

AN ORDINANCE of the Town of Yacolt, Washington, providing for the issuance and sale of water revenue warrants of the Town to pay part of the cost of certain additions and improvements to and extensions of the water supply and distribution system of the Town as authorized by Ordinance No. 177, and creating a construction fund.

WHEREAS, by Ordinance No. 177, adopted July 28, 1975, the Council of the Town of Yacolt, Washington, authorized the issuance of water revenue warrants of the Town in the principal amount of not to exceed \$230,600 to provide funds to pay part of the cost of acquiring, constructing and installing certain additions to and extensions of the water supply and distribution system of the Town; and

WHEREAS, it is deemed necessary and in the best interest of the Town and its inhabitants that said warrants be issued and sold in order to provide part of the money necessary to accomplish said purpose;

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

SECTION I. As used in this ordinance the following words shall have the following meanings:

- a. "System" shall mean the water system of the Town as the ~~is~~ may be added to, improved and extended hereafter for so long as any of the warrants are outstanding.
- b. "Warrants" shall mean not to exceed \$230,600 of water revenue warrants of the Town issued pursuant to and for the purposes provided in this ordinance.
- c. "Revenue Fund" shall mean the Town of Yacolt Water System Revenue Fund Account", established by Section 7 of Ordinance No. 144 of the Town; adopted November 6, 1961.
- d. The words "Redemption Fund" shall mean the "Water Revenue Warrant and Bond Redemption Fund" created by Section 8 of this ordinance.
- e. The Words "Construction Fund" shall mean the "Water System Improvement Construction Fund, 1975" created by Section 6 of this ordinance
- f. The word "Bonds" shall mean the Bonds authorized by Ordinance No. 177 in the principal amount of \$230,600 for the pupose of retiring the Warrants upon substantial completion of the additions and improvements to and extensions of the System.

g. The word "Town" shall mean the Town of Yacolt, Washington.

SECTION 2. For the purpose of providing funds to pay part of the cost of acquiring, constructing and installing the additions and improvements to and extensions of the water supply and distribution system of the Town authorized by Ordinance No. 177, the Town shall issue and sell its Warrants in the total principal amount of not to exceed \$230,600. Warrants shall be issued for such amounts and at such time or times as may be necessary to enable the Town to pay for the costs of the improvements specified in Ordinance No. 177. The Warrants shall be payable on December 1, 1976, unless sooner redeemed pursuant to the provisions of the ordinance and shall bear interest from their date of registration until paid at the rate of 6% per annum. Both principal of and interest on the Warrants shall be payable in lawful money of the United States of America at the office of the Town Treasurer in Yacolt, Washington, and shall be obligations only of the Redemption Fund.

SECTION 3. The Town hereby reserves the right to call and redeem the Warrants in numerical order, on any date, at par plus accrued interest to the date of redemption.

Notice of such intended redemption shall be given by mailing a notice thereof to the main office or principal place of business of the initial purchasers of the Warrants or their business successors, if any, at least ten days prior to such redemption date. Interest on the Warrants shall cease on such redemption date unless the Warrants are not redeemed upon presentation made pursuant to such call.

SECTION 4. The Warrants shall be in substantially the following form:

WATER REVENUE WARRANT

TO The Treasurer of the Town of Yacolt
 State of Washington

DATE AUTHORIZED:

WARRANT NO.

PAY TO THE ORDER OF:

\$ _____

Payable on December 1, 1976, only out of monies in the 1975 Water Revenue Warrant and Bond Redemption Fund created by Ordinance No. 177, adopted July 28, 1975. This warrant bears interest at 6% per annum from date of

registration until paid or redeemed and is
 subject to redemption as provided in Ordinance
 No. 177.

Richard L. Alexander

Mayor

Attest:

Helen Johnson
 Town Clerk

PRESENTED, NOT PAID FOR WANT OF
 FUNDS, AND REGISTERED ON
 _____, 1975

Helen Johnson
 Town Treasurer

SECTION 5. The warrants shall be signed on behalf of the Town by the Mayor and shall be attested by the Clerk.

SECTION 6. There is hereby created a special fund of the Town to be known as the "1975 Water Improvement Construction Fund" into which Fund shall be paid all of the proceeds of sale of the Warrants and all other moneys which may be received, transferred or set aside for the payment of the costs of the improvements authorized in Ordinance No. 177, including but not limited to all grants received for such purpose. All costs of acquiring, constructing and installing the improvements provided for in Ordinance No. 177 shall be paid by the issuance of cash warrants against said Fund.

SECTION 7. A special fund of the Town known as the "Town of Yacolt Water System Revenue Fund Account" (hereinafter referred to as the "Revenue Fund") has heretofore been created by Section 7 of Ordinance No. 144 of the Town adopted on November 6, 1961. The Revenue Fund shall be maintained in existence. The Town hereby obligates and binds itself to deposit to the credit of the Revenue Fund all charges, income and revenue arising from the operation and ownership of the System and to maintain the Revenue Fund separate and apart from all other Town funds for as long as any of the Warrants are outstanding.

SECTION 8. A special fund of the Town to be known as the "1975 Water Improvement Warrant and Bond Redemption Fund" (hereinafter referred to as the "Redemption Fund") is hereby created and said Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Warrants, The Bonds, and any bonds which may be issued hereafter secured by the revenues of the System.

The Town hereby obligates and binds itself to set aside and pay into the Redemption Fund, out of the Revenue Fund, or out of the proceeds of the Bonds, such sums as are necessary (together with other available monies) to pay the principal of and interest on the Warrants. The Town further obligates and binds itself to take whatever action is necessary to issue the Bonds and to deposit the proceeds (exclusive of accrued interest) of the Bonds in the Redemption Fund for the payment and redemption of the Warrants; provided, however, that proceeds of the Bonds in excess of the amount necessary for the payment and redemption of the Warrants, shall not be paid into the Redemption Fund but shall be paid into the Construction Fund.

Said amounts so pledged to be paid into the Redemption Fund out of the Revenue Fund are hereby declared to be a prior lien and charge upon the money in the Revenue Fund superior to all other charges of any kind or nature, except the necessary expenses of maintenance and operation of the System, and except for the lien and charge thereon for the purpose of paying and securing the payment of the Town's outstanding water revenue bonds dated January 1, 1961.

SECTION 9. The corporate authorities of the Town hereby declare in fixing the amounts to be paid into the Redemption Fund that they have exercised due regard for the normal expenses of maintenance and operation of the System and have not obligated the Town to set aside and pay into said Fund a greater amount of revenue of the System than in their Judgment will be available over and above such normal expenses of maintenance and operation.

SECTION 10. The action of the Town officials in accepting the commitment of First Independent Bank of Vancouver, Vancouver, Washington, as contained in its letter of July 22, 1975 to purchase up to \$230,600 in Warrants on the terms specified therein and in this ordinance is hereby approved, ratified and confirmed. The appropriate Town officials are hereby authorized and directed to do everything necessary for the proper issuance of the Warrants and the application of the proceeds of the sale thereof.

PASSED by the Town Council of the Town of Yacolt, Washington,
and approved by its Mayor at a regular meeting thereof held this 28th
day of July, 1975.

TOWN OF YACOLT, WASHINGTON

BY Richard L. Alexander

Attest:

Helen Johnson
Town Clerk

Approved as to form

William V. Baumgartner
Town Attorney

I, Helen Johnson, the duly appointed, qualified and
acting Clerk of the Town of Yacolt, Washington, DO HEREBY CERTIFY
that the foregoing is a true and correct copy of Ordinance No. 178
of said Town, duly passed by its Council at a regular meeting thereof
held on the 28 day of July, 1975.

Helen Johnson
Town Clerk