

TOWN OF COUPEVILLE, WASHINGTON

ORDINANCE NO. 135

AN ORDINANCE specifying and adopting a system or plan of additions to and betterments and extensions of the sanitary sewage disposal system of the Town of Coupeville, Washington; declaring the estimated cost thereof, as nearly as may be; providing for the issuance and sale of \$50,000.00 par value of "Sewer Revenue Bonds, 1959" to provide a part of the funds required to pay the cost thereof; creating a special fund to provide for the payment of said bonds; fixing the date, form, maturities, interest rate, covenants and terms of said bonds; providing for the sale thereof to Grande & Co., Inc. and H. P. Pratt & Company, jointly, of Seattle, Washington; and ratifying the action of the Town officials in heretofore calling for construction bids and awarding construction contracts.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF COUPEVILLE, WASHINGTON, as follows:

Section 1: It is hereby found and declared that the public health is being endangered by the inadequacy of the present sanitary sewage disposal system of the Town and the danger to the public health caused by such inadequate and unsanitary sewage disposal system should now be abated by the acquisition, construction, installation and operation of the additions to and betterments and extensions of the system, as herein specifically set forth.

Section 2. The gross revenues and benefits to be derived from the operation and maintenance of the sanitary sewage disposal system of the Town and all additions thereto and betterments and extensions thereof herein provided for, (hereinafter referred to as the "system of sewerage" of the Town of Coupeville, Washington) at rates to be charged for sewage disposal service on the entire system will, in the judgment of the Town Council, be more than sufficient to meet all expenses and operation and maintenance thereof and shall permit the setting aside into a special fund out of the gross revenues of the system of sewerage of sufficient amounts to pay the interest on the bonds herein authorized to be issued as such interest becomes due and payable and to pay and redeem all of said bonds at maturity.

Section 3. The Town of Coupeville, Washington, hereby specifies and adopts a system or plan for making additions to and betterments and extensions of the existing system of sewerage of the Town which shall consist of the following:

(1) There shall be constructed and installed a primary sewage treatment plant, commonly known as a "Spiragestor", consisting of a combination clarifier and digester and a chlorine contact tank. Said treatment plant shall be located near the intersection of 1st Street and Otis Street in the Town of Coupeville, and the effluent from the plant, after chlorination, shall be discharged into Puget Sound through an existing 18" outfall line.

(2) A sewage pump station shall be constructed and installed near the intersection of Alexander Street and Front Street.

(3) An 8" gravity interceptor sewer shall be constructed on Front Street from Haller Street to Kinney Street.

(4) A 4" force main shall be constructed and installed on Front Street from Alexander Street to Haller Street.

The foregoing shall be installed complete with necessary manholes, lampholes, wye branches, service connections and all other necessary appurtenances needed to connect the existing sewer system to the treatment plant.

There shall also be included the acquisition and installation of all necessary valves, fittings, couplings, connections and appurtenances and the acquisition of any easements and rights of way and land that may be required; and there shall be included the performance of such work as may be incidental and necessary to the foregoing construction and installation.

The Town Council may modify the details of the foregoing system or plan wherein in its judgment it appears advisable, provided such modifications do not substantially alter the purposes hereinbefore set forth.

Section 4. The life of the foregoing additions, betterments and extensions is hereby declared to be at least twenty years.

Section 5. The estimated cost, as nearly as may be, of the acquisition, construction and installation of the above described additions to and betterments and extensions of the system of sewerage of the Town is hereby declared to be \$72,428.90.

Section 6. The cost of acquiring, constructing and making the foregoing additions to and betterments and extensions of the system of sewerage of the Town shall be paid as follows:

- (a) From moneys presently on hand and available therefor in the amount of approximately \$6,000.00.
- (b) From a grant made by the United States Government under Public Law No. 660 in the sum of \$16,428.90.
- (c) From the proceeds received from the issuance and sale of Sewer Revenue Bonds in the amount of \$50,000.00.

The Sewer Revenue Bonds herein authorized to be issued shall be entitled "Sewer Revenue Bonds, 1959" (hereinafter called the "Bonds"); shall be in denominations of \$1,000.00 each; shall be numbered from 1 to 50, inclusive; shall be dated June 1, 1959 and shall bear interest at the rate of 5% per annum, interest to be paid semiannually on June 1 and December 1 of each year, interest to maturity to be evidenced by coupons to be attached to the bonds, with full obligation on the part of the Town to pay interest at the same rate from and after the Bond maturity dates until the Bonds, with interest, are paid in full. Both principal of and interest on the Bonds shall be payable solely out of the special fund hereinafter created and the Bonds shall be a valid claim of the holder thereof only as against such fund and the fixed amount of the revenues of the system of sewerage pledged to such fund, and shall not be a general obligation of the Town of Coupeville. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the office of the Town Treasurer of the Town of Coupeville, Washington.

The Bonds shall mature serially in accordance with the following schedule, to wit:

<u>Bond Numbers</u>	<u>Amounts</u>	<u>Maturities</u>
1 and 2	\$2,000.	June 1, 1961
3 and 4	\$2,000.	June 1, 1962
5 and 6	\$2,000.	June 1, 1963
7 and 8	\$2,000.	June 1, 1964
9 and 10	\$2,000.	June 1, 1965
11 and 12	\$2,000.	June 1, 1966
13 and 14	\$2,000.	June 1, 1967
15 and 16	\$2,000.	June 1, 1968
17 and 18	\$2,000.	June 1, 1969

<u>Bond Numbers</u>	<u>Amounts</u>	<u>Maturities</u>
19 to 21, inclusive	\$3,000.	June 1, 1970
22 to 24, "	\$3,000.	June 1, 1971
25 to 27, "	\$3,000.	June 1, 1972
28 to 30, "	\$3,000.	June 1, 1973
31 to 33, "	\$3,000.	June 1, 1974
34 to 36, "	\$3,000.	June 1, 1975
37 to 39, "	\$3,000.	June 1, 1976
40 to 42, "	\$3,000.	June 1, 1977
43 to 46, "	\$4,000.	June 1, 1978
47 to 50, "	\$4,000.	June 1, 1979

Section 7. Bonds numbered 1 to 18, inclusive, maturing June 1, 1961, through June 1, 1969, shall be issued without the right or option of the Town to redeem the same prior to their stated maturity dates.

The Town of Coupeville, Washington, reserves the right to redeem any or all Bonds numbered 19 to 50, inclusive, maturing June 1, 1970 through June 1, 1979, at par plus accrued interest to date of redemption, in ~~inverse~~ numerical order, highest numbers first, on June 1, 1969, or on any subsequent semiannual interest payment date.

Notice of any call for redemption of any of said Bonds prior to their stated maturity dates shall be published once in the official newspaper of the Town not less than thirty nor more than forty-five days prior to the call date. Notice of said intended redemption shall also be mailed to Grande & Co., Inc. and H. P. Pratt & Company, Hoge Building, Seattle, Washington, or their successors, not less than thirty nor more than forty-five days prior to the call date. Interest on any Bonds so called for redemption shall cease on the date fixed for such redemption upon payment of the redemption price into the bond redemption fund hereinafter created.

Section 8. There shall be and hereby is created and established in the office of the Town Treasurer a special fund to be known as "Coupeville 1959 Sewer Revenue Bond Redemption Fund", (hereinafter called the "Bond Fund"), which fund is to be drawn upon for the sole purpose of paying the principal of and interest upon the Bonds and any Sewer Revenue Bonds hereafter issued on a parity of lien with the Bonds, in accordance with the provisions of Section 15 hereof. The Bond Fund is hereby divided into a "Principal and Interest Account" and a "Reserve Account". So long thereafter as bonds are outstanding

against such fund, the Town Treasurer of the Town of Coupeville shall set aside and pay into such fund out of the gross revenues of the system of sewerage now belonging to or which may hereafter belong to the Town, including all additions, betterments and extensions thereof at any time made, a fixed amount without regard to any fixed proportion, as follows:

- (a) Beginning on July 1, 1959, one-^{twelfth}~~sixth~~ of the next ensuing ~~six~~ months' requirements for interest on the Bonds, and beginning on July 1, 1960, one-twelfth of the next ensuing twelve months' requirements for both principal and interest on said Bonds and continuing thereafter until the Bonds are fully paid, together with the amounts hereafter required to be paid therein to meet the debt service requirements of any additional bonds hereafter issued on a parity of lien with the Bonds, in accordance with the provisions of Section 15 hereof.
- (b) Into the "Reserve Account", monthly, beginning on August 1, 1959, at least \$125.00 for the next ensuing eleven months, after which time said monthly payments may then be reduced to \$62.50 and thereafter continued until a total reserve sum of \$4,500.00 shall have been accumulated therein, together with such additional amounts as may be hereafter required in connection with the issuance of any additional bonds hereafter issued on a parity of lien with the Bonds, as aforesaid.

The "Reserve Account" may be accumulated from any other moneys which the Town of Coupeville may have available for such purpose in addition to using such revenues therefor. The "Reserve Account" shall be maintained in such total required reserve amount, except for withdrawals therefrom as authorized herein, at all times so long as any of said Bonds are outstanding; PROVIDED, that when the total amount in the Bond Fund shall equal the total amount of principal and interest for all outstanding bonds payable out of the Bond Fund to the last maturity thereof, no further payment need be made into the Bond Fund.

In the event that there should be a deficiency in the "Principal and Interest Account" in the Bond Fund to meet maturing installments 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 the moneys from the revenues of the system of sewerage first available after making necessary provision for the required payments into the "Principal and Interest Account". The money in the "Reserve Account" shall otherwise be held intact and may be applied against the last outstanding bonds payable out of the Bond Fund.

All money in the "Reserve Account" above provided for may be kept on deposit in the official bank depository of the Town of Coupeville, or may be invested in United States Government obligations redeemable at a fixed price and maturing not later than the last maturity date of any outstanding bonds payable out of the Bond Fund. Interest earned on any such investment or on such bank deposit shall be deposited in and become a part of the "Reserve Account" until the total required reserve amount shall have been accumulated therein, after which such interest shall be deposited in the "Principal and Interest Account".

The gross revenues from the system of sewerage of the Town are hereby pledged to such payments, and the Bonds shall constitute a charge or lien upon such gross revenues prior and superior to any other charges whatsoever, excluding charges for maintenance and operation, except as provided in Section 15 hereof.

Section 9. The Town Council and corporate authorities of the Town of Coupeville hereby declare that in creating the said Bond Fund and in fixing the amounts to be paid into it as set forth herein they have exercised due regard to the cost of operation and maintenance of the system of sewerage, and the Town of Coupeville has not bound and obligated itself to set aside and pay into the Bond Fund a greater amount or proportion of the revenues of the system of sewerage than in the judgment of the Town Council will be available over and above such costs of maintenance and operation, and that no portion of the revenues of the system of sewerage has been previously pledged for any other indebtedness.

Section 10. The Town of Coupeville hereby binds itself irrevocably not to sell, lease, mortgage, or in any manner encumber or dispose of all of the property of the system of sewerage now belonging to or which may hereafter

belong to it, including all additions, betterments and extensions thereof at any time made, unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of and interest on all of the outstanding bonds payable out of the Bond Fund in accordance with the terms thereof; and further hereby binds itself irrevocably not to mortgage, sell, lease, or in any manner dispose of any part of the system of sewerage and including all additions, betterments and extensions thereof at any time made, that is used, useful or material to the operation of the system of sewerage unless provision is made for the replacement thereof or for payment into the Bond Fund of an amount which shall bear the same ratio to the amount of outstanding bonds payable out of the Bond Fund as the revenue available for debt service for said bonds for the twelve months preceding such sale, lease, encumbrance, or disposal from the portion of the system so leased, encumbered or disposed of bears to the revenue available for debt service for said bonds from the entire system for the same period. Any such moneys so paid into the Bond Fund shall be used to retire outstanding bonds at the earliest possible date.

The Town further covenants and agrees to maintain in good condition and to operate the system of sewerage and to establish, maintain and collect such rates for sanitary disposal service as will produce gross revenues from the system of sewerage sufficient to permit payment into the Bond Fund of the amounts required for the payment of the principal of and the interest on all outstanding bonds payable out of the Bond Fund as they become due, and the amounts required to be paid into the "Reserve Account" in the Bond Fund, and, in addition thereto, to pay all costs of maintenance and operation and otherwise to meet the obligations of the Town as herein set forth.

Section 11. The Town of Coupeville will, while any of the Bonds remain outstanding, keep proper books of accounts and records separate and apart from other accounts and records in which complete and correct entries will be made of all transactions relating to the system of sewerage and it will furnish the original purchaser of the Bonds or any subsequent holder or

holders thereof, at the written request of such holder or holders, complete operating and income statements of the system of sewerage in reasonable detail, covering any calendar year, not more than ninety days after the close of such calendar year, and it will grant any holder or holders of at least twenty-five per cent of the outstanding Bonds the right at all reasonable times to inspect the entire system and all records, accounts and data of the Town relating thereto.

Section 12. The Town of Coupeville shall establish, maintain and collect such rates and charges for sanitary sewage disposal service as long as any of the Bonds are outstanding, as will make available for the payment of the principal of and interest on such Bonds as the same shall accrue, an amount equal to at least 1.35 times the average annual debt service, both principal and interest, of the Bonds and any additional sewer revenue bonds (and/or water and sewer revenue bonds in the event that the system of sewerage shall hereafter become a part of the waterworks utility of the Town) which may be hereafter issued on a parity of lien with the Bonds in accordance with the provisions of Section 15 hereof, after deducting the costs of maintenance and operation from the gross revenues of its system of sewerage.

Section 13. The Bonds shall be in substantially the following form:
No. _____ \$1,000.00

UNITED STATES OF AMERICA

STATE OF WASHINGTON

COUNTY OF ISLAND

TOWN OF COUPEVILLE

SEWER REVENUE BOND, 1959

5%

KNOW ALL MEN BY THESE PRESENTS that the Town of Coupeville, Island County, Washington, for value received promises to pay to the bearer on the 1ST DAY OF JUNE, 19____, the principal sum of

ONE THOUSAND DOLLARS

together with interest thereon at the rate of FIVE PER CENT (5%) PER ANNUM, payable semiannually on the 1st days of June and December of each year, upon the

presentation and surrender of the attached interest coupons as they severally mature up to the bond maturity date and with full obligation on the part of the Town to pay interest at the same rate from and after the bond maturity date until this bond with interest is paid in full. Both principal and interest are payable in lawful money of the United States of America at the office of the Town Treasurer of Coupeville, Washington, solely out of the special fund created by Ordinance No. 135, and known as "Coupeville 1959 Sewer Revenue Bond Redemption Fund", (hereinafter called the "Bond Fund").

The bonds of this issue constitute a charge or lien upon the gross revenues from the system of sewerage of the Town prior and superior to any other charges whatsoever, excluding charges for maintenance and operation, except as provided in Section 15 of Ordinance No. 135.

This bond is one of an issue of \$50,000.00 par value of bonds all of like date, tenor and effect, except as to maturities and option of redemption, all payable from the said Bond Fund and all issued by the Town of Coupeville under and pursuant to the laws of the State of Washington and Ordinance No. 135 of the Town for the purpose of obtaining a part of the funds required to pay the cost and expense of making certain additions to and betterments and extensions of the system of sewerage of the Town. Reference is made to said Ordinance as more fully describing the covenants with and rights of holders of bonds of this issue. Bonds numbered 1 to 18, inclusive, maturing June 1, 1961, through June 1, 1969, are issued without the right or option of the Town to redeem the same prior to their stated maturity dates.

The Town of Coupeville, Washington, reserves the right to redeem any or all bonds of this issue at par, plus accrued interest to date of redemption, in inverse numerical order, highest numbers first, on June 1, 1969, or on any subsequent interest payment date.

Notice of any call for redemption of any of said bonds prior to their stated maturity dates shall be published once in the official newspaper of the Town not less than thirty nor more than forty-five days prior to the call date. Notice of said intended redemption shall also be mailed to Grande & Co., Inc. and H. P. Pratt & Company, Hoge Building, Seattle, Washington, or their successors, not less than thirty nor more than forty-five days prior to the call date. Interest on any bonds so called for redemption shall cease on the date fixed for such redemption upon payment of the redemption price into the Bond Fund.

The Town of Coupeville hereby binds itself to establish, maintain and collect such rates and charges for sanitary sewage disposal service as long as any of the bonds of this issue are outstanding, as will make available for the payment of the principal of and interest on such bonds as the same shall accrue, an amount equal to at least 1.35 times the average annual debt service, both principal and interest, of the said bond issue and any additional sewer revenue bonds (and/or water and sewer revenue bonds in the event that the system of sewerage shall hereafter become a part of the waterworks utility of the Town)

which may be hereafter issued on a parity of lien with the bonds of this issue in accordance with the provisions of Section 15 of Ordinance No. 135, after deducting the costs of maintenance and operation from the gross revenues of its system of sewerage.

The Town further covenants and agrees to maintain in good condition and to operate the system of sewerage and to establish, maintain and collect such rates for sanitary sewage disposal service as will produce gross revenues from the system of sewerage sufficient to permit payment into the Bond Fund of the amounts required for the payment of the principal of and the interest on the bonds as they become due, and the amounts required to be paid into the "Reserve Account" in the Bond Fund, and, in addition thereto, to pay all costs of maintenance and operation of said system and otherwise to meet the obligations of the Town as herein set forth and as set forth in Ordinance No. 135.

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 the ordinances of the Town of Coupeville, 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 Coupeville, Washington, has caused this bond to be signed by its Mayor and attested by its 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 June, 1959.

THE TOWN OF COUPEVILLE, WASHINGTON

By _____
MAYOR

ATTEST:

CLERK

The interest coupons attached to the Bonds shall be in substantially the following form:

On (June) (December) 1, 1959, THE TOWN OF COUPEVILLE, WASHINGTON, upon presentation and surrender of this coupon will pay to bearer at the office of the Town Treasurer the sum of TWENTY-FIVE DOLLARS (\$25.00) in lawful money of the United States of America from the special fund of the Town known as the "Coupeville 1959 Sewer Revenue Bond Redemption Fund", said sum being six months' interest then due on its "Sewer Revenue Bond, 1959", dated June 1, 1959, and numbered _____.

Coupon No. \$25.00

THE TOWN OF COUPEVILLE, WASHINGTON

By _____
MAYOR

ATTEST:

CLERK

The 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 Coupeville affixed thereto and the coupons shall bear the facsimile signatures of the Mayor and the Clerk.

Section 14. The proceeds from the sale of the Bonds shall be used for the sole purpose of making the additions to and betterments and extensions of the system of sewerage of the Town, as authorized herein, and of paying a part of the costs and expenses connected therewith, and the action of the Town officials in heretofore calling for construction bids for said improvement and awarding construction contracts therefor is hereby ratified and confirmed.

Section 15. The Town of Coupeville agrees that it will not hereafter issue any sewer revenue bonds, or water and sewer revenue bonds in the event that the system of sewerage of the Town shall hereafter, pursuant to RCW 35.67.320, become a part of the waterworks utility of the Town, or refunding sewer and/or water and sewer revenue bonds, which shall constitute a charge or lien against the gross revenues of the system of sewerage (or combined systems) of the Town prior to or on a parity with the charge or lien against the same for payments required to be made into the Bond Fund; PROVIDED, that it hereby reserves the right to issue additional and/or refunding sewer and/or water and sewer revenue bonds which shall constitute a charge or lien upon the gross revenues of the system of sewerage, including all additions thereto and betterments, replacements and extensions thereof at any time made, on a parity of lien with the Bonds, if the following conditions shall be met and complied with at the time of the issuance of such additional and/or refunding bonds, to wit:

1. All payments then required by this Ordinance and any ordinance hereafter enacted pertaining to any bonds hereafter issued on a parity with the Bonds in accordance with the provisions of this Section then outstanding shall have been made into the Bond Fund, both the "Principal and Interest Account" and "Reserve Account", and maintained intact therein; and

2. The revenues of the system of sewerage for any twelve months out of the immediately preceding fifteen months' period, plus the additional revenue reasonably anticipated to be received from

service on lines proposed to be installed, in connection with which such additional sewer and/or water and sewer revenue bonds are to be issued, shall be and be deemed sufficient, after the payment of normal operation and maintenance costs, to equal at least 1.35 times the average annual principal and interest requirements of all then outstanding sewer revenue bonds and/or water and sewer revenue bonds, including the Bonds, any additional and/or refunding bonds hereafter issued on a parity therewith then outstanding, and the additional and/or refunding bonds proposed to be so issued. Such determination of the sufficiency of the revenues shall be made and certified to by either an independent professional registered engineer experienced in municipal utilities and licensed to practice in the State of Washington or a certified public accountant; PROVIDED, HOWEVER, that if such additional bonds proposed to be so issued are for the sole purpose of refunding outstanding sewer revenue bonds and/or water and sewer revenue bonds, such certification of coverage shall not be required if the amount required for payment of the principal and interest in each year for the refunding bonds is not increased over the amount required for the bonds to be refunded thereby and the maturities of said refunding bonds are not extended beyond the maturities of the bonds to be refunded thereby; and

3. The ordinance authorizing the issuance of such additional bonds shall provide that an amount equal to the average annual debt service of the additional bonds proposed to be issued shall be accumulated as a reserve in the "Reserve Account" in the Bond Fund, said amounts to be accumulated by monthly deposits commencing not later than one month after the date of issuance of the bonds and to be accumulated within five years after the date of issuance and said reserve to be maintained in such amounts so long as any of said additional bonds are outstanding to the last maturity thereof, PROVIDED, HOWEVER, that in the case of refunding bonds the ordinance authorizing the issuance of such refunding bonds shall provide that the money in the "Reserve Account" for the bonds to be refunded shall be transferred to the "Reserve Account" in the Bond Fund, or that the moneys in the "Reserve Account" for the bonds to be refunded shall be used to redeem such bonds, in which event an amount equal to the average annual debt service for the refunding bonds proposed to be issued shall be accumulated as a reserve in the same manner and within the same times as set forth herein for additional revenue bonds.

Section 16. Grande & Co., Inc. and H. P. Pratt & Company, jointly, of Seattle, Washington, have offered to purchase the Bonds at a price of \$95.00 per each \$100.00 par value thereof, plus accrued interest to date of delivery of the Bonds, the purchasers to furnish at their expense the printed bonds ready for execution by the Town officials and the approving legal opinion of Weter, Roberts & Shefelman, municipal bond counsel of Seattle, Washington,

without cost to the Town. The Town Council, being of the opinion that no better price could be secured for the Bonds and that it was in the best interests of the Town to accept the offer, duly accepted the same on May 11, 1959, and such acceptance is hereby ratified and confirmed. The Town officials are hereby authorized and directed to deliver the Bonds, immediately upon their execution, to Grande & Co., Inc. and H. P. Pratt & Company, Hoge Building, Seattle, Washington, upon payment therefor in accordance with the offer of said purchasers.

This Ordinance will take effect immediately upon its passage, approval and publication as required by law.

PASSED by the Town Council of the Town of Coupeville, Washington, at a regular meeting thereof, and APPROVED by the Mayor of the Town of Coupeville, Washington, this 8th day of June, 1959.


MAYOR

ATTEST:


TOWN CLERK