

ORDINANCE NO. 523A

Introduced by Commissioner Vernon R. Hart

AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF CITY OF WARRENTON WATER WORKS REVENUE BONDS IN THE SUM OF \$975,000.00 IN ACCORDANCE WITH THE PROVISIONS OF THE CHARTER OF SAID CITY AND THE AMENDMENTS THERETO; PLEDGING REVENUE OF WATER SYSTEM; INSURING A MINIMUM INCOME; ESTABLISHING A WATER REVENUE FUND FOR THE PROTECTION AND SECURITY OF WATER WORKS REVENUE BONDS; PROVIDING FOR THE CALL FOR BIDS AND PROVIDING FOR THE TERMS OF SAID BONDS; AND PROVIDING AN EMERGENCY.

WHEREAS, Resolution No. 260 of the Commission of the City of Warrenton, Oregon was duly passed, approved and adopted on the 1st day of May, 1967 submitting to the electors of said city the proposition of amending the city charter by granting unto the City Commission the power and authority to issue and dispose of water works revenue bonds in the sum of \$975,000.00 for the purpose of the improvement of and increasing the capacity of the water system of the city, namely to construct, reconstruct, repair, extend and improve the water system of the city, and

WHEREAS, said Resolution provided that the bonds were to be in such denominations as determined by the Commission, and said Resolution further provided that interest thereon shall not exceed Six per cent. (6%) per annum and that the bonds shall mature not later than 40 years from the date of issue; that the debt limitations of the Charter of the City of Warrenton shall not apply to said bonds and that the Commission was authorized and empowered to fix, determine and collect water charges from all users of water from the water system of said city within and without the city limits of Warrenton, Oregon and to pledge sufficient revenues therefrom, after the payment of operation and maintenance of said water system, to pay the interest on and to retire the principal of the bonds herein authorized, and

WHEREAS, said Resolution directed a Special Election to be held on the 23rd day of May, 1967, and

WHEREAS, Notices of said election were posted and published as provided by law, and

WHEREAS, said election was duly and regularly called and held and the aforesaid amendment was duly approved by the legal voters of

said city and the Commission of said city was thereby empowered to issue and call for bids for the sale of bonds for the purposes aforesaid, NOW THEREFORE

THE CITY OF WARRENTON DOES ORDAIN AS FOLLOWS:

Section 1. The City of Warrenton shall and does hereby issue \$975,000.00 in Water Works Revenue Bonds in the name of and under the corporate seal of said City, signed by the Mayor and countersigned by the Auditor and Police Judge of said City, to be dated July 1, 1969 and numbered consecutively from 1 to 195 inclusive, in denominations of \$5,000.00 each, maturing serially in numerical order as follows:

<u>Bond Bearing Serial No.</u>	<u>Amount Maturing</u>	<u>Maturity Date</u>	<u>Jan. 1st</u>
1 through 16	\$80,000.00 \$20,000.00 each year	Each year starting	1971 through January 1, 1974
17 through 141	\$625,000.00 \$25,000.00 each year	Each year starting	1975 through 1999
142 through 195	\$270,000.00 \$30,000.00 each year	Each year starting	2000 through 2008

which said bonds are to bear interest at a rate not to exceed Five per cent. (5%) per annum, payable on the 1st day of July, 1969 and semi-annually on the 1st day of January and the 1st day of July of each year thereafter. Principal and interest to be payable in lawful money of the United States of America and at the office of the Auditor and Police Judge of the City of Warrenton, Oregon. The interest on said bonds to be evidenced by semi-annual interest coupons attached thereto.

Section 2. That the City of Warrenton reserves the right, however, at its option to redeem said bonds in numerical order at par and accrued interest on January 1, 1985 and on any interest payment date thereafter.

Section 3. That the City of Warrenton Water Works Revenue Bonds heretofore authorized by Charter Amendment and Ordinance, and the interest coupons thereto attached, shall be in substantially the following form, to-wit:

UNITED STATES OF AMERICA

STATE OF OREGON

COUNTY OF CLATSOP

CITY OF WARRENTON WATER WORKS REVENUE BONDS

NO. _____

\$5,000.00

KNOW ALL MEN BY THESE PRESENTS That the City of Warrenton, Clatsop County, Oregon, for value received, hereby agrees and promises to pay to the bearer the sum of

FIVE THOUSAND DOLLARS

in lawful money of the United States upon the presentation and surrender of this obligation on the 1st day of January, 19____ with interest thereon from the date hereof at the rate of _____ percent (_____ %) per annum payable semi-annually in like lawful money on the 1st day of January and on the 1st day of July each year upon the presentation and surrender of the proper coupon hereto annexed, principal and interest payable at the office of the Auditor and Police Judge of the City of Warrenton, Oregon.

The bonds of the issue of which this bond forms a part maturing after January 1, 1985 may be redeemed by said City at par value and accrued interest on January 1, 1985 and upon any interest payment date thereafter.

This bond is one of a series of Water Works Revenue Bonds of like date and tenor, authorized by and under the provisions of the Charter as amended, of said city providing for the issuance of bonds for the purpose of improving and increasing the capacity of the water system of the City of Warrenton and is payable from the net revenues of the water system. It is further certified that all requirements of law have been fully complied with by the proper officers in the issuance of this bond.

For the fulfillment of the conditions of this obligation, all revenues from water charges from all users of water from the water system of said city, within and without the city limits of Warrenton, Oregon, except those required for the operation and maintenance of said water system are hereby irrevocably pledged.

IN WITNESS WHEREOF, this bond has been signed by the Mayor and counter-signed by the Auditor and Police Judge of the City of Warrenton, Clatsop County, Oregon, and the corporate seal of said city hereto affixed this _____ day of _____, 1969.

Mayor

Counter-signed:

City Auditor and Police Judge

(COUPON)

No. _____ On the 1st day of January, 19____ (or 200____), unless the ^{July} bond hereinafter designated shall previously have been called for payment and due provision made for the payment thereof, the City of Warrenton, Clatsop County, Oregon, upon surrender of this coupon at the office of the Auditor and Police Judge of the City of Warrenton, Clatsop County, Oregon, will pay to the bearer the sum of _____ Dollars (\$ _____) in lawful money of the United States of America, for interest then due on its Water Works Revenue Bond dated July 1, 1969 and bearing No. _____.

Mayor

Counter-signed:

Auditor and Police Judge

Section 4. In the event the City receives no acceptable bid as provided herein for said bonds, and in the event the City elects to sell said bonds to the United States government acting through the Farmers Home Administration at the interest rate of five per cent. (5%) at which rate said Farmers Home Administration has agreed to take said bonds, the bond or bonds shall be for the full principal amount of the issue, shall be signed by the Mayor, counter-signed/ Auditor and Police Judge and the corporate seal of the City affixed thereto and shall bear interest from its date which shall be July 1, 1969 at the agreed upon rate. Principal and interest on said bond or bonds is to be paid in annual amortized installments over a period of 40 years, beginning with

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the initial payment on January 1, 1971 and annually thereafter on January 1st until the principal and interest are fully paid, except the final payment of the entire indebtedness, if not sooner paid, shall be due and payable 40 years from the date of the bond. Each payment shall be applied first to the payment of the accrued interest and second to the payment of the principal. Prepayment of any installment may be made in any amount at any time at the option of the City.

Section 5. That said Water Works Revenue Bonds are hereby secured by a pledge of the net revenues of the water system of the City of Warrenton.

Section 6. Rates shall be charged for water services by the City of Warrenton that will provide coverage for the above bond issue of not less than 1.1 times the principal and interest due on said bonds.

Section 7. A Water Revenue Reserve Fund shall be maintained at a level of one year's average principal and interest of the bond issue above mentioned. If at any time said fund drops below that figure, it shall be replaced and replenished as rapidly as possible. Said fund shall be kept in a commercial bank or may be invested in open time deposits of a bank having an office within Clatsop County or in government obligations or government agencies, having maturity dates not to exceed three years from the date of purchase.

Section 8. No additional water bonds shall be issued by the City of Warrenton having a prior lien on the revenue of the water system of the City of Warrenton.

Section 9. A bond fund shall be established at a bank with an office in Clatsop County into which payment shall be made on the 1st

Section 10. That the City Auditor and Police Judge of the City of Warrenton be and he hereby is directed to advertise for bids for said bonds, to sell the same to the highest responsible bidder for the best price obtainable, said sale to be held on June 9, 1969, at the hour of 8 P.M., Oregon standard time, in the Commission Chambers of the City of Warrenton in the Warrenton City Hall building.

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That said advertisement shall consist of a publication for two successive weeks of a call for bids for the sale of said bonds. Said call for bids shall be published in the Columbia Press, a newspaper of general circulation within the City of Warrenton, and said call for bids shall be published in the Daily Astorian, a newspaper of general circulation within the City of Warrenton and County of Clatsop, and said call for bids shall be published in the Daily Journal of Commerce, a commercial newspaper located in Portland, Oregon on the following dates:

May 8, 1969
May 15, 1969
May 22, 1969

Section 11. That all bids shall be in writing and shall be

accompanied by a certified check on a bank doing business within the State of Oregon for not less than \$19,500.00. That said bids shall be publicly opened on the 9th day of June, 1969 at the time and place set forth above. The City Commission may accept the bid of the lowest bidder whose proposal shall result in the lowest net cost to the City but for not less than par value. Bids shall be for the entire issue and any bids for less than the same will not be considered by the City Commission, except as follows:

Bids will be accepted for blocks of bonds maturing

- (a) during the first 10 years;
- (b) during the 11th through the 20th years;
- (c) during the 21st through 25th years;
- (d) during the 26th through 30th years;
- (e) during the 31st through 40th years; or
- (f) for the entire bond issue.

The City Commission may reject any and all bids received.

Section 12. That the City of Warrenton shall furnish the successful bidder with the unqualified approving legal opinion of attorneys Shuler, Rankin, Myers & Walsh and shall pay the costs of the same and shall pay the cost of printing and delivery of the bonds. The opinion of above recognized bond counsel concerning the validity of the issue and the interest exemption from income taxes of the United States of America and the state (if applicable) will be printed on the bond.

Section 13. That whereas the aforesaid bonds have been heretofore authorized at an election and it is necessary that the sale thereof be made at as early a date as possible as the wooden water pipes are rapidly deteriorating and in order to make the improvements provided

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for as soon as possible and to provide proper water facilities,
and it is necessary for the peace, health and safety of the
inhabitants of the City that this ordinance take immediate effect,
NOW THEREFORE an emergency is hereby declared to exist and this
ordinance shall go into force and effect immediately upon its passage
and approval.

Read the first time: May 5, 1969.

Read the second time by title only: May 5, 1969.


Read the third time and passed by the City Commission on
May 5, 1969.

Submitted to and approved by the Mayor this 5th day of May,
1969.



Mayor

ATTEST:



Auditor and Police Judge