

ORDINANCE NO. 149

AN ORDINANCE RELATING TO THE ADOPTION OF A SYSTEM OR PLAN FOR MAKING ADDITIONS AND BETTERMENTS TO THE WATER SYSTEM OF GRANITE FALLS, DECLARING THE ESTIMATED COST THEREOF AS NEAR AS MAY BE AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$15,000.00 PAR VALUE OF WATER REVENUE BONDS TO DEFRAY THE COST OF SUCH ADDITIONS AND BETTERMENTS AND PROVIDING FOR THE CREATION OF SUCH A FUND TO PAY THE PRINCIPAL AND INTEREST OF SUCH BONDS AND SUBMITTING SAID PLAN AND THE QUESTION OF THE ISSUANCE OF SAID BONDS TO THE QUALIFIED VOTERS TO THE TOWN OF GRANITE FALLS FOR RATIFICATION OR REJECTION AT AN ELECTION TO BE HELD AT SAID TOWN AND PROVIDING FOR THE CALLING AND HOLDING OF SAID ELECTION.

WHEREAS, it is deemed advisable by the Town Council of the Town of Granite Falls that the Town shall make betterments to its existing municipally owned water works system by obtaining a better source of supply of water together with necessary appurtenances, and

WHEREAS, an emergency exists and it is necessary that said construction proceed immediately,

NOW, THEREFORE, the Town Council of the Town of Granite Falls does ordain as follows:

Section 1: That the public interest, welfare, health and convenience require the improvement of the water works system now owned by the Town of Granite Falls and to accomplish these purposes, it is necessary that the hereafter described additions and betterments to said system be made, to-wit:

A new source of water supply through the acquisition of well sites, construction of a well or wells, together with tanks and/or reservoirs and necessary pump or pumps, rights of way, pipe lines and valves, fittings, etc.

Section 2: That the estimated cost of the above additions and betterments is, as near as may be, the sum of \$15,000.00.

Section 3: That the Town may modify details of the foregoing plan of system where necessary or advisable in the judgment of the Town Council and where not substantially changing the purpose specified; nothing herein contained shall preclude the issuance and sale of any part of all of the bond issue provided for the purpose of providing funds to defray the cost of making part of the improvements set forth.

Section 4: That in order to carry out the plan or system specified in this Ordinance and for the purpose of providing funds to pay the cost thereof, the Town of Granite Falls shall issue its Water Revenue Bonds in an amount of not to exceed \$15,000.00. Said bonds shall be entitled "Water Revenue Bonds", shall bear interest at not to exceed 6% per annum, payable semi-annually. Said bonds shall be in such denomination as the Town Council may hereafter determine by resolution and shall be numbered from "1" upwards consecutively, and mature serially over a period of not to exceed twenty years. Both principal and interest on said bonds shall be payable in lawful money of the United States at the office of the Town Treasurer in the Town of Granite Falls. Said bonds shall not be general obligations of the Town of Granite Falls, but shall be payable solely out of the Fund hereafter established. Said bonds shall be in such form as the Town Council of said town shall hereafter by Ordinance prescribe in accordance with the laws of the State of Washington.

Section 5: That there shall be and there is hereby created and established a special fund called "Water Revenue Bond Fund", which fund is to be drawn upon for the sole purpose of paying the principal and interest of said bonds from and after the date of said bonds; and so long thereafter as obligations are outstanding against such Fund, the Town Treasurer shall set aside and pay into said Fund, monthly out of the gross revenues of the municipal water works plant and system owned by it, and the additions, improvements, betterments and replacements herein authorized to be constructed and made, and any additions, improvements, betterments and replacements at any time thereafter made, a fixed amount without regard to any fixed proportion, namely, an amount sufficient to pay the principal and the interest on the bonds herein authorized as they respectively become due. The gross revenues from said water works plant and system are hereby pledged to such payments and the bonds herein authorized shall constitute a charge upon such revenues

prior and superior to any other charges whatsoever, including charges for maintenance and operation.

The Town Council and corporate authorities of the Town of Granite Falls hereby declare that in fixing the amounts to be paid into said fund as aforesaid they have exercised due regard to the cost of operation and maintenance of said municipal water works plant and system and that no portion of the revenues of the said system has been previously pledged for any other indebtedness.

Section 6: The said town irrevocably binds itself to establish rates or charges for the furnishing of water so that the amount of the revenues therefrom after payment of all cost of maintenance and operation shall amount to not less than the full amount herein pledged to be set aside for the redemption of bonds authorized to be issued and sold hereunder until such obligations shall be paid in full. In the event the said town or any department or agency thereof which avails itself of any facilities or services rendered by said system, the reasonable value thereof shall be paid by said Town of department or agency thereof monthly as the same accrues and such payments shall be deemed revenues from the operation of said system.

Section 7: The Town irrevocably binds itself to operate said system and maintain the same in good condition and repair, and not to lease, sell or dispose of said system until all the bonds issued hereunder shall be paid in full, both principal and interest or unless and until provision shall have been made for the payment of said bonds and the interest thereon in full. The said Town further binds itself irrevocably that

(a) While any of the bonds herein authorized remain outstanding, no additional bonds payable from the revenues of said system shall be issued unless the pledge of such revenues to such bonds is made junior and subordinate in all respects to the pledge of such revenues to the bonds herein authorized;

(b) While any of the bonds herein authorized remain outstanding, it will keep proper books of accounts and records (separate from all other accounts and records) in which complete and correct entries shall be made of all transactions relating to said system, and it will furnish the original purchaser of said bonds, and any holder or holders thereof at the written request of such holder or holders, not more than thirty days after the close of each fiscal year, complete operating and income

statement of said system in reasonable detail covering such period, and

(c) They will grant to any holder or holders of 25% of the outstanding bonds hereby authorized to be issued, or to any purchaser from the original purchaser of said bonds, the right at all reasonable times to inspect the said system and all records, accounts and data of the said Town relating thereto.

Section 8: That all ordinances and parts of ordinances in conflict with any provisions of this ordinance are hereby repealed.

Section 9: That this ordinance shall be submitted to the qualified voters of the Town of Granite Falls for ratification or rejection at a special election to be held on the 7th day of December, 1940, and the said election to be held in the manner, and notice thereof to be given, as provided by law; and the Clerk of the Town of Granite Falls is hereby directed immediately to request the Election Board of Snohomish County to call a special election in the Town of Granite Falls on said date for the aforesaid purpose. If said Ordinance shall be ratified by a majority vote of the qualified electors of the Town of Granite Falls then it shall immediately go into effect, but if said ordinance shall not be ratified by a majority vote of the qualified voters of the Town of Granite Falls voting at said election then it shall be rejected and shall be of no effect.

The title of said proposition to be submitted to the voters at said election shall be in substantially the following words, to-wit:

"Shall the Town of Granite Falls issue Water Revenue Bonds in the principal sum of not to exceed \$15,000.00 payable serially over a period of not more than twenty years and bearing interest at a rate of not to exceed 6%, for the purpose of making additions and betterments to the water works system as provided for by Ordinance No. 149."

Section 10: That this Ordinance shall take effect and be in force from and after its publication, and the same shall be published in the official newspaper of the Town of Granite Falls.

Passed by the Town Council and approved by the Mayor this 8th day of November, 1940.

JACK WEBB, Mayor

ATTEST:
FRANK M. ELDER, Town Clerk