

ORDINANCE NO. 2009-951

An Ordinance of the City of Waitsburg, Washington, related to the Water System of the City, declaring the estimated cost thereof, and authorizing the City to enter into and receive a loan from Banner Bank in the amount of \$200,000.00 to provide funding to pay for costs relating to infrastructure upgrades on West 4th Street

WHEREAS, the City of Waitsburg, Washington, hereinafter referred to as the “City”, now owns, maintains and operates a water system which is in need of certain upgrades and improvements; and

WHEREAS, Banner Bank has offered to loan the total sum of two hundred thousand dollars and no cents (\$200,000) to the City of Waitsburg to aid in the upgrades and improvements to the City’s water system, with such loan bearing interest at 5% per annum and being repaid over a period of fifteen months from revenue generated by the water system; and

WHEREAS, it is deemed necessary and in the best interests of the City and its inhabitants that the plan of upgrades and improvements to the water system as hereinafter specified be constructed and the loan be authorized to carry out such improvements; and

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Waitsburg as follows:

Section 1. As used in the ordinance, the following words shall have the following meanings:

- a. “Loan” shall mean the Banner Bank loan granted to the City of Waitsburg in the amount of \$200,000.00 and all the terms and conditions related to that loan.
- b. “Water System Improvement Repayment Fund” shall mean and refer to that fund created by Ordinance Number 850, codified as WMC 4.21.010.
- c. “Gross Revenue of the System” shall mean all of the earnings and revenue received by the City on account of the ownership and operation of the system.
- d. “Maintenance and Operation Expense” shall be all reasonable expenses incurred by the City in causing the water system to be operated and maintained in good repair, working order and condition, but shall not include any depreciation or taxes or charges in lieu of taxes levied or imposed by the City.
- e. “Net Revenue of the System” shall mean the gross revenue of the system less the maintenance and operation expense and less the money required to be set aside pursuant to pre approved debt service obligations.
- f. “Water System Improvements” shall mean the plan for acquiring and constructing additions, betterments, improvements and extensions to the water system specified and adopted in Section 2 hereof.
- g. “System” shall mean the water system of the City of Waitsburg together with all extensions and improvements thereto.

Section 2. The City hereby specifies, adopts, authorizes and orders to be carried out the Water System Improvements as specified in detail in the engineering report relating thereto which is on file in Waitsburg City Hall. The estimated cost of the Water System Improvement Project is \$200,000.

The City may make or authorize changes of detail or other changes in the above described Water System Improvements not affecting the general plan and not substantially altering the purpose of the project.

The cost of carrying out the project shall be met and defrayed from the loan and from the net revenue of the system.

Section 3. For the purpose of providing the funds required to carry out the Water System Improvements, the City shall enter into the loan and the Mayor is hereby authorized to execute the necessary loan documents. The loan shall be in the amount not to exceed \$200,000, and shall bear interest at the rate of 5% per annum and shall be amortized over a period of fifteen months with the full amount plus interest being due and payable on December 31, 2010

Section 4. The loan documents and related repayment scheduled shall be deemed sufficient for payment on the loan under WMC 4.21.030. The loan shall be paid only from funds in the Water System Improvement Repayment Fund. The loan is not intended to be a general obligation of the City, and no officer of the City or any member of the Council shall be liable for any payment of principal and/or interest thereon.

Section 5. The City and its officers are hereby authorized to proceed with the Water System Improvement Project related to the West 4th Street Waterline and to do all things necessary for the completion of this project, including the execution of all documents necessary to its completion.

Section 6. This ordinance shall become effective immediately upon its passage and publication as required by law.

PASSED by the City Council of the City of Waitsburg, at a regular meeting thereof held this 19th day of August, 2009.

APPROVED:

Markeeta Little Wolf, Mayor

ATTEST:

Randy Hinchliffe, City Clerk

APPROVED AS TO FORM:

Janelle Carman, City Attorney