	\$3,000.00	August 1, 1959
21-23	\$3,000.00	August 1, 1960
24-26	\$3,000.00	August 1, 1961
27-29	\$3,000.00	August 1, 1962
30-32	\$3,000.00	August 1, 1963
33-35	\$3,000.00	August 1, 1964
36-38	\$3,000.00	August 1, 1965
39-41	\$3,000.00	August 1, 1966
42-44	\$3,000.00	August 1, 1967
45-47	\$3,000.00	August 1, 1968
48-50	\$3,000.00	August 1, 1969
51-53	\$3,000.00	August 1, 1970
54-56	\$3,000.00	August 1, 1971

Section 2. Bonds numbered from 1 to 11, inclusive, of a total par value of \$11,000.00, shall be issued without the option of the Town to redeem the same prior to their respective maturity dates. Bonds numbered from 12 to 56, inclusive, of a total par value of \$45,000.00, may at the option of the Town of Redmond be called for payment prior to maturity, at par plus accrued interest, on any semiannual interest coupon due date, <sup>on</sup> or after August 1, 1956, in inverse numerical order, highest numbers first, by giving at least thirty days notice of said intended redemption by publication thereof in the official newspaper of said Town, such notice to be published once not less than thirty nor more than forty-five days prior to the call date, and a copy of such notice shall be mailed to H.P. Pratt & Company and Grande & Co., Inc. at their business addresses in Seattle, Washington, during said period. Interest on any bonds so called for redemption shall cease on such date.

Section 3. The "Water Revenue Bond Fund, 1951," created and established in Ordinance No. 145, shall be divided into two accounts, namely, a "Principal and Interest Account" and a "Reserve Account." So long as bonds are outstanding against such fund the Town Council of the Town of Redmond shall set aside and pay into such fund, out of the gross revenues of the waterworks utility system of the Town, a fixed amount without regard to any fixed proportion as follows:

(a) In the "Principal and Interest Account" monthly, one-twelfth of the next ensuing twelve months' requirement of both Principal and Interest, beginning on September 1, 1951;

(b) In the "Reserve Account" monthly, beginning not later than October 1, 1951, at least \$70.00, until the sum of \$4,000.00 has been accumulated therein. Said Reserve Account may be accumulated from any other moneys which the Town of Redmond may have available for such purpose in addition to using revenues therefor. Said Reserve Account shall be maintained in such amount at all times so long as any of said bonds are outstanding; PROVIDED, that when the total amount in said special fund shall equal the total amount of Principal and Interest on all outstanding bonds of said issue to the last maturity thereof no further payments need be made into such special fund.

In the event that there shall be a deficiency in the Principal and Interest Account in said special fund to meet maturing instalments of either principal or interest, as the case may be, such deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up from moneys from the <sup>revenues</sup> reserve of said waterworks utility system first available after making necessary provision for the required payments into the Principal and Interest Account. The moneys in the Reserve Account shall otherwise be held intact and may be applied against the last outstanding bonds of this issue.

All money in the Reserve Account above provided for may be kept on deposit in the official bank depository of the Town of Redmond, or in any national bank, or may be invested in United States Government obligations maturing not later than twelve (12) years from the date of issue. Interest on any such investment or any such bank account shall be deposited in and become a part of the Reserve Account until there shall be \$4,000.00 in said Reserve Account.

The Town Council and corporate authorities of the Town of Redmond hereby declare that in fixing the amount to be paid into the special fund as aforesaid they have exercised due regard to the cost of operation and maintenance of said municipal waterworks utility system and that no portion of the revenue thereof has been previously pledged for any other indebtedness.

Section 4. The Town of Redmond shall establish, maintain and collect such rates and charges for water, so long as any of such bonds herein authorized to be issued are outstanding as will make available for the payment of the principal and interest on all such bonds as the same shall accrue an amount equal to at least one and one-half (1½) times the average annual debt service of both principal and interest of said bond issue, after deducting maintenance, operation and other necessary expenditures from the gross revenues of the waterworks utility system. The gross revenues from said waterworks utility system, and all additions, extensions and betterments thereto at any time made, are hereby pledged to such payment and shall constitute a charge upon such revenues prior and superior to any other charges whatsoever, except charges of maintenance and operation.

Section 5. The Town of Redmond hereby binds itself irrevocably not to mortgage, sell, lease or in any manner encumber or dispose of said waterworks utility system, and all additions, extensions and betterments now or hereafter made thereto, until all of said bonds with interest thereon shall have been fully paid, and the Town hereby covenants and agrees to maintain its said waterworks utility system in good condition and to operate the same and to establish from time to time and to maintain and collect such rates for water service as will provide sufficient revenue to produce the gross revenues required to meet the obligations of the Town as herein set forth.

Section 6. Said bonds shall be known as "Water Revenue Bonds, 1951," and shall be in substantially the following form

UNITED STATES OF AMERICA  
STATE OF WASHINGTON  
TOWN OF REDMOND

No. \_\_\_\_\_

\$1,000.00

WATER REVENUE BOND, 1951

3%

KNOW ALL MEN BY THESE PRESENTS: That the Town of Redmond, State of Washington, acknowledges itself to owe, and for value received hereby

promises to pay the bearer on the 1st day of August, 19\_\_\_, the principal sum of

ONE THOUSAND DOLLARS

TOGETHER WITH interest thereon at the rate of 3 percent per annum until fully paid, payable semiannually on February 1st and August 1st of each year, the interest to maturity being evidenced by, and payable upon, the presentation and surrender of the attached interest coupons as they serially become due up to the bond maturity date, with full obligation on the part of the Town to pay interest at the same rate from and after the bond maturity date, in the absence of interest coupons, until this bond with interest is paid in full. Both principal and interest are payable in lawful money of the United States at the office of the Town Treasurer of Redmond, Washington, solely out of the special fund created by Ordinance No. 145, known as "Water Revenue Bond Fund, 1951" into which fund the Town of Redmond hereby irrevocably binds itself to pay certain fixed amounts out of the gross revenues of the municipal waterworks utility system now belonging to or which may hereafter belong to said Town, including the additions, replacements, extensions and betterments now or at any time hereafter made or constructed, without regard to any fixed proportion, namely, an amount sufficient to pay the principal and interest of this issue of bonds as they respectively become due and to accumulate a reserve of Four Thousand Dollars (\$4,000.00), all at the times and in the manner set forth in Ordinances No. 145 and 147.

The Town of Redmond shall establish, maintain and collect such rates and charges for water service so long as any bonds of this issue are outstanding as will make available for the payment of the principal and interest of all such bonds as the same shall accrue an amount equivalent to at least one and one half (1½) times the average annual debt service, both principal and interest, of said bond issue, after deducting maintenance, operation and other necessary expenditures from the gross revenues of its waterworks utility system.

This bond is one of an issue of \$56,000. of bonds of like tenor and effect, except as to maturities and redemption rights, all payable from the "Water Revenue Bond Fund, 1951" of the Town of Redmond, and issued by said Town under and in pursuance of the laws of the State of Washington and Ordinances No. 145, 147 and 149 of the Town of Redmond, for the purpose of providing funds to pay a portion of the cost of making certain additions and betterments to and extensions of the existing waterworks utility system of the Town. Reference is made to said ordinances as more fully describing the covenants with holders of bonds of this issue.

Bonds numbered 1 to 11, inclusive, of this issue are issued without the option of the Town to redeem the same prior to their respective maturity dates. Bonds numbered from 12 to 56, inclusive, may at the option of the Town of Redmond be called for payment prior to maturity at par plus accrued interest, on any semiannual interest coupon due date, *on or after August 1, 1956* in inverse numerical order, highest numbers first, by giving at least thirty days notice of said intended redemption thereof in the official newspaper of the Town of Redmond, notice to be published once, not less than thirty days nor more than forty-five days prior to the call date, and by mailing a copy of said notice to H P. Pratt & Company and Grande & Co., Inc., at their business addresses in Seattle, Washington, during said period. Interest on any bond so called for redemption shall cease on such date.

The Town of Redmond hereby binds itself irrevocably not to mortgage, sell, lease, or in any manner encumber or dispose of said municipal waterworks utility system, now belonging to it or which may hereafter belong to it, including any additions, replacements, betterments and extensions thereof, until all of the bonds of this issue, with interest thereon, shall have been fully paid; and the Town hereby covenants and agrees to and with the holders of each and every of said bonds to maintain in good condition and to operate said waterworks utility system, and all extensions, replacements, additions and betterments thereto,

and to maintain and collect such rates and charges in connection therewith as will provide sufficient revenues to produce the gross revenues necessary to meet the obligations of said Town as herewith set forth.

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 the ordinances of the Town of Redmond 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 Town of Redmond, Washington, has caused this bond to be signed by its Mayor and attested by its Town Clerk and its Corporate Seal to be hereto affixed and the interest coupons attached to be signed with the facsimile signatures of said officials this 1st day of August, 1951.

TOWN OF REDMOND, WASHINGTON,  
By Laura Owen  
MAYOR

ATTEST:

A. A. Reil  
TOWN CLERK

The interest coupons attached to said bonds shall be <sup>in</sup>substantially the following form:

THE TOWN OF REDMOND, Washington, upon presentation and surrender of this coupon, will pay to bearer at the office of the Town Treasurer, the sum of Fifteen Dollars (\$15.00) in lawful money of the United States of America, from the special fund of said Town known as "Water Revenue Bond Fund, 1951" said sum being six months' interest then due on its "Water Revenue Bond, 1951" Number \_\_\_\_\_.

On (Feb.1)(Aug.1) 19\_\_\_\_  
Coupon No. \_\_\_\_\_

Dated August 1, 1951

TOWN OF REDMOND, WASHINGTON,  
By Laura Owen  
Mayor

Attest:

A. A. Reil  
Town Clerk

Section 7. Said bonds shall be printed on lithographed forms, shall be signed by the Mayor and attested by the Clerk, and shall have the seal of the Town of Redmond affixed thereto and the coupons shall bear the facsimile signatures of the Mayor and the Clerk.

Section 8. All monies derived from the sale of said bonds shall be expended solely for the purpose of carrying out the plan or system of additions and betterments to and the extensions of the waterworks utility system of the Town of Redmond as set forth in Ordinance No. 145.

Section 9. The authority of the Town Council to issue "Water Revenue Bonds, 1951" in excess of \$56,000., as set forth in Ordinance No. 145, is hereby cancelled and repealed.

Section 10. The aforesaid bonds shall, immediately upon their execution, be delivered to H.P. Pratt & Company and Grande & Co., Inc., upon payment by them for said bonds, in accordance with Ordinance No. 147 accepting the bid of said purchasers, at the rate of \$98.00 per each \$100.00 par value thereof, less a discount of \$960.00 on the entire issue, to wit, the sum of \$53,420.00, plus interest accrued to the date of delivery. Said bonds will be furnished, together with the unqualified approving legal opinion of Messrs Weter, Roberts & Shefelman, municipal bond counsel of Seattle, Washington, at the expense of the Town.

PASSED by the Town Council and APPROVED by the Mayor this 8th day of August, 1951.

  
MAYOR of the Town of Redmond

Attest:

  
CLERK of the Town of Redmond