

ORDINANCE NO. ~~580~~ 580

For the
construction

AN ORDINANCE PROVIDING INSTALLATION AND ACQUISITION BY THE CITY OF PAYETTE, IDAHO, AND THE SUBSEQUENT OWNERSHIP, OPERATION AND MAINTENANCE AND CONTROL BY SAID CITY OF CERTAIN ADDITIONS TO THE SEWAGE COLLECTION SYSTEM, INCLUDING A SEWAGE TREATMENT AND DISPOSAL PLANT, AT THE TOTAL ESTIMATED COST OF NOT MORE THAN \$310,000.00; PROVIDING FOR THE MODE OF PAYMENT THEREOF BY THE ISSUANCE OF MUNICIPAL REVENUE BONDS OF NOT MORE THAN \$310,000.00, WHICH BONDS AND THE OPERATION AND MAINTENANCE COSTS SHALL BE PAID ONLY OUT OF THE REVENUES AND EARNINGS OF THE SAID WORKS, AND ADDITIONALLY SECURED BY A PLEDGE OF THE NET REVENUES OF THE MUNICIPAL WATER SYSTEM, SUBJECT, HOWEVER, TO THE APPROVAL BY THE QUALIFIED ELECTORS OF THE CITY OF PAYETTE AT A SPECIAL ELECTION ORDERED HEREIN; SAID BONDS TO RUN FOR A PERIOD OF TWENTY YEARS FROM DATE OF ISSUE, SPECIFYING THE MAXIMUM RATE OF INTEREST WHICH SAID BONDS SHALL BEAR, AND OTHER DETAILS OF SAID BOND ISSUE; CALLING A SPECIAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF SAID CITY THE QUESTION OF THE RATIFICATION OR REJECTION OF SAID BOND ISSUE AND OF SAID INDEBTEDNESS OR LIABILITY; PROVIDING FOR THE NOTICE OF SUCH ELECTION AND FOR THE PUBLICATION AND POSTING THEREOF AND PROVIDING FOR THE PUBLICATION OF THIS ORDINANCE AND THE EFFECTIVE DATE THEREOF.

WHEREAS, the City of Payette, Idaho, has been, and is, operating a municipal and municipally owned sewer utility; and in the judgment of this City Council, the public health is being endangered by the inadequacy of its system of sewerage; and

WHEREAS, this, the City Council of this City, deem it advisable

that the City of Payette shall construct, acquire and install, and thereafter own, maintain and operate certain additions to the system of sewerage, including a sewage treatment and disposal plant, as hereinafter described, on a site connected with the general sewerage system, with full jurisdiction and authority to manage, regulate and to control the same, and to fix, alter, regulate and control the rates and charges for the use of said system of sewerage, including said sewage treatment and disposal plant, which system of sewerage, treatment and disposal plant, are referred to herein, for the sake of brevity, as "Works"; and

WHEREAS, no general indebtedness is to be incurred by the City of Payette, Idaho, in the acquisition, construction, installation, maintenance or operation of such Works, the total cost and expense of all the foregoing (as provided for hereinafter in this ordinance), shall be paid for by the proceeds of the sale of a revenue bond issue of not more than \$310,000.00 of the City of Payette, Idaho; and

WHEREAS, the City of Payette now owns and operates a municipal water system, the revenues of which have never been pledged to the payment of the outstanding obligations of the City of Payette; and

WHEREAS, the Council of the City of Payette has determined and does hereby determine that the net revenues of said water system should be pledged, to the extent determined necessary by the Council, as additional security for the payment of the revenue bonds herein proposed to be issued, subject to the approval of the qualified electors of the City voting at the special election for which provision is hereinafter made; and

WHEREAS, such revenue bonds, in an amount not exceeding the amount above recited, shall be payable and paid only and solely from the net earnings and revenues derived from the Works and from net earnings and revenues derived from the water system, the revenues of which are to be pledged as above recited as additional security for the payment of said revenue bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF PAYETTE, PAYETTE COUNTY, IDAHO:

Section 1. That subject to the approval by the qualified electors of the City of Payette of the proposition hereinafter described, at a special election hereinafter ordered, there shall be acquired, constructed and installed, or caused to be constructed and installed by the City of Payette certain additions to the system of sewerage, including a sewage treatment and disposal plant, the works of which, upon such acquisitions, construction, and installation, shall be owned, operated and controlled by the City of Payette; which will consist of the following as an addition to and connected with the municipally owned sewer system of the City of Payette:

1. A sewage collection system, including intercepting sewers, outfall sewers, forced mains, collecting sewers, pumping stations, ejector stations and all other appurtenances necessary, useful, or convenient for the collection, transporting, and disposal of the sewage within the City of Payette, Idaho.
2. The construction of a sewage treatment plant, including all structures, buildings, machinery, equipment, connections and all appurtenances necessary, useful or convenient for the treatment, purification or disposal of the sewage of the City of Payette, Idaho.

All of the foregoing sewers will contain the necessary manholes, lampholes and other appurtenances essential to a system of sewage; and all the elements of said system of sewerage shall be of suitable quality to meet the standards of the State Department of Health.

The foregoing construction is in accordance with the maps, plans and specifications as prepared by Wendell Smith, Engineer for the City of Payette, Idaho, for the carrying out of the plan of construction, complete details for which said project are fully set forth and specified in the above maps, plans and specifications, which said maps, plans and specifications have been filed, and are now in file in the office of the Clerk of the City of Payette, Idaho, which said maps, plans and specifications are hereby expressly adopted and approved.

The City Council may make such changes in the location of

said sewer trunks and laterals and in the sewage disposal plant, or any other details of the above plan prior to, or in the course of, the actual construction, which shall be found necessary and desirable and which will not substantially affect or change said plan.

Section 2. That the total cost of doing all the foregoing, including preliminary expenses, it is estimated by Wendell Smith, Engineer for the City of Payette, Idaho, will be not more than \$310,000.00, which amount shall be produced by a properly authorized revenue bond issue of the City of Payette, Idaho. In determining such estimated cost, there is included all costs and estimated costs in the issuance of said bonds, all engineering, inspection, fiscal and legal expenses and interest, which it is estimated, will accrue during the construction period and for six months thereafter on money borrowed.

Section 3. That a special election of the qualified electors of the City of Payette, Idaho, shall be and is hereby ordered to be held in this City on ~~Friday~~, the ~~26th~~ day of ~~February~~, 1954, between the hours of 9:00 o'clock, A. M. and 7:00 o'clock, P. M. on said day, at which election the question of the construction, acquisition and installation, and the subsequent ownership, maintenance and operation by the City of the Works described in this Ordinance, and pay for the same by issuance of revenue bonds in the amount of not more than \$310,000.00, shall be submitted to the qualified, registered voters of this City and to their assent or rejection, as provided by law. The election will be held at the following place or places within said City:

- FIRST WARD — City Hall, corner of 8th Street and Third Avenue North.
- SECOND WARD — Payette Public Library, Central Park.
- THIRD WARD — ~~J. E. Oldham residence, 645 North Sixth Street.~~

Such voting place or places, and the ballot box or boxes therein for said special election, will be opened at the hour of 9:00 o'clock, A. M., and will continue open until and be closed at the hour of 7:00 o'clock, P. M. on said day. The voting at said election shall be by ballot, and the proposition which shall be submitted thereon at said election shall be substan-

*Tuesday
Sept.*

21st

*Engineers office
on 2nd Ave now
off of*

tially in the following alternative form:

IN FAVOR OF issuing Revenue Bonds for the purposes provided by Ordinance No. 575.

AGAINST issuing Revenue Bonds for the purposes provided by Ordinance No. 575.

If at such election two-thirds of the electors qualified and entitled to vote at such election, and voting at such election, assent to the construction, acquisition and installation of certain additions to the system of sewerage, including a sewage treatment and disposal plant, and the subsequent ownership, operation and maintenance thereof, and the payment thereof solely out of and from the earnings and revenues of said sewage collection system and sewage treatment plant, and additionally secured by a pledge of the net revenue of the municipal water system, such bonds for said purpose shall be issued as provided herein and in the manner provided by the Municipal Bond Law of the State of Idaho.

Section 4. Notice of said election shall be posted in three public places in each voting precinct or ward, one of which shall be at the voting place, not less than twenty days previous to the election, and shall also be published in the Independent-Enterprise, a legal newspaper, printed and published weekly at Payette, Idaho, and of general circulation within the City of Payette, Payette County, Idaho, and being the official newspaper of said City; that said publication shall be had once a week for two successive weeks prior to such election, said publications to be on February 11, February 18 and February 25, 1954, prior to the date fixed for said election, which notice of election shall set forth the purpose of this ordinance, the amount of bonds authorized by it, and the maturity dates of said bonds, and the maximum rate of interest which said bonds shall bear, the voting place or places, the hours between which the polls shall be open, the qualifications of the voters who may vote thereat, and shall refer to this ordinance for further details and particulars; and shall be given in the name of the City of Payette, Idaho, by the Mayor and attested by the Clerk thereof.

Section 5. The City Clerk, the registrar for city elections, shall

register the qualified electors for said election, commencing with the date that the Notice of Election is given and first published, and thereafter as provided by law, at any time during office hours, and any other times, all as provided by statute, and shall cause notice of registration to be given as required by law.

Section 6. Said revenue bond issue of not in excess of \$310,000.00 shall consist of 310 bonds in the denomination of \$1,000.00 each, numbered from 1 to 310, both inclusive, shall run for a period of twenty years from date of issue, the first annual amortized principal payment shall mature and be payable at the expiration of two years from and after date of said bonds, and the annual principal bond maturities thereof and the principal amounts which will be payable annually shall be amortized and payable in accordance with the provisions of the Municipal Bond Law of the State of Idaho, the principal and interest of said bonds being payable solely out of and from the revenues of said sewage treatment plant and sewage collection system, and additionally secured by a pledge of the net revenues of the municipal water system, as provided for by this ordinance; said bonds shall bear interest at a rate not exceeding six per centum (6%) per annum, which interest shall be payable semi-annually after date of issue of the bonds, with interest coupons attached evidencing the interest then payable, and shall be payable, both principal and interest, at the office of the Treasurer of the City of Payette, Payette County, Idaho, shall be signed by said City by the Mayor thereof, countersigned by the City Treasurer and attested by the City Clerk, with the seal of said City impressed upon each bond, and the signature of the Treasurer upon the interest coupons may be either the printed or lithographic facsimile of said official, and, consistent with the provisions to be made by subsequent ordinance, said bonds and the interest thereon shall be payable only out of a special fund or funds.

The said City of Payette, Idaho, reserves the right to redeem any or all bonds maturing after fifteen years from date on any interest payment date on and after fifteen years from date of said bonds, in the inverse order of their number-

ing, highest numbers first, upon and after prior publication of notice of the intention to redeem any of said bonds by publication of such notice at least once in a newspaper of general circulation in said City at least thirty days prior to the date of intended redemption.

Said bonds and interest coupons, if authorized at said special election, shall be issued against said revenues and said special fund or funds to be created by subsequent ordinance and shall be a valid claim of the holder thereof only as against said revenues, and said special fund or funds (after first deducting the costs of operation and maintenance of said Works and of said water system, including reserves thereof) and the moneys required to be paid therein, shall not constitute an indebtedness of the City of Payette within the meaning of the constitution or laws of the State of Idaho.

Section 7. The earnings and revenues out of and from said Works shall be put into a special fund or funds (hereafter created by subsequent ordinance) until full payment of all of said bonds, both principal and interest, after deducting the costs of operation and maintenance of said Works, including reserves therefor. To the extent determined necessary by the Council of the City of Payette, the net revenues from the municipal water system shall also be paid into said special fund to provide additional security for the payment of said revenue bonds.

Section 8. In the event the bonds referred to herein are legally authorized to be issued, it is further covenanted and ordained as follows:

(A) That the City of Payette, Idaho, shall not sell, lease, or in any manner dispose of said Works, or any substantial part or unit thereof, until the bonds, with interest thereon, shall be paid in full;

(B) That said City (until all of said Revenue Bonds and the interest thereon shall have been fully paid) shall not reduce the rates required by it for sewage service to consumers, so that the gross revenues of said Works shall be insufficient to pay for the retirement of the principal and interest of said bonds;

(C) That if at any time the gross revenues of said Works, or as hereafter bettered, extended or

improved, shall not be sufficient to pay the costs of operation and maintenance, including reserves thereof, and the charge thereon created in favor of the bonds referred to in this ordinance, the City shall revise its said rates to such rates and amounts as will be sufficient to provide for the payment of all such costs of operation and maintenance of said Works, including reserves therefor, and of the revenue bonds referred to herein and interest thereon and other incidental costs and expenses permitted by law;

(D) That in order to preserve the priority of said special fund or funds, the City shall not create or permit to be created, so long as any of said bonds shall be outstanding and unpaid, any indebtedness or charge whatsoever which shall be a charge against the revenues of said Works superior to the charges, or on a parity with the charges, required for the retirement of these bonds and interest; and

(E) That any future charge which may be created by said City, or authorized by the qualified electors and made payable out of the revenues of said Works, shall constitute a charge and lien subject to the charge and lien thereon and to the duty of the City of Payette with respect to said revenues.

The covenants above set forth to the extent deemed necessary by the Council of the City of Payette may be extended and made applicable to the municipal water system in order to protect the additional security for the payment of said revenue bonds made available by the pledge of the net revenues of said water system.

Section 9. This ordinance shall take effect and be in full force upon its passage, approval and publication in one issue of the Independent-Enterprise, a newspaper of general circulation printed and published in the City of Payette, Idaho, and being the official newspaper thereof.

PASSED AND APPROVED this 1st day of February, 1954.

16th day of August, 1954
Ursus B. Dalton,
(SEAL) Mayor.

Attest:
Alice Bulmer, City Clerk.