

**AFFIDAVIT OF SELLER**

WHEREAS, the City of Buckley, a municipal corporation of the State of Washington ("Seller") and Puget Sound Energy, Inc., a Washington corporation ("Purchaser") are parties to that certain Asset Purchase Agreement (the "Agreement") dated the 16<sup>th</sup> day of May, 2014;

WHEREAS, Seller is the owner of the assets as described on the attached Exhibit A (the "Purchased Assets");

WHEREAS, the Agreement stipulates that at Closing of the transaction contemplated by the Agreement, Seller shall provide Purchaser with true and complete copies of all books and records kept by Seller, in accordance with generally accepted accounting principles applied on a consistent basis, evidencing the original cost of the Purchased Assets, less depreciation and amortization as shown on Seller's books and records; and

WHEREAS, the Agreement also stipulates that if Seller is unable to provide true and complete copies of all such books and records, then in lieu thereof, Seller shall provide Purchaser, at Closing, an affidavit stating that Seller was unable to locate, by diligent inquiry, any such books and records that are not so provided to Purchaser.

**AFFIDAVIT**

NOW, THEREFORE, the Seller, being first duly sworn, deposes and says that, as of the date of this Affidavit:

1. The undersigned, Pat Johnson, Mayor for Seller, has knowledge of the facts sworn to in this Affidavit and has the power and authority to execute this Affidavit on behalf of the Seller.
- 2 Seller was able to locate City of Buckley Ordinances 589, 610 and 611 which collectively provide information relative to the issuance of gas revenue bonds and anticipated costs in connection therewith, which such Ordinances are attached hereto at Exhibit B.
2. Seller was otherwise unable to locate, by diligent inquiry, any books and records kept by Seller, in accordance with generally accepted accounting principles applied on a consistent basis, evidencing the original cost of the Purchased Assets, less depreciation and amortization.

IN WITNESS WHEREOF, the undersigned has executed this Affidavit this 26<sup>th</sup> day of June, 2014.

City of Buckley, a municipal corporation  
of the State of Washington

By: Pat Johnson

Name: Pat Johnson

Title: Mayor

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF Pierce )

On this 25<sup>th</sup> day of June, 2014 before me personally appeared Pat Johnson, to me known to be the Mayor of the City of Buckley, a municipal corporation of the State of Washington and that he/she executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Joanne E Starr  
Type Notary Name: Joanne E. Starr  
Notary Public in and for the State of  
Washington, residing at Enumclaw  
My commission expires March 31, 2018

## Exhibit A

### Natural Gas Assets

1. All 23.9 lineal miles (more or less) of cathodically protected and coated steel gas main, including 19.97 lineal miles (more or less) of such steel gas main 2 inches or less in diameter and 3.93 lineal miles (more or less) measuring over 2 inches thru 4 inches in diameter, located within the City of Buckley as of the Effective Date, which such facility is further described in the "Annual Report for Calendar Year 2013" submitted by the City of Buckley to USDOT Pipeline and Hazardous Materials Safety Administration (the "Annual Report").
2. All 12.83 lineal miles (more or less) of plastic gas main, including 12.69 lineal miles (more or less) of PE gas main measuring 2 inches or less in diameter and 0.14 of PE gas main measuring 2 inches thru 4 inches in diameter, located within the City of Buckley as of the Effective Date, which such facility is further described in the Annual Report.
3. All 1420 (more or less) services located within the City of Buckley as of the Effective Date, including:
  - A. All 880 (more or less) services served by steel pipe, including 869 services served by steel pipe measuring one inch or less in diameter, 10.0 services measuring over one inch thru two inches in diameter and 1.0 service measuring over two inches thru four inches in diameter, located within the City of Buckley as of the Effective Date, which such services are further described in the Annual Report.
  - B. All 540 (more or less) services served by plastic PE pipe measuring one inch or less in diameter, located within the City of Buckley as of the Effective Date, which such services are further described in the Annual Report.
4. All 85 (more or less) excess flow valves located within the City of Buckley as of the Effective Date, which such services are further described in the Annual Report.

Personal Property

Item Type	Item Description	Quantity as of Effective Date	Value
Equipment	NDT International Thickness Gauge	1	\$1000.00
Equipment	Fluke Multi-Meter	2	\$200.00
Equipment	Heath Tech Odorator	1	\$1500.00
Equipment	Atkins Thermocouple Thermometer	1	\$500.00
Equipment	Miller Current Interrupter	1	\$100.00
Equipment	Universal Cathodic Protector Rectifier	1	\$800.00
Equipment	Crystal Digital Test Gauge	1	\$600.00
Equipment	Mini AC/DC Clamp Meter	1	\$50.00
Equipment	Swain Meter	1	\$100.00
Equipment	Small Pressure Gauges	7	\$150.00
Equipment	Equipment Calibration Regulators	Multiple	\$50.00
Equipment	Heath CGI Gas Indicator	1	\$500.00
Equipment	Cad weld Shots	72	\$50.00
Equipment	Mini Mac Fusion Machines	2	\$800.00
Equipment	Tinker and Razor Holiday Detector	1	\$500.00
Equipment	Heath Detecto Pak CGI	1	\$100.00
Equipment	Acetylene Pipe Cutter	1	\$250.00
Equipment	Calibration Gases	Multiple	\$100.00
Equipment	Spare Recording Charts	Multiple	\$50.00
Equipment	Chart Recorder Motors	Multiple	\$100.00
Equipment	4" Sidewinder Fusion Iron	1	\$500.00
Equipment	4" Butt Fusion Equipment	1	\$2500.00
Equipment	Ford F-550 Gas Service Truck	1	\$18,000.00
Equipment	Mobil Gas Welding Hose and Valves	1	\$400.00
Equipment	Torpedo Levels	2	\$20.00
Equipment	Ratchets and Sockets	Multiple	\$100.00
Equipment	Hand Tools	Multiple	\$500.00
Equipment	Cad Weld Kit	1	\$500.00
Equipment	Hand Help Grinder	2	\$100.00
Equipment	Wheel Grinder Heads	Multiple	\$50.00
Equipment	Hydraulic Squeeze Tools	1	\$250.00
Equipment	Portable Cable Air Compressor	1	\$150.00
Equipment	Mustang Squeeze Tools	5	\$1200.00
Equipment	Reciprocating Saw	1	\$100.00
Equipment	Extension Cords	3	\$100.00
Equipment	Power Drill	1	\$100.00
Equipment	Hand Pipe Threader	1	\$500.00
Equipment	4" Hand Wheel Cutter	1	\$50.00
Equipment	300ft Tape Measure (Soft)	1	\$20.00
Equipment	Mueller No Blo Valve Changer	1	\$1800.00
Equipment	Miller Trail Blazer Welder/Generator	1	\$3500.00
Equipment	Kuhlman Manometer	1	\$150.00
Equipment	Dwyer Manometer	1	\$50.00

Item Type	Item Description	Quantity as of Effective Date	Value
Equipment	Mueller D-5 Tapping/Stopping	1	\$1500.00
Equipment	Val-TEX Foot pump Grease Gun	1	\$1000.00
Equipment	8" Variable Speed Bench Grinder	1	\$300.00
Equipment	Senset Golds	2	\$2200.00
Equipment	Half Cells	4	\$100.00
Equipment	2" Fusion Gear	1	\$3000.00
Equipment	2" PE Cutters	2	\$400.00
Parts	Valve Boxes Full Sets	8	\$500.00
Parts	Valve Lids	13	\$200.00
Parts	Valve Paving Risers	18	\$250.00
Parts	1/2" PE Tees In Line	61	\$360.00
Parts	Stainless Tube Fittings	Multiple	\$100.00
Parts	Meter Indexes	74	\$1100.00
Parts	Spare Reg Station Regulator Springs	Multiple	\$200.00
Parts	6 Inch Spare Meter Turbine	1	\$200.00
Parts	Bolt and Flange Kits	Multiple	\$500.00
Parts	Safeco Gas Filter	1	\$100.00
Parts	Sensus Service Regulators	36	\$900.00
Parts	Greenline Wrap	62	\$620.00
Parts	Tar	10	\$300.00
Parts	Mooney Regulator mounting spools	4	\$200.00
Parts	Spare Turbine Meter for Reg Station	2	\$1000.00
Parts	Fisher High Pressure Shut off Valves	5	\$500.00
Parts	In-Line Main Valves	Multiple	\$200.00
Parts	Protecto Wrap Primer	2	\$150.00
Parts	Protecto Wrap	14	\$140.00
Parts	17lb Anode	1	\$200.00
Parts	4 Inch PE to Steel Transition	2	\$360.00
Parts	Meter Index Covers	18	\$100.00
Parts	Continental Fittings (Various Sizes)	120	\$1200.00
Parts	Tracer Wire (14 gauge)	0	\$0
Parts	1/2" Butt End Cap (Fusion)	30	\$45.00
Parts	3/4" Butt End Cap (Fusion)	30	\$50.00
Parts	1" Butt End Cap (Fusion)	20	\$40.00
Parts	2" Purging Caps (PE)	4	\$12.00
Parts	2" Butt End Caps (Fusion)	18	\$54.00
Parts	4" Butt End Caps (Fusion)	2	\$12.00
Parts	1" PE Tees In-Line (Fusion)	10	\$60.00
Parts	2" PE Tees In-Line (Fusion)	12	\$96.00
Parts	3/4" PE In-Line Tees (Fusion)	31	\$186.00
Parts	1"x3/4" PE Reducers (Fusion)	40	\$120.00
Parts	PE Fusion Practice Tees (Various Sizes)	76	\$450.00
Parts	2"x1/2" PE Permalock Saddle	3	\$150.00
Parts	PE Fusion Service Tees (Various Sizes)	70	\$350.00
Parts	3/4"x1/2" PE Butt Fusion Reducers	41	\$120.00
Parts	2" PE 90Deg (Fusion)	24	\$120.00
Parts	1" PE 90Deg (Fusion)	16	\$80.00

Item Type	Item Description	Quantity as of Effective Date	Value
Parts	½" Dresser EFV (Fusion)	100	\$1000.00
Parts	¾" Dresser EFV (Fusion)	50	\$500.00
Parts	1" Perfection EFV (Stab)	7	\$105.00
Parts	½" Perfection EFV (Stab)	15	\$400.00
Parts	1" Permasert Coupler	7	\$610.00
Parts	¾" Permasert Coupler	7	\$350.00
Parts	½" Permasert Coupler	18	\$450.00
Parts	1" PE In-Line Valves (Fusion)	14	\$322.00
Parts	2" PE In-Line Valves (Fusion)	2	\$160.00
Parts	¾" PE In-Line Valves (Fusion)	9	\$135.00
Parts	In-Line Gas Filters for Reg Stations	Multiple	\$50.00
Parts	Spare Chart Recorders	2	\$200.00
Parts	2" Steel to PE Transition Fittings	5	\$300.00
Parts	1" Steel to PE Transition Fittings	10	\$400.00
Parts	Trenton Wax Tape	18	\$120.00
Parts	Wax Tape Premier	1	\$100.00
Parts	Meter Spud Gaskets (Various Sizes)	Multiple	\$50.00
Parts	1" x Close Black Iron (BI) Nipples	25	\$31.25
Parts	1"x2" Nipple (BI)	31	\$46.50
Parts	1"x3" Nipple (BI)	37	\$55.50
Parts	1"x2 ½" Nipple (BI)	16	\$32.00
Parts	1"x4" Nipple (BI)	29	\$58.00
Parts	1"X5" Nipple (BI)	22	\$44.00
Parts	1"x6" Nipple (BI)	19	\$57.00
Parts	¾"x1" Muller Auto Perf Tees	13	\$377.00
Parts	¾" Muller Auto Perf Tees	8	\$176.00
Parts	1" Threaded 90Deg (BI)	17	\$68.00
Parts	¾" Threaded 90Deg (BI)	33	\$90.00
Parts	¾"x1" Threaded 90Deg (BI)	45	\$120.00
Parts	¾" x Close Nipples (BI)	30	\$30.00
Parts	¾"x 3" Nipples (BI)	41	\$61.50
Parts	¾"x 4" Nipples (BI)	30	\$30.00
Parts	¾"x5" Nipples (BI)	35	\$70.00
Parts	¾"x 6" Nipples (BI)	27	\$54.00
Parts	Direct Bury Splice	17	\$15.00
Parts	1" Steel Threaded Plugs	22	\$40.00
Parts	¾" Steel Threaded Plugs	14	\$15.00
Parts	¾"x2" Nipples (BI)	14	\$15.00
Parts	¾"x1" Bushings (BI)	13	\$26.00
Parts	Direct Bury Lug Wire Splice Kit	100	\$100.00
Parts	¾"x12" Nipples (BI)	7	\$40.00
Parts	1 ¼" Steel Threaded Nipples (Various Sizes)	Multiple	\$100.00
Parts	1 ½" Steel Threaded Nipples (Various Sizes)	Multiple	\$100.00
Parts	2" Steel Threaded Nipples (Various Sizes)	Multiple	\$100.00
Parts	4"x Closed Steel Threaded Nipples	Multiple	\$50.00
Parts	1 ¼" Meter Valve (McDonald)	1	\$20.00
Parts	1" Meter Valve (Mueller)	48	\$500.00

Item Type	Item Description	Quantity as of Effective Date	Value
Parts	1" Meter Spud (Insulated)	47	\$300.00
Parts	1" Meter Spud (Uninsulated)	144	\$720.00
Parts	Meter Spud Swivel	338	\$600.00
Parts	1" Steel Threaded Tee	29	\$87.00
Parts	¾" Steel Threaded Tee	16	\$32.00
Parts	Black Steel Weld on Line Stoppers	Multiple	\$100.00
Parts	Stainless Valve Grease Plugs	Multiple	\$100.00
Parts	Black Steel Bell Reducers	Multiple	\$100.00
Parts	Steel Threaded Tee Reducers	Multiple	\$100.00
Parts	Steel 90deg Elbow Reducers	Multiple	\$100.00
Parts	Steel Unions (Insulated)	Multiple	\$150.00
Parts	Steel Unions (Uninsulated)	Multiple	\$150.00
Parts	Butt Weld Steel Fittings ¾"-4"	Multiple	\$200.00
Parts	1 ¼" Meter Spuds and Swivel	Multiple	\$150.00
Parts	1 ½" Meter Spuds and Swivel	Multiple	\$150.00
Parts	Rockwell 750 Gas Meter	1	\$150.00
Parts	½" Yellow Stripe PE Pipe 8300	6	\$480.00
Parts	¾" Yellow Stripe PE Pipe 8300	Partial Roll	\$50.00
Parts	1" Yellow Stripe PE Pipe 8300	Partial Roll	\$50.00
Parts	2" Yellow Stripe PE Pipe 8300	1 Roll	\$800.00
Parts	¾" Anode less Riser	7	\$470.00
Parts	1" Anode less Riser	13	\$1456.00
Parts	½" Anode less Riser	10	\$710.00
Parts	2" Black Steel Pipe (20ft)	1	\$112.00
Parts	2lb Sacrificial Anode	5	\$300.00
Meter	Sensus 250 Qubix Meter	26	\$1400.00
Meter	Eqimeter 275 Meter	70	\$1200.00
Meter	Sensus R415 Meter	0	\$0.00
Meter	Rockwell 5000 Meter	1	\$400.00
<b>Total Estimate of Value</b>			<b>\$76,803.00</b>

**Exhibit B**

(City of Buckley Ordinances 589, 610 and 611)



Ord. 03-1954

TOWN OF BUCKLEY, WASHINGTON

ORDINANCE NO. 589

AN ORDINANCE specifying and adopting a system or plan for the acquisition and construction of a natural gas utility for the purpose of furnishing the Town and the inhabitants thereof and any other persons with an ample supply of natural gas for all uses and purposes with full power to regulate and control the use, distribution and price thereof; declaring the estimated cost thereof, as near as may be; providing for the issuance and sale of Gas Revenue Bonds in the principal sum of not to exceed \$215,000.00 to pay the costs thereof; creating a special fund to provide for the payment of said bonds; declaring an emergency; and providing for the submission of said system or plan, including the issuance of said Gas Revenue Bonds to defray the cost thereof, to the qualified voters of the Town of Buckley, Washington, for their ratification or rejection, at a special election to be held in said Town on November 2, 1954.

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BUCKLEY, WASHINGTON, as follows:

Section 1. The public interest, welfare and convenience require and it is advisable that a natural gas utility be acquired for the purpose of furnishing the Town and its inhabitants and any other persons with an ample supply of natural gas for all uses and purposes with full power to regulate and control the use, distribution and price thereof.

Section 2. The gross revenues and benefits to be derived from the operation and maintenance of the natural gas utility herein provided for at the rates to be charged for gas will in the judgment of the Town Council be more than sufficient to meet all expenses of operation and maintenance thereof and to permit the setting aside of a special fund out of the gross revenues of the gas utility of amounts sufficient to pay the interest on the revenue bonds herein authorized to be issued as such interest becomes due and payable and to pay and redeem all of said bonds at maturity.

Section 3. The Town of Buckley hereby specifies and adopts a system or plan for the acquisition and construction of a natural gas utility for the Town to consist of the following:

1. The Town shall purchase the natural gas required by the Town from any pipeline corporation certificated by the Federal Power Commission to transport and sell such natural gas to the Town.

2. The Town shall construct and install from the point of delivery to the Town of such natural gas by such pipeline corporation a distribution system of pipelines consisting of the following:

<u>Item No.</u>	<u>Approximate Quantity</u>	<u>Description</u>
1	12,000 lineal feet	4" Wrapped Steel Pipe (Trans. Line)
2	8,900 lineal feet	4" Wrapped Steel Pipe (Distr. System)
3	27,000 lineal feet	2" Wrapped Steel Pipe
4	200 lineal feet	1 1/2" Wrapped Steel Pipe
5	200 lineal feet	1 1/4" Wrapped Steel Pipe
6	25,000 lineal feet	1" Wrapped Steel Pipe
7	4 each	4" H.P. Valves w/box & Blow Off Valve
8	4 each	4" L.P. Valves w/box
9	40 each	2" L.P. Valves w/box
10	18 each	Pressure Reducing Assembly (PR-1)
11	235 each	L.P. Service Assembly (S-1)
12	21 each	L.P. Service Assembly (S-2)
13	4 each	L.P. Service Assembly (S-3)
14	1 each	L.P. Service Assembly (S-4)
15	300 lineal feet	6" Vented Steel Casing
16	400 lineal feet	4" Vented Steel Casing
17	200 lineal feet	2" Vented Steel Casing
18	500 lineal feet	Jack & Bore 4" pipe
19	1,200 lineal feet	Jack & Bore 2" & 1 1/2" pipe
20	1,500 lineal feet	Jack & Bore 1" pipe
21	1,000 lineal feet	Remove & Replace Conc. Surfacing
22	1,000 lineal feet	Remove & Replace Bitum. Surfacing
23	50 ton	Replace Gravel Surfacing
24	1 each	Master Regulator Station
25	1 each	Gas Conditioner Assembly
26	1 each	Odorizer Assembly
27	1 each	Drilling & Inserting Machine
28	50 cubic yards	Rock Excavation
29	1 each	River Crossing
30	5 each	Valve Markers
31	5 each	Pipeline Markers

There shall be included in the foregoing the acquisition and installation of all necessary valves, fittings, couplings, connections, meters, equipment and appurtenances, and the acquisition of any easements and rights-of-way and land that may be required, and there shall also be included the performance of such work as may be incidental and necessary to the foregoing construction and installation.

The Town Council may modify the details of the foregoing plan or system where in its judgment it appears advisable, provided such modifications do not substantially alter the purposes hereinabove set forth.

Section 4. The estimated cost, as near as may be, of the acquisition and construction of the aforesaid system or plan is hereby declared to be the sum of \$215,000.00.

Section 5. The average life of the said natural gas distribution system to be acquired and constructed is hereby declared to be at least thirty years.

Section 6. In order to carry out the system or plan provided for herein and for the purpose of providing funds to pay therefor, the Town of Buckley shall issue and sell Gas Revenue Bonds in an amount not to exceed \$215,000.00 par value. The bonds shall be entitled "Gas Revenue Bonds" with the year designation in which they are issued added; shall bear interest at the rate of not to exceed 6% per annum, payable semiannually, interest to maturity to be evidenced by coupons attached to each bond; and shall be numbered from "1" upwards consecutively. The bonds shall be in such denomination and form, shall bear such date and interest rate or rates, shall be payable at such place or places, shall mature serially in accordance with such schedule, beginning not earlier than two years from date of issuance and ending not later than thirty years thereafter, and shall have such option of payment prior to maturity, shall guarantee such coverage and collection of rates, shall provide for such additional funds and accounts and shall contain and be subject to such provisions and covenants as shall hereafter be specified by ordinance. The bonds shall be issued in one or more series as funds are required and shall be payable at the office of the Town Treasurer of the Town of Buckley, Washington, solely out of the special fund hereinafter created and shall not be a general obligation of the Town of Buckley.

There shall be and hereby is created and established in the office of the Town Treasurer of Buckley, Washington, a special fund to be called "Gas Revenue Bond Fund" with the year designation in which the bonds are issued added, which fund is to be drawn upon for the sole purpose of paying the principal of and interest on such bonds from and after the date thereof and so long thereafter as any of such bonds are outstanding; and the Town of

Buckley hereby binds and obligates itself to set aside and pay into said fund at least thirty days before the respective dates upon which interest or principal and interest of said bonds shall become due and payable certain fixed amounts, without regard to any fixed proportion, out of the gross revenues of the natural gas utility of the Town of Buckley to be acquired, including all additions, betterments and extensions thereof at any time made, namely, an amount equivalent to the respective amounts of interest or principal and interest, as the case may be, so falling due upon any or all of said bonds then outstanding, and the amounts necessary to create any surplus or reserve which may hereafter be provided for. Said gross revenues are hereby pledged to such payments which shall constitute a lien or charge upon all of such gross revenues prior and superior to all other liens and charges whatsoever, excluding charges for maintenance and operation, except that the Town of Buckley may hereafter reserve the right to issue Gas Revenue Bonds which shall constitute a lien or charge upon such gross revenues on a parity with the lien or charge against the same for this issue of bonds upon such conditions as may hereafter be determined by ordinance.

The Town Council and corporate authorities of the Town of Buckley hereby declare that in creating such special fund and in fixing the amounts to be paid into it as aforesaid, they have considered and have had due regard to the cost of operation and maintenance of the gas utility to be acquired and have not set aside into said special fund a greater amount or proportion of the revenue and proceeds than in their judgment will be available over and above the cost of maintenance and operation of said gas utility. The Town of Buckley hereby binds itself irrevocably not to mortgage, sell, lease, or in any manner encumber or dispose of the gas utility which may hereafter belong to it, including all additions, betterments and extensions thereof at any time made, until all of the revenue bonds herein authorized and hereafter issued with interest thereon shall have been fully paid; and the said Town hereby covenants and agrees to maintain in good condition and to operate such gas utility and to establish, maintain and

collect such rates as will produce gross revenues from the said gas utility sufficient to permit payment into said special fund of the amounts required for the payment of the principal of and interest on the revenue bonds herein authorized as they become due and the amounts that may be required to be paid into any reserve account that may be provided for in connection with the sale of said bonds, and in addition thereto, to pay all costs of maintenance and operation and taxes and otherwise to meet the obligations of the Town as herein set forth and as may be set forth in any ordinance hereafter enacted pertaining to the issuance of said bonds.

The Town of Buckley hereby binds itself irrevocably to provide by subsequent ordinance or ordinances for fixing rates and charges for the furnishing of gas, which shall be sufficient to meet its obligations as herein set forth.

Section 7. The Town Council finds that the lack of a natural gas utility in the Town has created an emergency and an emergency is hereby declared to exist, and the Auditor of Pierce County, Washington, as ex-officio Supervisor of Elections, is hereby requested to find the existence of an emergency and to call a special election to be held in the Town of Buckley on the 2nd day of November, 1954, in conjunction with the General State Election to be held on said date, at which there shall be submitted to the qualified voters of the Town of Buckley, for their ratification or rejection, the following proposition to be submitted in ballot form substantially as follows:

"Shall the Town of Buckley adopt a system or plan for the construction and acquisition of a natural gas utility the total estimated cost of which is the sum of \$215,000.00, including the issuance and sale of Gas Revenue Bonds in the principal amount of not to exceed \$215,000.00, bearing interest at the rate of not to exceed 5% per annum, maturing serially, annually, in from two to not to exceed thirty years after date of issue, and to be payable solely out of the "Gas Revenue Bond Fund", for the purpose of paying the cost thereof, all as provided in Ordinance No. 582 ?


FOR.....

AGAINST.....  "

Section 8. The Town Clerk is hereby authorized and directed to deliver a certified copy of this Ordinance to the Auditor of Pierce County, Washington, as ex-officio Supervisor of Elections, at least forty-

five days prior to the proposed election date, requesting said County Auditor to call said special election and to give notice thereof and conduct the same in the manner provided by law.

PASSED by the Town Council of the Town of Buckley, Washington, at a regular meeting thereof and APPROVED by the Mayor of the Town of Buckley, Washington, this <sup>14</sup>~~24~~ day of <sup>Sept</sup>~~August~~, 1954.

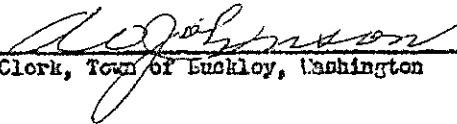
ATTEST  
  
TOWN CLERK

SEAL: TOWN OF BUCKLEY WASHINGTON  
1954

\_\_\_\_\_  
M A Y O R

I, A. O. JOHNSON, Clerk of the Town of Buckley,  
Washington, do hereby certify that the attached Ordinance, being Ordinance  
No. 689, is a true, complete and correct copy of the original Ordinance  
passed on the <sup>14</sup>24th day of <sup>Sept</sup>August, 1954.

DATED this <sup>14</sup>24th day of <sup>Sept</sup>August, 1954.

  
Clerk, Town of Buckley, Washington

*Judgment  
No. 589*



Ord. 04-1957

ORDINANCE NO. 610

AN ORDINANCE of the Town of Buckley, Washington, providing for the issuance of \$215,000.00 of gas revenue bonds authorized by Ordinance No. 589 and approved by the qualified voters of the Town at a special election on November 2, 1954; fixing the date, form, denomination, interest rate, maturities and other terms and covenants thereof; creating special funds to safeguard the payment of said bonds; reserving the right of the Town to issue additional gas revenue bonds on a parity with said bonds to be issued; and providing for the sale of said bonds to Wm. P. Harper & Son & Company and associates.

WHEREAS the Town of Buckley, Washington, by Ordinance No. 589 passed by the Town Council and approved by the Mayor on September 14, 1954, specified and adopted a system of plan for the acquisition and construction of a natural gas utility for the Town, authorized the issuance of "Gas Revenue Bonds" in an amount not to exceed \$215,000.00 par value to pay for the cost thereof and called a special election to be held in the Town on the 2nd day of November, 1954, in conjunction with the general state election held on said date; at which there was submitted to the qualified voters of the Town of Buckley, for their ratification or rejection, the following proposition, to-wit:

"Shall the Town of Buckley adopt a system or plan for the construction and acquisition of a natural gas utility, the total estimated cost of which is the sum of \$215,000.00, including the issuance and sale of Gas Revenue Bonds in the principal amount of not to exceed \$215,000.00, bearings interest at the rate of not to exceed 6% per annum, maturing serially, annually, in from two to not to exceed thirty years after date of issue, and to be payable solely out of the "Gas Revenue Bond Fund," for the purpose of paying the cost thereof, all as provided in Ordinance No. 589? FOR AGAINST "; and

WHEREAS, said proposition was ratified and approved by the the number and proportion of the qualified voters of the Town of Buckley voting at said election as required by law; and

WHEREAS, the Town has been allocated by the Federal Power Commission the amount of natural gas required by it and has entered into a service agreement to the furnishing of such natural gas with Pacific Northwest Pipeline Corporation, which pipeline corporation has been certificated by the Federal Power Commission to transport and sell such natural gas to the Town; and

WHEREAS, the Town has entered into a contract with the City of Enumclaw, Washington, for the transmission of such natural gas purchased by the Town from the point of delivery of such natural gas to the transmission line of the City of Enumclaw to the corporate limits of the Town; and

WHEREAS, the Town Council deems it necessary to issue and sell the full authorized amount of \$215,000.00 par value of said gas revenue bonds to provide the funds necessary to pay the cost of construction and acquiring said natural gas utility, NOW THEREFORE,

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BUCKLEY, WASHINGTON, as follows:

Section 1. For the strictly municipal purpose of acquiring, construction and installing a natural gas utility for the purpose of furnishing the Town and its inhabitants and any other persons with an ample supply of natural gas for all uses and purposes, the Town shall immediately issue and sell \$215,000.00 par value of gas revenue bonds of the Town of Buckley, Washington. The Bonds shall be entitled "Gas Revenue Bonds, 1957," of the Town of Buckley, Washington (hereinafter called the "Bonds.") The Bonds shall be dated June 15, 1957; shall be in denominations of \$1,000.00 each; shall be numbered from 1 to 215, inclusive; and shall bear interest at the rate of 5½% per annum, payable semi-annually on June 15th and December 15th of each year, interest to maturity to be evidenced by coupons to be attached to the Bonds with full obligation on the part of the Town to pay interest at the same rate, from and after the maturity dates, until all of the bonds with interest thereon are paid in full. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the office of the Town Treasurer of the Town of Buckley, Washington, solely out of the "Gas Revenue Bond Fund, 1957," (hereinafter called the "Bond Fund") of the Town, created by Ordinance No. 589. The Bonds shall be a valid claim of the holder thereof only as against the Bond Fund and the fixed amount of the revenues of the natural gas utility to be acquired and constructed pledged to such fund and shall not be a general obligation of the Town of Buckley. The bonds shall mature, serially, in accordance with the following schedule, to-wit:

Bond Numbers	Amounts	Maturities
1 to 2	\$2,000	June 15, 1963
3 to 5, inclusive	\$3,000	June 15, 1964
6 to 9, inclusive	\$4,000	June 15, 1965
10 to 14, inclusive	\$5,000	June 15, 1966
15 to 19, inclusive	\$5,000	June 15, 1967
20 to 25, inclusive	\$6,000	June 15, 1968
26 to 31, inclusive	\$6,000	June 15, 1969
32 to 37, inclusive	\$6,000	June 15, 1970
38 to 44, inclusive	\$7,000	June 15, 1971
45 to 51, inclusive	\$7,000	June 15, 1972
52 to 58, inclusive	\$7,000	June 15, 1973
59 to 66, inclusive	\$8,000	June 15, 1974
67 to 74, inclusive	\$8,000	June 15, 1975
75 to 83, inclusive	\$9,000	June 15, 1976
84 to 92, inclusive	\$9,000	June 15, 1977
93 to 102, inclusive	\$10,000	June 15, 1978
103 to 112, inclusive	\$10,000	June 15, 1979
113 to 123, inclusive	\$11,000	June 15, 1980
124 to 134, inclusive	\$11,000	June 15, 1981
135 to 146, inclusive	\$12,000	June 15, 1982
147 to 158, inclusive	\$12,000	June 15, 1983
159 to 171, inclusive	\$13,000	June 15, 1984
172 to 185, inclusive	\$14,000	June 15, 1985
186 to 200, inclusive	\$15,000	June 15, 1986
201 to 215, inclusive	\$15,000	June 15, 1987

Bonds numbered 1 to 19, inclusive, maturing June 15, 1963, through June 15, 1967, shall be issued without the right of the Town to redeem the same prior to their stated maturity dates.

The Town of Buckley reserves the right to redeem any or all bonds numbered 20 to 215, inclusive, maturing June 15, 1968, through June 15, 1987, in inverse order of maturities, and if less than all bonds maturing on any one maturity date are called, the bonds so called shall be selected by lot, on June 15, 1967 or on any interest payment date thereafter, at par plus accrued interest to date of redemption if redeemed solely from earnings of the natural gas utility, or if redeemed from funds derived other than from earnings of the natural gas utility, at the following redemption prices if called on the following dates plus accrued interest to date of redemption in each case, to-wit:

June 15 or December 15, 1967	----	\$105.00 per \$100 par value
June 15 or December 15, 1968	----	\$104.50 per \$100 par value
June 15 or December 15, 1969	----	\$104.00 per \$100 par value
June 15 or December 15, 1970	----	\$103.50 per \$100 par value
June 15 or December 15, 1971	----	\$103.00 per \$100 par value
June 15 or December 15, 1972	----	\$102.50 per \$100 par value
June 15 or December 15, 1973	----	\$102.00 per \$100 par value
June 15 or December 15, 1974	----	\$101.50 per \$100 par value
June 15 or December 15, 1975	----	\$101.00 per \$100 par value
June 15 or December 15, 1976	----	\$100.50 per \$100 par value
On or after June 15, 1977	----	at par

Any call for redemption of the Bonds shall be made by publishing notice thereof at least once in the official newspaper of the Town not less than thirty nor more than forty-five days prior to the date of redemption, and by mailing a like notice at the same time to the purchaser or manager or managers of the account with purchases the Bonds at their sale by the Town; at its or their main office or principal office in the State of Washington, or to the successor or successors in business, if any of said purchaser or account manager or managers at its or their main office or principle office in the State of Washington. Interest on any Bonds so called for redemption shall cease on the date fixed for said redemption upon payment of the redemption price into the Bond Fund.

Section 2. The Bond Fund is hereby divided into a "Principal and Interest Account" and a "Reserve Account"; and so long thereafter, such fund the Treasurer of the Town of Buckley shall set aside and pay into the Bond Fund out of the gross revenues of the natural gas utility of the Town of Buckley to be acquired and constructed, including all additions, betterments and extensions thereof at any time made or constructed, a fixed amount without regard to any fixed proportion, namely:

- (a) Into the "Principal and Interest Account," on or before the 1st day of each month, commencing December 1, 1959, one-sixth of the next ensuing six months' interest requirements, and commencing on July 1, 1962, one-twelfth of the next ensuing twelve months' requirements of principal and thereafter until the total principal and interest requirements on the Bonds are met; and
- (b) Into the "Reserve Account," and amount equal to the maximum annual debt service requirements for the bonds then outstanding in any one year (hereinafter referred to as the "reserve account requirement") to be accumulated by annual

*outstanding against*

deposits of not less than the following:

- (1) \$2,500.00 in year ending June 15, 1960,
- (2) \$1,000.00 in year ending June 15, 1961,
- (3) \$2,500.00 in year ending June 15, 1962,
- (4) \$6,000.00 in year ending June 15, 1963,
- (5) \$5,000.00 in year ending June 15, 1964,

to be made by monthly deposits of one-twelfth of each such annual amount.

The reserve requirement may be accumulated from any other moneys which the Town of Buckley may have available for the natural gas utility in addition to using such gas utility revenues therefor. The "Reserve Account" shall be maintained at such reserve requirement, except for transfers therefrom as authorized herein, at all times so long as any of the Bonds are outstanding, provided, that when the total amount in the Bond Fund shall equal the total amount of principal and interest for all outstanding Bonds to the last maturity thereof, no further payment need be made into the Bond Fund.

In the event that there should be a deficiency in the "Principal and Interest Account," in the Bond Fund to meet maturing installments of either principal or interest, as the case may be, such deficiency shall be made up from the "Reserve Account" by the transfer of money for that purpose. Any deficiency created in the "Reserve Account" by reason of any such transfer shall be made up from the moneys from the revenues of the natural gas utility first available after making necessary provision for the required payments into the "Principal and Interest Account." The money in the "Reserve Account" shall otherwise be held intact and may be applied against the last outstanding Bonds. All money in the "Reserve Account" above provided for shall either be kept on deposit in the official bank depository of the Town of Buckley, or shall be invested in United States Government direct obligations maturing within five years from date of investment therein but in no event later than May 15, 1987. Interest earned on any such investment or on such bank deposit shall be credited to and become a part of the "Reserve Account," until the reserve requirement, shall be accumulated therein, after which such interest shall be credited to and become a part of the "Principal and Interest Account."

The gross revenues of the natural gas utility of the Town to be acquired, together with all additions, replacements, betterments and extensions thereof at any time made or constructed, are hereby pledged for the payment of the Bonds, and the Bonds herein authorized shall constitute a charge or lien upon such gross revenues prior and superior to any other charges whatsoever, excluding charges for maintenance and operation and the cost of gas purchased, except that the charge or lien upon said gross revenues for the Bonds shall be on a parity with the lien or charge upon such gross revenues for any refunding and/or additional gas revenue bonds that may be hereafter issued pursuant to the provisions of Section 5 hereof.

The Town Council and the corporate authorities of the Town of Buckley hereby declare that in creating the Bond Fund and in fixing the amounts to be paid into it as set forth herein, they have exercised due regard to the cost of operation and maintenance of the natural gas utility to be acquired and constructed, including the costs of gas to be purchased, and the Town of Buckley has not bound and obligated itself to set aside and pay into the Bond Fund a greater amount or proportion of the revenues of the natural gas utility than in the judgment of the Town Council will be available over and above such cost of maintenance and operation, including the cost of gas to be purchased, and that no portion of the revenues of the natural gas utility to be acquired and constructed has been previously pledged for any other indebtedness.

Section 3. There are hereby created and established in the office of the Town Treasurer of Buckley, Washington, the following additional special funds:

(a) "Natural Gas Construction Fund," from which fund shall be paid the costs of carrying out the system or plan for the acquisition and construction of a natural gas utility for the Town as adopted in Ordinance No. 589.

(b) "Natural Gas Revenue Fund," into which fund shall be paid all revenues and income collected for furnishing natural gas to customers of the Town and from which fund all expenses of maintenance and operation of natural gas utility, including cost of gas purchased, shall be paid, and from which fund such other disbursements shall be made as hereinafter set forth.

(c) "Natural Gas Service Connection Fund," from which fund shall be paid the costs of making connections to the natural gas utility. The "Service connection" shall include the installation of service tee from main, service pipe from service tee to premises of customer, meter, regulator, cock and necessary fittings to make complete installation.

(d) "Natural Gas Replacement and Extension Fund," which fund may be drawn upon from time to time to pay the cost of making renewals, replacements, additions, betterments, and extensions to the natural gas utility.

Section 4. The Town of Buckley hereby covenants and agrees with the owner and holder of each of the Bonds as follows:

(a) That it will adopt prior to the issuance and delivery of any Bonds an Initial Schedule of Rates, which rate schedule shall be predicated on the recommendations of Porter, Barry & Associates, Consulting Engineers, and that it will establish, maintain and collect such rates and charges for natural gas for so long as any of the Bonds are outstanding as will make available for the payment of said Bonds, an amount, after deduction normal operation and maintenance expenses, including the cost of gas purchased, equal to at least 1.5 times the annual debt service requirement, both the principal and interest, for any one year for the Bonds and any additional gas revenue bonds which may be hereafter issued on a parity of lien with the Bonds in accordance with the provisions of Section 5 hereof.

(b) That it will at all times maintain and keep the natural gas utility and all additions thereto and betterments, replacements and extensions thereof in good repair, working order and condition, and also will at all times operate such utility and business in connection therewith in an efficient manner and at a reasonable cost.

(c) That it will not sell, lease, mortgage or in any manner encumber or dispose of all the properties of said natural gas utility, unless provision is made for payment in the Bond Fund of a sum sufficient to pay the principal of and interest on all of the outstanding Bonds and any additional gas revenue bonds and/or refunding gas revenue bonds hereafter issued on a parity of lien with the Bonds in accordance with the provisions of Section 5 hereof; and that it will not sell, lease, mortgage, or in any manner encumber or dispose of any part of the property of said utility that is used, useful and material to the operation thereof, unless provision is made for replacement thereof, or for payment into the Bond Fund of the total amount of revenue received, which shall not be less than an amount which shall bear the same ratio to the amount of outstanding Bonds as the revenue available for the debt service for the Bonds for the twelve months preceding such sale, lease, encumbrance or disposal from the portion of the utility sold, leased, encumbered or disposed of bears to the revenue available for the debt service for the Bonds from the entire utility for the same period. Any such moneys so paid into the Bond Fund shall be used to retire outstanding Bonds at the earliest possible date.

(d) That it will while any of the Bonds remain outstanding keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to its natural gas utility and it will furnish the original purchaser or purchasers of the Bonds or any subsequent holder or holders thereof, at the written request of such holder or holders, complete operating and income statements of said utility in reasonable detail covering any year not more than thirty days after the close of such year, or permit the examination by such purchasers or holders of each audit as made by the State auditing agency, and it will grant any holder or holders of at least \$50,000.00 principal amount of the outstanding Bonds the right at all reasonable times to inspect the natural gas utility and all records, accounts and data of the Town relating thereto.

(e) That it will carry the types and amounts of insurance on its natural gas utility normally carried by private gas companies engaged in the operation of gas utilities or systems, and the cost of such insurance shall be considered a part of the cost of operating and maintaining such gas utility.

If, as and when the United States of America, or some agency thereof, shall provide for war risk insurance, the Town further agrees to take out and maintain such insurance on all or such portions of the properties of said utility upon which such war risk insurance may be written in an amount or amounts to cover adequately the insurance value thereof.

(f) That it will not furnish natural gas to any consumer whatsoever free of charge and shall promptly take legal action to enforce collection of all delinquent accounts.

Section 5. The Town of Buckley hereby agrees that it will not hereinafter issue any additional gas revenue bonds or refunding gas revenue bonds which shall constitute a charge or lien upon the gross revenues of the Natural gas utility of the Town to be acquired and constructed from the proceeds of this issue prior to the charge or lien against the same for the payments required to be made into the Bond Fund, PROVIDED, HOWEVER, that it hereby reserves the right to issue additional gas revenue bonds and/or refunding gas revenue bonds which shall constitute a charge or lien upon the revenues of said natural gas utility, including all additions thereto and betterments, replacement and extensions thereof at any time made, on a parity of lien with the outstanding Bonds, if the following conditions shall be met and complied with at the time of the issuance of such refunding and/or additional bonds, to-wit:

(1) No default exists in the payment of the principal of or interest on the then outstanding Bonds and any additional bonds then outstanding hereafter issued on a parity of lien with the Bonds in accordance with the provisions of this Section, and all amounts required to have been paid into the various bond funds for said bonds shall have been paid and maintained intact therein.

(2) That the ordinance authorizing the issuance of such additional bonds shall provide that there shall be accumulated for said additional bonds proposed to be issued as a reserve in the bond fund created for such additional bonds, or in separate reserve fund, within five years after the date of issuance of such additional bonds, an amount which together with the amount then in or committed to be then accumulated in any reserve fund or account for any additional bonds hereafter issued on a parity of lien with the Bonds in accordance with the provisions of the Section shall equal the combined maximum debt service requirements for any one year for all outstanding bonds ranking on a parity of lien with the Bonds; Provided, however, that in the case of refunding bonds the ordinance authorizing the the issuance of such refunding bonds shall provide that the moneys in the "Reserve Account" or ~~separate~~ reserve fund for the bonds to be refunded shall be transferred to the "Reserve Account" or separate reserve fund for the refunding bonds or that the moneys in the "Reserve Account" or separate reserve fund for the bonds to be refunded shall be used to redeem such bonds, in which event an amount calculated in the same manner as set for the above shall be accumulated as a reserve in the same manner and within the same times as set forth herein for additional revenue bonds.

(3) That the Town of Buckley shall have on file a certificated executed by either a consulting engineer registered in the State of Washington, or by a certified public accountant registered in the State of Washington, which will state that the gross revenues, after deducting operating and maintenance expenses, including cost of gas purchased, of the natural gas utility of the Town for any consecutive twelve months out of fifteen calendar months immediately preceding the date of issuance of the proposed bonds, shall be equal to at least 1.5 times the combined maximum debt service requirements for any future year on all the then outstanding bonds and the additional bonds proposed to be so issued to the final maturities thereof, provided, further, however, that if such additional bonds proposed to be so issued are for the sole purpose of refunding the outstanding gas revenue bonds, said certificated showing coverage shall not be required if the amount required for payment of principal and interest in each year for the refunding bonds is not increased over the amount required for the bonds to be refunded thereby and the maturities of said refunding bonds are not extended beyond the maturities of the bonds to be refunded thereby.

(4) In the event that the certificated required in subparagraph (3) immediately above may not be obtained for additional bonds, such additional bonds may still be issued on a parity with the Bonds and any outstanding parity bonds up to June 15, 1966, if at the time of the issuance thereof the Town shall have on file a certificated from a consulting engineer experienced in the installation and operation of gas utilities showing that in his professional opinion the estimated earnings for the third full year of the operation of revenue-producing additions, improvements and extensions constructed out of the proceeds of the sale of such additional bonds, less any increased operating and maintenance expenses of the system allocable to such additions, improvements and extensions, will provide net income equal to at least 1.75 times the amount by which the average annual debt service requirements for all outstanding gas revenue bonds, including such additional bonds, are increased by reason of the issuance of such additional bonds; provided, that there must be included in the amount of any such additional bonds issue the amount necessary to pay the cost of making all connections that it is anticipated will be made to the additions and improvements to and extensions of the system constructed and installed out of proceeds of the sale of such additional bonds within three years from the date of the issuance thereof, as shown in such certificate.

Nothing herein contained shall prevent the Town from issuing gas revenue bonds which are a charge or lien upon the gross revenues of its natural gas utility junior in all respects to the charge or lien upon the same in favor of the Bonds Fund for the payment of the outstanding Bonds and any bonds hereafter issued on a parity of lien with such Bonds in accordance with the provisions of this section.

Section 6. The proceeds from the sale of the Bonds shall be used for the sole purpose of paying the cost of acquiring and constructing the natural gas utility in and of paying the cost and expenses connected therewith as specified in Ordinance No. 589, including the cost of making service connections to said utility, and the Town of Buckley shall proceed with the acquisition and construction of such natural gas utility and the proper officers of the Town are hereby directed to proceed therewith.

Section 7. The gross revenues from the natural gas utility of the Town shall be deposited promptly as received in the "Natural Gas Revenue Fund" herein created and each month the amount therein shall be expended as more fully described in this Ordinance in the following order or priority:

(a) Payment into the "Natural Gas Revenue Fund" as required for normal costs of operating and maintaining the natural gas utility, including the cost of gas purchased.

(b) Payment into the "Principal and Interest Account" in the Bond Fund to meet maturing instalments of principal and interest on the Bonds as stipulated in Section 2(a) hereof,

(c) Payment into the "Reserve Account" in the Bond Fund to provide for the reserve requirement, as stipulated in Section 2(b) hereof.

(d) Make additional deposits in the "Natural Gas Service Connection Fund"

when necessary to make connections as applied for.

(e) the next moneys available shall be used to make renewals, replacements, betterments, additions and extensions to the natural gas utility of the Town which may be necessary and feasible, and any moneys not required to meet the requirements of subparagraphs (a), (b), (c), and (d) above in excess of the sum of \$10,000.00 in the "Natural Gas Revenue Fund" shall be accumulated as a reserve in the "Natural Gas Replacement and Extension Fund" until the sum of \$10,000.00 shall have been accumulated therein, and said reserve may be drawn upon from time to time to pay the cost of making renewals, replacements, betterments, extensions and additions to the natural gas utility of the Town and shall be replaced from the gross revenues of the natural gas utility next available for this purpose.

(f) When necessary to meet the requirements of the Bond Fund (including the "Principal and Interest Account" and "Reserve Account") moneys may be transferred thereto from any other Gas Utility funds (except any bond funds created for subsequent bond issues): however, no moneys deposited in the Bond Fund may be withdrawn for any purposes other than for payment of principal and interest on the Bond, as long as any of the Bonds remain outstanding.

(g) After making provision for the current requirements of (a), (b), (c), (d), and (e) above, then the balance shall be first used to accelerate the accumulation of the "Reserve Account" in the Bond Fund to its maximum requirement and then be used to accelerate the accumulation of the "Natural Gas Replacement and Extension Fund" to its maximum amount. Any balance then remaining may be transferred to any gas utility fund and may be held, invested, or expended to any lawful purpose as the Town Council may determine.

Section 8. The Bonds shall be in substantially the following form:

No. \_\_\_\_\_ \$1,000.00  
UNITED STATES OF AMERICA  
STATE OF WASHINGTON  
TOWN OF BUCKLEY  
GAS REVENUE BOND, 1957  
5½%

KNOW ALL MEN BY THESE PRESENTS That the Town of Buckley, Pierce County, State of Washington, for value received, hereby promises to pay to the bearer on the 15TH DAY OF JUNE, 19\_\_\_, the principal sum of

ONE THOUSAND DOLLARS

together with interest thereon at the rate of FIVE AND ONE-HALF (5½%) per cent annum, payable semiannually on the 15th days of June and December of each year, upon the presentation and surrender of the attached interest coupons as they severally mature up to the bond maturity date and with full obligation on the part of the Town to pay interest at the same rate from and after the bond maturity date until this bond with interest is paid in full. Both principal and interest are payable in lawful money of the United States of America at the office of the Town Treasurer of Buckley, Washington, solely out of the special fund created by Ordinance No. 589 and known as the "Gas Revenue Bond Fund, 1957," (hereinafter called the "Bond Fund") into which fund the Town of Buckley hereby irrevocably binds itself to pay certain fixed amounts out of the gross revenues of the natural gas utility of the Town to be acquired and constructed, including all additions, extensions and betterments thereof at any time made or constructed, without regard to any fixed proportion namely, an amount sufficient to pay the principal of and interest on this issue of bonds as they respectively become due and to accumulate a reserve therefor, all at the times and in the manner set forth in Ordinances No. 589 and No. 610. The gross revenues of the natural gas utility to be acquired and constructed, and all additions, extensions and betterments thereof at any time made, are hereby pledged to such payment, and the bonds of this issue constitute a charge or lien upon such gross revenues prior and superior to all other charges whatever, excluding charges for operation and maintenance and the cost of gas to be purchased, except that the charge or lien upon said gross revenues for this issue of bonds shall be on a parity with the charge or lien thereon for any gas revenue bonds hereafter issued on a parity with this issue of bonds in accordance with the provision of Section 5 of Ordinance No. 610.

This bond is one of an issue of \$215,000.00 par value of bonds, all of like date, tenor and effect, except as to maturities and options of redemption, all payable from the Bond Fund, and all issued by the Town of Buckley under and pursuant to the laws of the State of Washington and Ordinance No. 589 and No. 610 of the Town, for the purpose of obtaining funds required to pay the cost and expense of acquiring and constructing a natural gas utility for the Town. Reference is made to said Ordinances as more fully describing the covenants with and rights of holders of bonds of this issue.

The acquisition and construction of said natural gas utility and the issuance of the bonds of this issue were ratified and approved by the number and proportion of the number and proportion of the qualified voters of the Town of Buckley voters

at a special election held therein on November 2, 1954, as required by law. Bonds numbered 1 to 19, inclusive, maturing June 15, 1963, through June 15, 1967, are issued without the right of the Town to redeem the same, prior to their stated maturity dates.

The Town of Buckley reserves the right of redeem any or all bonds numbered 20 to 215, inclusive, maturing June 15, 1968, through June 15 1987, in inverse order of maturities, and if less than all bonds maturing on any one maturity date are called, the bonds so called shall be selected by lot on June 15, 1967, or on any interest payment date thereafter at par, plus accrued interest to date of redemption if redeemed solely from earnings of the natural gas utility, or of redeemed from funds derived other than from earnings of the natural gas utility at the following redemption prices if called on the following dates, plus accrued interest to date of redemption in each case, to-wit:

- June 15 or December 15, 1967---\$105.00 per \$100 par value
- June 15 or December 15, 1968---\$104.50 per \$100 par value
- June 15 or December 15, 1969---\$104.00 per \$100 par value
- June 15 or December 15, 1970---\$103.50 per \$100 par value
- June 15, or December 15, 1971---\$103.00 per \$100 par value
- June 15, or December 15, 1972---\$102.50 per \$100 par value
- June 15 or December 15, 1973---\$102.00 per \$100 par value
- June 15 or December 15, 1974---\$101.50 per \$100 par value
- June 15 or December 15, 1975---\$101.00 per \$100 par value
- June 15 or December 15, 1976---\$100.50 per \$100 par value
- On or after June 15, 1977---at par.

Any call for redemption of the bonds of this issue shall be made by publishing notice thereof at least once in the official newspaper of the Town not less than thirty or more than forty-five days prior to the date of redemption, and by mailing a like notice at the same time to the purchaser or manager or managers of the account which purchases the bonds of this issue at their sale by the Town, at its or their main office or principal office in the State of Washington, or to the successor or successors in business, if any, of said purchaser or account manager or managers at its or their main office or principal office in the State of Washington. Interest on any bonds of this issue so called for redemption shall cease on the date fixed for said redemption upon payment of the redemption price into the Bond Fund.

The Town of Buckley hereby covenants and agrees to and with the holders of each and every one of the bonds of this issue to fully carry out all pledges and covenants undertaken by it and to meet all obligations of the Town as herein set forth and as set forth in Ordinances Nos. 589 and No. 610.

It is hereby certified and declared that the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the Ordinances of the Town of Buckley, and that all acts, conditons and things required to be done precedent to and in the issuance of this bond do exist, have happened, been done and have been performed as required by law.

IN WITNESS WHEREOF, the Town of Buckley, Washington, has caused this bond to be signed by its Mayor and attested by its Clerk and its corporate seal to be hereto affixed and the interest coupons attached to be signed with the facsimile signatures of said officials this 15th day of June, 1957.

TOWN OF BUCKLEY,  
WASHINGTON  
BY \_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_  
CLERK

The interest coupons to be attached to the Bonds shall be in substantially the following form:

Coupon No. ---  
\$27.50

On the 15th day of (June) (December), 19\_\_\_\_, THE TOWN OF BUCKLEY, WASHINGTON, upon presentation and surrender of this coupon will pay to bearer at the office of the Town Treasurer the sum of TWENTY-SEVEN AND 50/100 (\$27.50) DOLLARS, in lawful money of the United States of America, from the special fund of the Town known as the "Gas Revenue Bond Fund, 1957," said sum being six month interest then due on its "Gas Revenue Bond, 1957," dated June 15, 1957, and numbered \_\_\_\_\_.

TOWN OF BUCKLEY,  
WASHINGTON  
BY \_\_\_\_\_  
MAYOR

ATTEST: \_\_\_\_\_  
CLERK

The Bonds shall be printed on lithographed forms, shall be signed by the Mayor and attested by the Clerk and shall have the seal of the Town of Buckley affixed thereto and the coupons shall bear the facsimile signatures of the Mayor and Clerk.

Section 9. The provisions of this Ordinance shall constitute a contract between the Town of Buckley and the Holders of the Bonds, and after the issuance of the Bonds no changes, additions or alterations of any kind shall be made to this Ordinance in any manner except in accordance with the provisions of this Ordinance, or until such time as all of said Bonds issued hereunder and the interest thereon shall be paid in full, or unless and until provision shall have been made for the payment of all of said Bonds and interest thereon in full.

Section 10. The Town Treasurer shall deposit the amounts received from the sale of the Bonds in the following funds and in the following amounts:

(a) In the "Principal and Interest Account" in the Bond Fund, the sum of \$29,562.50, for the purpose of paying the first two and one-half year's interest requirements on the Bonds, and

(b) In the "Natural Gas Service Connection Fund," the sum of \$38,632.00, solely for the purpose of paying the cost of making gas service connections to the natural gas utility in the manner provided in sub-section (d) of this Section, and

(c) In the "Natural Gas Revenue Fund," the sum of \$4,273.00 to be used for working capital for the utility, and

(d) In the "Natural Gas Construction Fund," the balance of the proceeds, which shall be disbursed only on approved estimates of Porter, Barry & Associates, consulting engineers, or such other engineer or firm of engineers retained by the Town to supervise construction of the natural gas utility, and

(e) When ever the moneys in the Bond Fund are insufficient to pay the current interest and principal payments on the Bonds, any balances then being retained in the funds referred to in the preceding subparagraphs (b), (c), and (d) shall be withdrawn and used to meet the deficiency.

Section 11. On May 14, 1957, the City Council at a regular meeting thereof accepted the written offer of Wm. P. Harper & Son & Co. of Seattle, Washington, and Associates, dated May 8, 1957, to purchase said bonds at \$97.00 per each \$100.00 par value thereof, subject of certain conditions set forth in said offer. The acceptance of said offer is hereby ratified and approved. The Bonds shall, therefore immediately upon their execution, be delivered to the purchasers upon payment therefor in accordance with said offer.

PASSED by the Town Council at a regular meeting thereof APPROVED by the Mayor of the Town of Buckley, Washington, this 28th day of May, 1957.

CLARENCE LAFFEY  
MAYOR

ATTEST:

A. O. JOHNSON  
TOWN CLERK

Date of publication: June 13, 1957



Ord. 05-1957

TOWN OF BUCKLEY, WASHINGTON

ORDINANCE NO. 611

AN ORDINANCE of the Town of Buckley, Washington, fixing rates and charges for natural gas service and providing for the collection thereof.

WHEREAS, Ordinance No. 589, passed and approved September 14, 1954, specified and adopted a system or plan for the acquisition and construction of a natural gas utility for the purpose of furnishing the Town and the inhabitants thereof and any other persons with an ample supply of natural gas for all uses and purposes, with full power to regulate and control the use, distribution and price thereof, and authorized the issuance and sale of Gas Revenue Bonds in the principal sum of not to exceed \$215,000 which system or plan and the issuance of such bonds were approved by the qualified voters of the Town at an election held therein on November 2, 1954; and

WHEREAS, pursuant to Ordinance No. 610, passed and approved May 28, 1957, the Town issued and sold \$215,000 par value "Gas Revenue Bonds, 1957, dated June 15, 1957, payable solely from the revenue of the natural gas utility for the purpose of obtaining funds with which to carry out the system or plan provided for in Ordinance No. 589; and

WHEREAS, it is necessary to fix and provide for the collection of such rates and charges for natural gas service as will provide sufficient revenues to meet the obligations of the Town as set forth in said Ordinances Nos. 589 and 610; NOW, THEREFORE,

BE IT ORDAINED BY THE MAYOR AND THE TOWN COUNCIL OF THE TOWN OF BUCKLEY, WASHINGTON, as follows:

Section 1. For the purpose of fixing rates and charges for the furnishing of natural gas service by the Town of Buckley, the Town Council hereby established the following rates for the following classes of customers, to-wit:

A. Residential and Small Commercial Rate:

First	5 Therms of Gas or Less	\$2.00	Net
Next	15 Therms of Gas @	0.105	Per Therm
Next	40 Therms of Gas @	0.10	Per Therm
Next	40 Therms of Gas @	0.095	Per Therm
Over	100 Therms of Gas @	0.08	Per Therm

The minimum monthly charge shall be \$2.00.

B. Medium Commercial Rate:

First	90 Therms of Gas or Less	\$8.10	Net
Next	160 Therms of Gas @	0.085	Per Therm
Next	250 Therms of Gas @	0.07	Per Therm
Over	500 Therms of Gas @	0.06	Per Therm

The minimum monthly charge shall be ~~\$8.10~~ <sup>\$</sup>10.00

Customers will be charged the minimum monthly charge beginning thirty days after natural gas is available at the meter of the customer.

Charges will be based on natural gas consumption during the month preceding the billing date. A 10% penalty will be added to all bills if not paid within 15 days after billing date.

Section 2. Each customer making application for natural gas service shall make a meter deposit in the following amounts:

- A. Residential and Small Commercial - \$5.00
- B. Medium Commercial - \$25.00

No customer shall be provided with natural gas service until he has made such meter deposit. Meter deposits shall be returned to the customer upon cessation of services and payment in full of all service charges.

Section 3. Customers who make the required meter deposit and order the installation to be made, will be furnished without cost a service line not exceeding 75 feet in length from the property line, and not more than 10 feet beyond the nearest corner of the building, whichever distance is shorter. In the event that the service line to the meter installation shall exceed 75 feet, the customer shall pay the cost of installing such service line beyond the allowable 75 feet distance, but said line shall at all times be the property of the municipal natural gas utility.

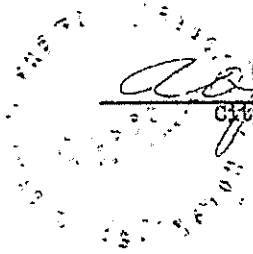
Section 4. Each customer shall be subject to all rules and regulations adopted by the Mayor and the Town Council of the Town of Buckley and its duly authorized officers relating to the installation, construction, reconstruction, adjustment and repair of house gas piping, gas appliances, fixtures and apparatus in all buildings and structures in the Town of Buckley and in its natural gas service territory.

-PASSED by the Town Council at a regular meeting thereof and APPROVED by the Mayor of the Town of Buckley, Washington this 11th day of June, 1957.

Clarence Gaffey  
Mayor

ATTEST:

A. Johnson  
City Clerk



Indonesia No 611

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