

CITY OF REDMOND, WASHINGTON

ORDINANCE NO. 681

AN ORDINANCE specifying and adopting a system or plan of additions to and betterments and extensions of the waterworks utility of the City, including the system of sewerage as a part thereof; declaring the estimated cost thereof as near as may be; ordering the acquisition and construction of that system or plan; providing the method of financing the same; authorizing the issuance of water and sewer revenue bonds in the approximate amount of \$875,000.00 to provide the proceeds to pay a part of the cost of such system or plan; creating a special construction fund; and providing for the issuance of interest-bearing warrants drawn upon such construction fund pending the sale of such bonds and the receipt of grants anticipated to be received from the State of Washington.

WHEREAS, the City owns and operates a waterworks utility, including the system of sewerage as a part thereof (hereinafter referred to as the "waterworks utility of the City"), and the City Council has heretofore adopted a comprehensive plan for that utility and numerous systems and plans for additions to and betterments and extensions of that comprehensive plan; and

WHEREAS, in the judgment of the City Council, the public health, welfare, safety and convenience require and it is advisable that certain additions to and betterments and extensions of the existing waterworks utility of the City be made consisting of the construction and installation of certain water transmission mains and a water storage reservoir; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN, as follows:

SECTION 1. Plan of Additions and Betterments Adopted.

The City of Redmond, Washington (hereinafter called the "City"), hereby specifies and adopts a system or plan of additions to and betterments and extensions of the waterworks utility of the City, as follows:

1. There shall be constructed and installed water transmission mains on Avondale Road and N.E. 40th Street consisting

of the construction of approximately 8,180 linear feet of 14" pipe, valves and fittings along Avondale Road from approximate vicinity of City source wells 1 and 2 to existing 0.5 M.G. storage tank and booster pump station, and approximately 2,515 linear feet of 12" pipe on N.E. 40th Street, plus 2 PRV stations between 156th Avenue N.E. and the Bellevue-Redmond Road (State Project No. 277409155).

2. There shall be constructed and installed a 4-million gallon reinforced and prestressed concrete tank and appurtenances; 2,350 linear feet of 14" main (Ductile Iron); 1,000 linear feet of 16" main (Ductile Iron); the reservoir site of approximately two acres shall be acquired, and three tennis courts with on-site parking shall be constructed as a part of the project.

There shall be included in the foregoing the acquisition and installation of all necessary hydrants, valves, fittings, chambers, easements, rights-of-way and land which may be required.

It is part of this system or plan of additions, betterments and extensions that the City may make such changes in the details of said plan prior to or in actual course of construction and installation which may be found necessary or desirable, provided the same do not substantially change said system or plan as hereinabove set forth.

SECTION 2. Adequacy of Revenues. The gross benefits and revenues to be derived from the operation and maintenance of the waterworks utility of the City as added to at the rates to be charged for water and sanitary sewage disposal service furnished will, in the judgment of the City Council, be more than sufficient to meet all expenses of operation and maintenance of such utility and to permit the setting aside into the respective bond redemption funds out of the gross revenues of the waterworks utility of the City of sufficient amounts to pay the interest on the water and sewer revenue bonds herein authorized to be issued and all outstanding water and sewer revenue bonds of the City as such interest becomes due and payable and to pay and redeem all of such bonds at maturity.

SECTION 3. Estimated Life of Additions and Betterments.

The life of the foregoing additions to and betterments and extensions of the existing waterworks utility of the City to be acquired and constructed is hereby declared to be at least thirty years.

SECTION 4. Estimated Cost and Method of Financing.

The cost of the above described plan of additions and betterments herein authorized is estimated, as near as may be, to be the sum of \$1,305,567.00. Such cost shall be met and defrayed from the following sources:

1. From grants anticipated to be received from the State of Washington, Department of Health and Social Services (Referendum No. 27 moneys), in the approximate amount of \$430,567.00 (per grant offers accepted by Resolutions Nos. 368 and 369); and

2. From the proceeds received from the issuance and sale of water and sewer revenue bonds of the City in the approximate amount of \$875,000.00.

SECTION 5. Terms of Bonds. The water and sewer revenue bonds herein authorized to be issued shall be entitled "Water and Sewer Revenue Bonds, 1975," with series designation following if issued in series. The bonds shall be issued in such series; shall be numbered from "1" upward consecutively within each series as issued; shall be in such denominations and form; shall bear such date or dates and interest rate or rates; shall be payable at such place or places; shall mature serially in accordance with such schedule, beginning not earlier than one year after date of issuance and ending not later than thirty years thereafter, or shall be term bonds; shall guarantee such coverage and collection of rates; shall have such options of payment prior to maturity; shall provide for such additional funds and accounts; and shall contain and be subject to such provisions and covenants as shall be hereafter provided by ordinance.

In the event that the "Water and Sewer Revenue Bonds, 1975," shall be issued on a parity of lien with the outstanding "Water and Sewer Revenue Bonds, 1962, Series A," the outstanding "Water and Sewer

Refunding and Construction Revenue Bonds, 1967," and the outstanding "Water and Sewer Revenue Bonds, 1968," in accordance with the provisions of Section 11 of Ordinance No. 206 and Section 13 of Ordinance No. 420, such "Water and Sewer Revenue Bonds, 1975," shall be payable solely out of the "Water and Sewer Refunding and Construction Revenue Bond Fund, 1967," of the City heretofore created and established in the office of the City Treasurer for the payment of the outstanding "Water and Sewer Refunding and Construction Revenue Bonds, 1967," and "Water and Sewer Revenue Bonds, 1968," and any additional water and sewer revenue bonds thereafter issued on a parity of lien with the outstanding "Water and Sewer Revenue Bonds, 1962, Series A," "Water and Sewer Refunding and Construction Revenue Bonds, 1967," and "Water and Sewer Revenue Bonds, 1968," in accordance with the provisions of Section 11 of Ordinance No. 206 and Section 13 of Ordinance No. 420, and shall be a valid claim of the holder thereof only as against such fund and the amount of the revenues of the waterworks utility of the City pledged to such fund, and shall not be a general obligation of the City; otherwise, such "Water and Sewer Revenue Bonds, 1975," shall be payable out of such bond redemption fund as the City shall hereafter create and establish by ordinance.

SECTION 6. Lien Position of Bonds. In the event that the "Water and Sewer Revenue Bonds, 1975," are issued on a parity of lien with the outstanding "Water and Sewer Revenue Bonds, 1962, Series A," "Water and Sewer Refunding and Construction Revenue Bonds, 1967," and "Water and Sewer Revenue Bonds, 1968," as aforesaid, the gross revenues of the waterworks utility of the City now or hereafter owned by it, including all additions thereto and betterments and extensions thereof at any time made, including those herein authorized, are hereby pledged for the payment of such outstanding revenue bonds, the "Water and Sewer Revenue Bonds, 1975," herein authorized and any additional parity water and sewer revenue bonds hereafter issued in accordance with the provisions of Section 11 of Ordinance No. 206 and

Section 13 of Ordinance No. 420, including both principal and interest, in accordance with their terms. This pledge shall constitute a lien or charge upon such gross revenues prior and superior to any other charges whatsoever, including the lien or charge thereon for the outstanding "Water and Sewer Revenue Bonds, 1970," and "Water and Sewer Revenue Bonds, 1972," and any additional water and sewer revenue bonds hereafter issued on a parity of lien with said 1970 Bonds and 1972 Bonds in accordance with the provisions of Section 10 of Ordinance No. 590, but subject to the necessary costs of operation and maintenance of the waterworks utility of the City.

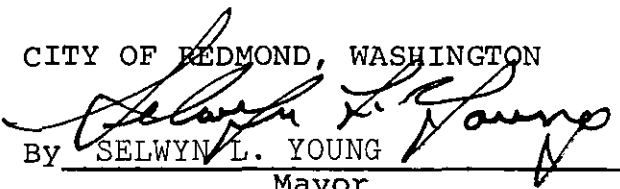
SECTION 7. Improvements Ordered. The proceeds from the sale of the foregoing water and sewer revenue bonds shall be used for the sole purpose of making the additions to and betterments and extensions of the waterworks utility of the City as herein authorized and of paying a part of the cost and expense connected therewith, and the City, through its proper officials and agents, shall proceed with the making of said improvements.


SECTION 8. Creation of Special Construction Fund and Provision for Issuance of Interim Warrants. There is hereby created and established in the office of the City Treasurer a special fund of the City to be known as the "Water and Sewer Construction Fund, 1975," which shall be used for the sole purpose of making the additions to and betterments and extensions of the waterworks utility of the City as specified in Section 1 hereof and of paying the costs and expenses connected therewith, into which fund shall be deposited the proceeds from the sale of the water and sewer revenue bonds herein authorized to be issued and moneys received by way of grants from the State government. Pending the issuance and delivery of the water and sewer revenue bonds herein authorized and the receipt of State grants, warrants shall be issued drawn on the "Water and Sewer Construction Fund, 1975," in payment for duly authorized costs and expenses of carrying out the improvements herein authorized, which warrants shall

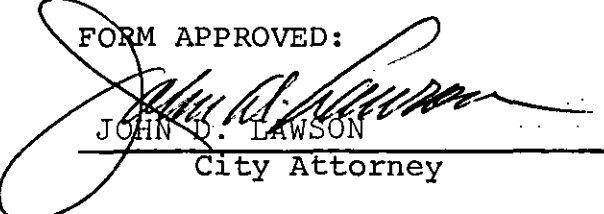
be presented to the City Treasurer marked "not paid for want of funds" and shall bear interest at such rate as shall hereafter be determined by the City Council from date of presentment until the date called for payment. Such warrants shall be paid in full within one year from the date hereof (unless such time period shall be extended by mutual agreement between the City Treasurer and the holders of such warrants) out of the proceeds from the issuance and sale of the water and sewer revenue bonds herein authorized and proceeds of State grants deposited in the "Water and Sewer Construction Fund, 1975."

SECTION 7. Effective Date. This ordinance shall take effect and be in force five days after the date of its publication in the manner provided by law.

PASSED by the City Council of the City of Redmond, Washington, at a regular open public meeting thereof and APPROVED by the Mayor this 6th day of May, 1975.

CITY OF REDMOND, WASHINGTON

By SELWYN L. YOUNG
Mayor

ATTEST:

ELEANOR J. HAYDEN
City Clerk

FORM APPROVED:

JOHN D. LAWSON
City Attorney

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