

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF FORTY THOUSAND DOLLARS (\$40,000) WATERWORKS BONDS OF THE CITY OF SWEET HOME, LINN COUNTY, OREGON, PROVIDING THE METHOD OF PAYMENT THEREOF, THE MATURITIES THEREFOR, PROVIDING FOR THE AWARD AND SALE OF SUCH BONDS AND OTHER RELATED MATTERS, REPEALING ORDINANCE NO. 42 OF SAID CITY ADOPTED JULY 22, 1937, AND ALL OTHER ORDINANCES AND RESOLUTIONS IN CONFLICT HEREWITH, AND DECLARING AN EMERGENCY.

WHEREAS, at a special election duly called for and held on the eighth day of May, 1937, the legal voters of the City of Sweet Home did adopt an amendment to the city charter of said city known as Subsection 12(a), Section 33, Chapter 5, providing that "For the purpose of establishing, securing, building, erecting, maintaining, extending and having a municipally owned water system within and without the City of Sweet Home, the Council of the City of Sweet Home is hereby authorized and empowered to issue and sell general obligation bonds of said City in the principal sum of not to exceed Fifty Thousand Dollars or less, in case of a grant from the Public Works Administration, said bonds to be in denominations of Five Hundred Dollars(\$500.00) or Fifteen Thousand Dollars (\$15,000.00) each, numbered from one (1) upwards, to be signed by the Mayor and countersigned by the Recorder, under the corporate seal of the City, whereby the City shall be held in substance and effect to undertake and promise to pay to the bearer of each of said bonds at maturity thereof, the sum therein named in lawful money of the United States of America, with interest thereon in like lawful money at the rate of not to exceed five (5) per cent, per annum, payable semi-annually, said bonds to bear date and to mature at such time or times as may be hereafter determined by the Council, not to exceed twenty years(20), from the date, principal and interest to be payable at the office of the Treasurer of the City of Sweet Home, in Sweet Home, Oregon, which bonds shall be known as 'City of Sweet Home Water Bonds'. Said bonds are to be payable as to both principal and interest primarily from and secured by a first lien on, and pledge of, the net revenues to be derived from

the operation of the project (such net revenues being the gross revenues with deductions only for cost of maintenance and operation of the project), and if such net revenues are insufficient, payable secondarily from ad valorem taxes which may be lawfully levied without limit as to rate of amount upon all the taxable property within the territorial limits of the City of Sweet Home"; and

WHEREAS, said election was duly and regularly called and held in said City of Sweet Home, and said election was conducted in all respects as required by the laws of the State of Oregon and the charter of the City of Sweet Home and the notice of and all other matters of said election were in all respects due and proper;

WHEREAS, a majority of the votes cast at said election by the legal voters of the City of Sweet Home were in favor of said proposed Charter Amendment, and pursuant to Section 13 of Ordinance No. 28 of said city, a certificate of the result of such vote and of the adoption of such Charter Amendment was made by the City Council and said Charter Amendment thereupon became and now is a part of the City Charter of said City of Sweet Home; and

WHEREAS, the Council pursuant to the power and authority granted to it by said Charter Amendment aforesaid, does hereby find it necessary to issue bonds of said city in the amount of only \$40,000; and

WHEREAS, heretofore the Council of said City of Sweet Home did on July 22, 1937 adopt Ordinance No. 42 providing for the issuance of \$40,000 of said bonds, but it is necessary to adopt a new ordinance providing for the issuance of said bonds and to repeal said Ordinance No. 42; Now, Therefore

THE PEOPLE OF THE CITY OF SWEET HOME DO ORDAIN AS FOLLOWS:

Section 1. For the purpose of borrowing the necessary sum of Forty Thousand Dollars (\$40,000) for the purpose of financing the establishing, building and erecting a municipally owned water system within and without the City of Sweet Home, as hereinabove provided in Subsection 12(a), Section 33, of the City Charter of said City, there is hereby authorized to be issued and sold bonds of the City of Sweet Home, Linn County, Oregon, in the aggregate principal amount of Forty Thousand Dollars

($\$40,000$).

Section 2. Said bonds shall be negotiable, coupon bonds, shall each be designated "Water Bond, Series 1938," shall be dated as of October, 1, 1938, shall be in the denomination of $\$500$ each, shall be numbered consecutively from 1 to 80, both inclusive, shall mature serially in numerical order in the amount of One Thousand Five Hundred Dollars ($\$1,500$) on October 1 in each of the years 1941 to 1943, both inclusive, Two Thousand Dollars ($\$2,000$) on October 1 in each of the years 1944 to 1950, both inclusive, Two Thousand Five Hundred Dollars ($\$2,500$) on October 1 in each of the years 1951 to 1955, both inclusive, and Three Thousand Dollars ($\$3,000$) on October 1 in each of the years 1956 to 1958, both inclusive, shall bear interest at the rate of four per cent (4%) per annum payable semi-annually on the first day of April and October of each year until maturity, shall be payable as to both principal and interest at the office of the treasurer of the City of Sweet Home, in Sweet Home, Oregon, in lawful money of the United States of America. Said bonds shall express upon the face thereof the purpose for which the same are issued and the fact that said bonds are issued by virtue of a majority vote of the legal voters of the City of Sweet Home voting at an election duly called and held on the 8th day of May, 1937, and by virtue of an ordinance of the Council of the City of Sweet Home duly passed and adopted, and pursuant to the Constitution and Laws of the State of Oregon and to the provisions of the Charter of the City of Sweet Home.

Section 3. The said City of Sweet Home hereby covenants and agrees with each successive holder of said bonds and of said interest coupons, that the Common Council of the City of Sweet Home shall and will adopt ordinances or resolutions providing for the fixing and collecting of reasonable and adequate charges and rates for the water service of said water works system (including any additions, improvements and replacements, subsequently constructed or acquired), and the net revenues resulting therefrom (such net revenues being the gross revenues from said waterworks system after deduction only for the reasonable cost of operation and maintenance of said waterworks system) are hereby pledged for the payment of the principal of and interest on the bonds and such pledge shall constitute a first lien on such net revenues.

Section 4. The said City of Sweet Home hereby covenants and agrees that the net revenues hereinabove referred to in Section 3 of this ordinance shall be transferred to and kept in a separate debt fund to be known as and designated "Water Bond, Series 1938, Interest and Sinking Fund" which shall be irrevocably pledged to and used solely for the payment of the interest accruing on and the principal of said bonds when due, so long as any of the said bonds or the coupons thereto appertaining remain outstanding and unpaid and the interest of which fund shall be credited there-to and become a part thereof, and said fund shall not be diverted or expended for any other purpose, provided, however that no further payments need be made into said fund whenever a reserve has been accumulated therein equal to the principal and interest requirements of the bonds for the next ensuing two(2) years, said reserve to be maintained at all times, and provided further that whenever the total amount contained in said fund shall be equal to the total amount of the interest on and principal of all of the outstanding bonds to the last maturity thereof, then no further revenues need be deposited in said fund.

Section 5. Said City of Sweet Home hereby further covenants and agrees with each successive holder of said bonds and said interest coupons that if such net revenues are insufficient, that, to the extent of such insufficiency, the principal of and interest on said bonds will be payable secondarily from ad valorem taxes for which the full faith and credit of the said City of Sweet Home are hereby pledged for the punctual payment of said principal of and interest on said bonds when and as the same shall become due, and said City hereby further covenants and agrees with each successive holder of said bonds and interest coupons that the Common Council of said City of Sweet Home shall and will ascertain and levy annually, in addition to all other taxes, a direct annual ad valorem tax on all taxable property within the boundaries of said City which shall be sufficient, together with the revenues more particularly described under Sections 3 and 4 of this ordinance, to pay the interest on and principal of the said bonds promptly when and as the same shall become due; and the funds derived from such tax levies shall by the County Treasurer be transferred to the Treasurer of the City of Sweet Home to be kept by him in the said debt fund hereinabove referred to as, "Water

Bond Series 1938, Interest and Sinking Fund," and for greater certainty, said Common Council shall in each year include the tax required by this ordinance to be levied for such year in the annual estimate for such City for such year and said tax levy shall in each year be certified to the County Clerk and the County Assessor at the time and in the manner required by the general laws of the State of Oregon, and said tax shall in each year be collected by the same officer, and in the same manner and at the same time as the taxes for county purposes are collected.

Section 6. The City of Sweet Home further covenants that it shall not issue any additional bonds payable from the revenues of the waterworks system while any of the bonds are outstanding and unpaid, unless the lien of such additional bonds on the revenues of said waterworks system is made junior and subordinate in all respects to the lien of the bonds authorized by this ordinance. In no event, while any of the bonds herein authorized remain outstanding and unpaid, shall the City mortgage, lease, or otherwise encumber its waterworks system or any part thereof or sell, lease or otherwise dispose of any substantial portion thereof. These provisions shall enure to the benefit of and be enforceable by any holder of any of the bonds.

Section 7. In the event that the City of Sweet Home shall avail itself of the facilities afforded by and benefits received from the said waterworks system, a reasonable charge for the services shall be made against the City and shall be paid monthly. The revenue so received shall be deemed to be revenues derived from the operation of the waterworks system and shall be used and accounted for in the same manner as any other revenues derived therefrom.

Section 8. Said bonds and the interest coupons attached thereto shall be in substantially the following form:

UNITED STATES OF AMERICA

No. _____ STATE OF OREGON \$500.

COUNTY OF LINN

CITY OF SWEET HOME

WATER BOND, SERIES 1938

The City of Sweet Home, a municipal corporation of the State of

Oregon, hereby acknowledged itself indebted and for value received promises to pay to the bearer on the first day of October, 19 , the sum of

FIVE HUNDRED DOLLARS

and to pay interest thereon at the rate of four per cent (4%) per annum, payable on April 1 and October 1 in each year until maturity, upon surrender of the annexed coupons as they severally become due. Both principal and interest of this bond are payable in lawful money of the United States of America, at the office of the Treasurer of the City of Sweet Home, in Sweet Home, Oregon. For the punctual payment of this bond, with the interest hereon as aforesaid, and for the levy and collection of taxes sufficient for that purpose, the full faith and credit of said City of Sweet Home are hereby irrevocably pledged.

This bond is issued by the City of Sweet Home for the purpose of establishing, building, and erecting a municipally owned water system for the City of Sweet Home by virtue of a majority vote of the legal voters of the City of Sweet Home voting at a special charter election duly called and held on the 8th day of May, 1937, and by virtue of an ordinance of the Common Council of the City of Sweet Home duly passed and adopted on the 27th day of December, 1938, and pursuant to the Constitution and Laws of the State of Oregon, and to the provisions of the Charter of the City of Sweet Home.

This bond is payable as to both principal and interest primarily from and secured by a first lien on, and pledge of, the net revenues to be derived from the operation of the water system of said City, such net revenues being the gross revenues after deduction only for the reasonable cost of operation and maintenance of said water system, and if such net revenues are insufficient, payable secondarily from ad valorem taxes as in this bond provided.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Oregon, to exist, to have happened and to have been performed, precedent to and in the issuance of this bond, exist, have happened, and have been performed, and that the issue of bonds of which this is one, together with all other indebtedness of said City of Sweet Home is within every debt and other limit prescribed by the Constitution and Laws of said State; that due provision has been made for the fixing and collection of reasonable and adequate charges and for the levy and collection of an unlimited, direct, ad valorem tax upon all the taxable property within the boundaries of said City sufficient to pay the principal and interest on this bond as the same shall fall due.

IN WITNESS WHEREOF, the City of Sweet Home has caused this bond to be signed in its name by the Mayor of the City of Sweet Home, to be countersigned by the Recorder, and to be sealed with its corporate seal, and the coupons thereto annexed to be signed by the facsimile signatures of said Mayor and Recorder and this bond to be dated as of the first day of October, 1938.

CITY OF SWEET HOME

(SEAL)

By _____
Mayor

Countersigned:

Recorder

(FORM OF COUPON)

No. _____ \$10.00

The City of Sweet Home, a municipal corporation of the State of Oregon, will pay to the bearer on the first day of _____, 19____,

the sum of Ten Dollars (\$10.00) in lawful money of the United States of America at the office of the Treasurer of the City of Sweet Home, in Sweet Home, Oregon, being six months' interest then due on its Water Bond, Series 1938, dated October 1, 1938, and bearing No. _____.

Recorder

Mayor

Section 9. The said bonds shall be signed by the Mayor of the City of Sweet Home, countersigned by the Recorder, and sealed with the corporate seal of the City of Sweet Home, and the interest coupons thereto annexed shall be signed by the facsimile signatures of said Mayor and Recorder.

Section 10. The bonds herein issued by virtue of this Ordinance are hereby awarded and sold to the Federal Emergency Administration of Public Works, a federal agency, without public sale, pursuant to the provisions of Chapter 455, Oregon Laws, 1937.

Section 11. The Mayor of the City of Sweet Home, and the Recorder of said City, are hereby authorized to do all acts and things necessary to aid the Treasurer of said City in the delivery and sale of said bonds to said Federal Emergency Administration of Public Works.

Section 12. That Ordinance No. 42 adopted by the City Council on July 22, 1937, and approved by the Mayor on said date, be and the same is hereby in all respects repealed and that any and all other ordinances and resolutions of said City, or parts thereof in conflict herewith, be and the same are likewise hereby repealed.

Section 13. WHEREAS it is necessary for the peace, health and safety of the City of Sweet Home that the aforesaid bonds be issued at as early a date as possible, it is hereby adjudged and declared that an emergency exists, and that this Ordinance shall be immediately operative and shall go into full force and effect from and after its adoption and approval.

Passed and adopted by the Common Council this 27th day of December, 1938.

Yeas: 6 Nays: 0 Absent: 0

Approved by the Mayor this 27th day of December, 1938.

Geo. McStotter
Mayor

Attest:

Geo. C. Carner
Recorder

