

Grand Junction, Colorado
Special Meeting
January 24, 1968

ROLL CALL

The City Council of the City of Grand Junction, in the County of Mesa and State of Colorado, met in special session, in full conformity with law and the ordinances and rules of said Council in the Council Chamber in the City Hall in the City, being the regular meeting place of the Council, on Wednesday, the 24th day of January, 1968 at the hour of 7:30 o'clock p.m.

Upon roll call, the following were found to be present, constituting a quorum:

Present:

President:	Ray A. Meacham
Councilmen:	Charles E. McCormick
	Richard Youngerman
	Harry O. Colescott
	Robert B. Evans
	Stanley Anderson

Absent: Herbert M. Wright

constituting all the members thereof.

There were also present:

City Manager:	Richard H. Gray
City Clerk:	Helen C. Tomlinson
City Attorney:	Gerald J. Ashby

WATER & SEWER BONDS - RESOLUTION

Thereupon the following proceedings, among others, were had and taken:

Councilman Charles E. McCormick then introduced the following resolution, which was thereupon read in full as follows:

R E S O L U T I O N

WHEREAS, the City of Grand Junction, in the County of Mesa and State of Colorado (herein the "City," the "County" and the "State," respectively), is a body corporate and politic, and a home rule city with a "Council-Manager Government," pursuant to article XX of the State Constitution and the Charter of the City (herein the "Charter"); and

WHEREAS, at the special municipal election duly called and held within the City of Grand Junction on Tuesday, the 29th day of August, 1967, there was adopted by the qualified and registered electors of the City an amendment to the Charter, Section 96 of article XII which reads as follows:

"Section 96. Rates-Regulations-Fines-Financing

(1) The city council shall by ordinance or ordinances fix rates, establish regulations for the use of the water and sewer systems, provide for the orderly administration of the department, and impose fines and penalties for the violation thereof.

(2) The city council pursuant to ordinance and without an election, may borrow money or issue interim warrants or revenue bonds for the purpose of acquiring, constructing, improving or extending the water system or the sewer system; provided that such borrowing shall be repaid, and such warrants and bonds shall be made payable solely out of the net revenue derived from the operation of the water system or sewer system, or either or both of such systems.

(3) The revenues derived from the operation of the water or sewer systems shall be used for the maintenance, operation, extension and improvement of either or both of such systems and for interest on and discharging of principal of bonds and other obligations incurred in the acquisition, construction, improvement and extension of either or both of such systems. Whenever such revenues produce a surplus over and above such costs, such surplus may be used to create reasonable capital improvement or reserve funds, and to the extent the surplus is not so used it shall be the duty of the council to reduce the rates to consumers so that, as far as practicable, the people may receive the benefits of the department at not more than actual cost.

(4) All consumers of water for domestic use outside of the city limits shall pay not more than double the rates so established and fixed for users within the city limits.

(5) Nothing herein contained shall be construed to prevent the council from issuing bonds or other obligations payable solely out of the net revenue derived from the operation of any other utilities or income producing projects in the manner provided by law."

and

WHEREAS, the Council of the City has determined. and does hereby determine, that the City's joint water and sewer improvement revenue bonds which are hereinafter described, should be publicly sold at this time in accordance with the Charter and in accordance with Chapter 52, Article 139, Colorado Revised

Statutes, 1963, as amended and supplemented; and

WHEREAS, there has been filed with the City Clerk on the 24th day of January, 1968, a copy of the proposed ordinance authorizing said joint water and sewer revenue bonds (consisting of pages 2 through 50); and

WHEREAS, after the sale of said joint water and sewer revenue bonds the Council shall adopt an ordinance in substantially the same form of the aforesaid ordinance which shall remain on file with said City Clerk and available for public inspection to the date established for the sale of said bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

Section 1. The City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Series "A," dated April 1, 1968, in the principal amount of \$3,500,000.00, be, and the same hereby are ordered to be advertised for public sale, and that the City will on Wednesday, the 21st day of February, 1968, at the hour of 10:00 o'clock a.m., M.S.T., in the office of the Director of Finance in the City Hall in the City, receive sealed bids, and publicly open the same for the purchase of said bonds.

Section 2. The President of the City Council and the City Clerk be, and the same hereby are, authorized and directed to have published a notice of sale of the bonds at least once at least five (5) days prior to the sale date in The Daily Sentinel, a newspaper circulating in the City and in the Bond Buyer, a financial newspaper published in New York, New York.

Section 3. Said notice of bond sale to be so published shall be in substantially the following form:

(Form of Notice of Bond Sale for Publication)

NOTICE OF BOND SALE

\$3,500,000.00
CITY OF GRAND JUNCTION, COLORADO
JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS
SERIES A, DATED APRIL 1, 1968

NOTICE IS HEREBY GIVEN that the City of Grand Junction, Colorado, on Wednesday, the 21st day of February, 1968, at the hour of 10:00 o'clock a.m., M.S.T., in the office of the Director of Finance in the City Hall, Grand Junction, Colorado, will cause sealed bids to be received and opened publicly for the purchase of the City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Series A, Dated April 1, 1968, in the principal amount of \$3,500,000.00, in the denomination of

\$5,000.00 each, payable to bearer, and maturing serially on October 1 in each of the designated amounts and years;

<u>Principal Amounts</u>	<u>Years Maturing</u>	<u>Principal Amounts</u>	<u>Years Maturing</u>
\$50,000.00	1971	\$110,000.00	1986
50,000.00	1972	115,000.00	1987
55,000.00	1973	120,000.00	1988
55,000.00	1974	125,000.00	1989
60,000.00	1975	135,000.00	1990
65,000.00	1976	140,000.00	1991
65,000.00	1977	150,000.00	1992
70,000.00	1978	155,000.00	1993
75,000.00	1979	165,000.00	1994
80,000.00	1980	175,000.00	1995
85,000.00	1981	185,000.00	1996
85,000.00	1982	195,000.00	1997
90,000.00	1983	205,000.00	1998
95,000.00	1984	215,000.00	1999
100,000.00	1985	230,000.00	2000

The bonds will be subject to prior redemption at the City's option in inverse numerical order on October 1, 1978, or on any interest payment date thereafter, for the principal amount, accrued interest, and a premium computed in accordance with the following schedule:

Three per centum (3%) of the principal amount of each bond so redeemed, if redeemed on or before October 1, 1983;

Two per centum (2%) of the principal amount of each bond so redeemed, if redeemed on or after April, 1984, but on or before October 1, 1988;

One per centum (1%) of the principal amount of each bond so redeemed, if redeemed on or after April 1, 1989, but on or before October 1, 1993; and

No premium if redeemed on or after April 1, 1994.

The bonds are payable solely from the net income derived from the operation of the municipal water system and sewer system, comprising the City's department of water and sewers, pursuant to a proposed ordinance authorizing the bonds which is on file with the City Clerk, and reference to which is made for further details. Both the principal and interest are payable at The Bank of New York, New York, New York, or at the First National Bank in Grand Junction, Grand Junction, Colorado, at the holder's option.

There will be no provision for registration

The bonds will not be sold at less than par. They will bear

interest at a rate or rates of not exceeding 6%, interest being evidenced until maturity by only one set of coupons payable on April 1 and October 1 in each year, commencing October 1, 1968. Each interest rate specified must be stated in a multiple of 1/8 or 1/20 of 1% per annum. The maximum interest spread permitted is 1-1/2%. The maximum number of interest rates for the issue is 5. The City Council reserves the privilege of waiving any irregularity and of rejecting any or all bids, and of reoffering the bonds for sale. The bonds, subject to such reservations, will be sold by the City Council to the highest responsible bidder making the best bid for the bonds.

The official statement, said proposed Ordinance, the Official Notice of Bond Sale (of which this publication is a condensation), the official bid form, and financial and other information concerning the City, its department of water and sewers, and the bonds may be obtained from Mr. William Manchester, Director of Finance, City Hall, Grand Junction, Colorado, or from Boettcher and Company, 828 Seventeenth Street, Denver, Colorado. The legality of the bonds will be approved by Messrs. Dawson, Nagel, Sherman & Howard, Attorneys at Law, 1900 First National Bank Building, Denver, Colorado, whose unqualified, final, approving opinion, together with the printed bonds, a certified transcript of the legal proceedings, and other closing documents, will be furnished the purchaser without charge. Bond counsels opinion will be printed on each bond at the City's expense.

By order of the City Council of the City of Grand Junction, Colorado, dated the 24th day of January, 1968.

President of the City Council
the City of Grand Junction

(SEAL)

Attest:

City Clerk of the
City of Grand Junction

(End of Form of Notice for Publication)

Section 4. The Official Notice of Bond Sale shall be in substantially the followings form:

(Form of Official Notice of Bond Sale)

OFFICIAL NOTICE OF BOND SALE

\$3,500,000.00
CITY OF GRAND JUNCTION, COLORADO
JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS
SERIES A, DATED APRIL 1, 1968

PUBLIC NOTICE IS HEREBY GIVEN that the City of Grand Junction (herein the "City"), in the County of Mesa and State of Colorado, on Wednesday, the 21st day of February, 1968 at the hour of 10:00 o'clock a.m., Mountain Standard Time, in the office of the

Director of Finance
City Hall Building
Grand Junction, Colorado

will cause sealed bids to be received and to be opened publicly for the purchase of the joint water and sewer improvement revenue bonds of the City, particularly described below:

BOND PROVISIONS

ISSUE: City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Series A, Dated April 1, 1968, in the principal amount of \$3,500,000.00, dated as of the 1st day of April, 1968, consisting of 700 bonds in the denomination of \$5,000.00 each, and payable to bearer (herein the "Series A bonds" or the "1968 bonds" or merely the "bonds").

MATURITIES: The bonds shall mature serially in regular numerical order on the 1st day of October in each of the years and amounts hereinafter designated as follows:

Bond Numbers (All Inclusive)	Principal Amounts	Years Maturing
1 - 10	\$50,000.00	1971
11 - 20	50,000.00	1972
21 - 31	55,000.00	1973
32 - 42	55,000.00	1974
43 - 54	60,000.00	1975
55 - 67	65,000.00	1976
68 - 80	65,000.00	1977
81 - 94	70,000.00	1978
95 - 109	75,000.00	1979
110 - 125	80,000.00	1980
126 - 142	85,000.00	1981
143 - 159	85,000.00	1982
160 - 177	90,000.00	1983
178 - 196	95,000.00	1984
197 - 216	100,000.00	1985
217 - 238	110,000.00	1986
239 - 261	115,000.00	1987
262 - 285	120,000.00	1988
286 - 310	125,000.00	1989
311 - 337	135,000.00	1990
338 - 365	140,000.00	1991
366 - 395	150,000.00	1992
396 - 426	155,000.00	1993

427 - 459	165,000.00	1994
460 - 494	175,000.00	1995
495 - 531	185,000.00	1996
532 - 570	195,000.00	1997
571 - 611	205,000.00	1998
612 - 654	215,000.00	1999
655 - 700	230,000.00	2000

PRIOR REDEMPTION: Bonds numbered 1 through 94, maturing on and before the 1st day of October, 1978, shall not be subject to prior redemption. Bonds numbered 95 through 700, maturing on and after the 1st day of October, 1979, shall be subject to redemption prior to their respective maturities, at the option of the City, in whole or in part, in inverse numerical order, on the 1st day of October, 1978, or on any interest payment date thereafter prior to maturity, at a price equal to the principal amount of each bond so redeemed, accrued interest thereon to the redemption date, and a premium computed in accordance with the following schedule:

Three per centum (3%) of the principal amount of each bond so redeemed, if redeemed on or before October 1, 1983;

Two per centum (2%) of the principal amount of each bond so redeemed, if redeemed on or after April 1, 1984, but on or before October 1, 1988;

One per centum (1%) of the principal amount of each bond so redeemed, if redeemed on or after April 1, 1989, but on or before October 1, 1993; and

No premium if redeemed on or after April 1, 1994; upon the City's giving thirty (30) days' prior notice by publication and by mail addressed to (among others) the original purchaser of the bonds or (if the bonds are purchased by a group) to the manager of the purchasing group.

INTEREST RATES AND LIMITATIONS - The following interest limitations are applicable to each bid:

A. The maximum interest rate for any bond is six per centum (6%) per annum.

B. The maximum interest spread permitted for the issue is one and one-half per centum (1-1/2%) per annum, i.e., the maximum rate of interest accruing on any bond prior to its maturity cannot exceed the minimum rate of interest accruing on any other bond prior to its maturity by more than one and one-half per centum (1-1/2%) per annum.

C. The maximum number of rates for the issue which can be stated is five (5), i.e., no bid for the bonds can state more than five (5) different rates of interest. (A repeated rate shall not be

considered as a different rate.)

Interest on the bonds shall be evidenced until maturity by only one set of coupons payable to bearer (i.e., a second set of coupons designated "B" or any other set of detachable coupons is not permitted) and payable semiannually on the 1st days of April and October in each year, the first coupon being payable the 1st day of October, 1968. A zero (0) interest rate cannot be named. It is permissible to bid different or "split" interest rates for the bonds, as stated in any bid; provided, however, one interest rate only shall be specified for any maturity. Each rate stated must be a multiple of one-eighth (1/8) or one-twentieth (1/20) of one per centum (1%) per annum. If any bond shall not be paid upon its presentation and surrender at maturity, it shall continue to draw interest at the rate of six per centum (6%) per annum until the principal thereof is paid in full.

PAYMENT: Both the principal of and the interest on the bonds will be payable in lawful money of the United States of America without deduction for exchange or collection charges at The Bank of New York, New York, New York, or at the First National Bank in Grand Junction, Grand Junction, Colorado, at the option of the holder.

NO REGISTRATION FOR PAYMENT: The authorizing proceedings and the bonds will contain no provision for the registration of bonds for payment, as to principal, or interest, or both.

SECURITY: The bonds, in the opinion of bond counsel, will not constitute a debt or an indebtedness of the City within the meaning of any constitutional, charter, or statutory provision or limitation, shall not be considered or held to be general obligations of the City and will be payable and collectible solely out of the net income derived from the operation of the municipal water system and sewer system, comprising the City's department of water and sewers or joint system (herein the "Facilities"), the income of which is so pledged; and the holder of any bond may not look to any general or other fund for the payment of the principal of and the interest on that obligation, except the special funds pledged therefor. Payment of the 1968 bonds and the interest thereon shall be made solely from, and as security for such payment there shall be pledged, pursuant to the proposed Bond Ordinance, the special funds identified as the "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds Interest and Bond Retirement Fund" and as the "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds Reserve Fund" (a common interest and bond retirement fund and a common reserve fund are to be established for all parity first lien bonds), into which funds the City covenants to pay, respectively, from the revenues derived from the operation of the Facilities after provision only for all necessary and reasonable expenses of the operation and maintenance of the Facilities sums sufficient to pay when due the

principal of and the interest on the bonds of this series and to create and to maintain a reasonable and specified reserve for such purpose. For a description of said funds and of the nature and extent of the security afforded thereby for the payment of the principal of and the interest on the 1968 bonds, reference is made to the proposed Bond Ordinance. The 1968 bonds are equitably and ratably secured by a lien on the net revenues of the Facilities, and the 1968 bonds constitute an irrevocable and first lien (but not necessarily an exclusively first lien) upon said net revenues on a parity with the lien thereon to secure the payment of the City's proposed bonds of its series designated "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Series D, dated October 1, 1969" (herein the "Series B bonds" or the "1969 bonds"). Said 1969 bonds are to be issued subject to the conditions expressed in the proposed Bond Ordinance.

OUTSTANDING BONDS: The City has issued no bonds or other obligations which are now outstanding and to which any revenues derived by the City from the operation of the Facilities are pledged for their payment.

ADDITIONAL OBLIGATIONS: Bonds or other obligations, subject to expressed conditions, may be issued and made payable from the net revenues of the Facilities and having a lien thereon subordinate, inferior, and junior to the lien, or, subject to additional expressed conditions, having a lien thereon on a parity with the lien (including the proposed 1969 bonds), but in no event superior or prior to the lien, of the 1968 bonds herein designated for sale, in accordance with the provisions of the proposed Bond Ordinance.

AUTHORIZATION OF BONDS: The bonds shall be authorized by ordinance which shall be adopted following the sale, pursuant to the authority of the Charter of the City of Grand Junction, Colorado and the provisions of Article 52, Chapter 139, Colorado Revised Statutes, 1963, as amended and supplemented. The ordinance shall be in substantially the same form as the proposed ordinance which was filed with the City Clerk on January 24, 1968 (herein the "Bond Ordinance"). Reference is made to said proposed ordinance for further details concerning said bonds.

PURPOSE or ISSUE: The bonds are to be issued for the purpose of improving and extending the municipal water system and the municipal sewer system.

TERMS OF SALE

BID PROPOSALS: Each bidder, in submitting a proposal, must use the printed official bid form provided by the City and designated "Bond Purchase Proposal." It shall be completed without any change or addition by the bidder. Any bid in any other form may be disregarded. Any bidder is required to submit

an unconditional bid specifying:

(1) The lowest rate or rates of interest and premium, if any, at or above par, at which the bidder will purchase all of the bonds herein designated for sale.

It is also requested for informational purposes only, but is not required, that each bid disclose:

(2) The total net interest cost in dollars and cents to the City; and

(3) The net effective interest rate in a stated per centum.

Each bid must be in writing and offer to purchase all the bonds of the issue enclosed in a sealed envelope marked on the outside:

"Bond Purchase Proposal"
and addressed to:
Director of Finance
City Hall Building
Grand Junction, Colorado

BID CHECK: Each bid shall be accompanied by a cashier's check of, or a certified check drawn on, a solvent bank or trust company in the United States of America, made payable to the Treasurer of the City of Grand Junction, in an amount of at least \$100,000.00, to secure the City against any loss resulting from a failure of the best bidder to comply with the terms of his proposal. Such check of the best bidder will be held as evidence of good faith pending the delivery of the bonds. Checks accompanying bids other than the best bid will be returned upon the award of the bonds by the City Council.

BIDDER'S OPTIONS: It is permissible, subject to expressed limitations, for any bidder:

(1) To bid different or split interest rates for the bonds (see "Interest Rates and Limitations" above); and

(2) To be relieved of the bidder's obligation to purchase the bonds herein offered due to the repeal of the exemption from federal income taxes (see "Tax Exempt 'status" below).

FEDERAL TAX EXEMPT STATUS: In the opinion of bond counsel, the interest on the bonds is exempt from taxation by the United States of America under present federal income tax laws. In the event that prior to the delivery of the bonds to the successful bidder, the income received by private holders from obligations of the same type and character shall be taxable by the terms of any federal income tax law hereafter enacted, the successful bidder, at its election made prior to the tender by the City of the bonds for delivery, may be relieved of its obligations under

the contract to purchase the bonds. In such case, the contract to purchase the bonds will terminate, and the deposit accompanying the purchaser's bid will be returned upon written request therefor. Any such option shall be exercised by a letter addressed to the bond counsel herein designated and deposited in the United States mails prior to the tender by the City of the bonds for delivery, as first-class mail, postage prepaid, and as airmail unless so mailed in Denver, Colorado.

STATE TAX EXEMPT STATUS: In the opinion of bond counsel, the bonds and the income therefrom, pursuant to the provisions of Section 139-52-6, Colorado Revised Statutes, 1963, are exempt from taxation, except inheritance, estate and transfer taxes.

SALE RESERVATIONS: The City Council reserves the privilege:

- (1) Of waiving any irregularity or informality in any bid;
- (2) Of rejecting any and all bids for the bonds; and
- (3) Of reoffering the bonds for sale as the Council may determine.

BASIS OF AWARD: The bonds of the issue herein designated, subject to such reservations, will be sold to the highest responsible bidder making the bid for the bonds to the best advantage of the City, which bid will be determined by deducting the amount of the premium bid, if any, from the total amount of interest which the City would be required to pay from the date of the bonds to the respective maturity dates at the coupon rate or rates specified in the bid, without reference to the possible redemption of any of the bonds prior to maturity, and the award will be made on the basis of the lowest net interest cost to the City. If there are two (2) or more equal bids for the issue and such equal bids are the best bids received and for not less than the principal amount of the bonds and accrued interest, the City Council will determine which bid will be accepted.

NO SALE BELOW PAR: None of the bonds of the issue will be sold at less than their principal amount and accrued interest thereon to the date of their delivery to the purchaser from the next preceding bond interest payment date, or, if none, from the date of the bonds.

TIME OF AWARD: Bids will be opened and tabulated at the time and place hereinabove-specified. The City Council intends to take action thereafter at its regular meeting which convenes at 7:30 o'clock p.m., Mountain Standard Time on the said 21st day of February, 1968, at the Council Chambers in the City Hall in said City, by promptly awarding the bonds to the best bidder or rejecting all bids for the bonds, such action in any event to be taken not later than twenty-four (24) hours after the time herein stated for opening bids.

MANNER AND TIME OF DELIVERY: The deposit of the best bidder will be credited to the purchaser at the time of delivery of the bonds (without accruing interest). If the successful bidder for the bonds fails or neglects to complete the purchase of the bonds within ten (10) days after the bonds are made ready and are tendered by the City for delivery, the amount of this deposit will be forfeited (as liquidated damages for non-compliance with the bid) to the City, except as hereinafter provided. In that event, the City Council may cause the bonds to be reoffered for sale as the Council may determine. The purchasers will not be required to accept delivery of any of the bonds, if they are not tendered by the City for delivery within sixty (60) days from the date herein stated for opening bids; and if the bonds are not so tendered within said period of time, the good faith deposit will be returned to the purchaser upon his request. The City contemplates, however, effecting the delivery of the bonds to the purchaser thereof in about forty-five (45) days from the date herein designated for opening bids and as soon as reasonably possible thereafter. The purchaser of the issue will be given five days' notice of the time fixed by the City for tendering the bonds for delivery. The bonds will be tendered by the City for delivery without any matured coupons attached thereto.

PAYMENT AT AND PLACE OF DELIVERY: The successful bidder or bidders will be required to accept delivery of, and to make payment of the balance due for, the bonds of the issue;

(1) At some bank or trust company in the City of Denver, Colorado; or

(2) At the successful bidder's request and expense, at some other bank or trust company in the United States of America, as requested.

Payment of the balance of the purchase price due for the issue at delivery must be made in Federal Reserve Funds or other funds acceptable to the City and to the bank or trust company designated as the place of delivery for immediate and unconditional credit to the account of the City.

INFORMATION: An official statement prepared by the City, the proposed Bond Ordinance, this Official Notice of Bond Sale (a condensation of which was ordered published), a Bond Purchase Proposal (i.e., the official bid form), and financial and other information concerning the City, the Facilities. and the bonds. may be obtained upon request from:

Mr. William Manchester
Director of Finance
City Hall
Grand Junction, Colorado

or

Boettcher and Company
828 Seventeenth Street
Denver, Colorado 80202

LEGAL OPINION, BONDS AND TRANSCRIPT: The legality of the bond issue will be approved by:

Messrs. Dawson, Nagel, Sherman & Howard
Attorneys at Law
1900 First National Bank Building
Denver, Colorado 80202

whose unqualified, final, approving opinion, together with tile print& bonds on steel engraved borders, a certified transcript of the legal proceedings, including a certificate stating that there is no litigation pending affecting the validity of the bonds as of the date of their delivery, and other closing documents, will be furnished to the purchaser without charge by the City. A certified true copy of the approving opinion of bond counsel for the issue will be printed on each bond thereof at the City's expense over a facsimile signature of the City Clerk, attesting to the fact that a manually executed and dated copy of the opinion is on file in his office and that a like copy was forwarded to a named representative of the purchaser for retention in the representative's records.

FORM OF OPINION: Bond counsel's approving opinion appertaining to the bond issue will recite, in conventional form, that bond counsel has examined the Constitution and laws of the State of Colorado, the Charter of the City, and a certified copy of the record of the proceedings of the City Council taken preliminary to and in the issue of the bonds, describing them in some detail, and that bond counsel has examined bond numbered one of said issue and has found the same properly executed and in due legal form. The last paragraph of the opinion will read (subject to the provisions hereinabove entitled "Federal Tax Exempt Status") substantially as follows:

"It is our opinion:

1. That such proceedings show lawful authority for the 1968 bonds under the laws of the State of Colorado and of the City of Grand Junction now in force;
2. That the 1968 bonds are valid and legal obligations of said City payable, and payment shall be made, solely from the net revenues derived from the operation of the municipal water system and municipal sewer system (herein the "Facilities"), the net income of which is pledged therefor;
3. That as security for such payment there are irrevocably and

exclusively pledged the special funds identified as the "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Interest and Bond Retirement Fund" and as the "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds Reserve Fund" (a common interest and bond retirement fund and a common reserve fund have been established for all parity first lien bonds), into which funds the City has covenanted to pay from the revenues derived from the operation of the Facilities after provision for all necessary and reasonable expenses of operating and maintaining the Facilities, sums sufficient to pay when due the principal of and the interest on the 1968 bonds and to create and to maintain a reasonable and specified reserve for such purpose;

4. That the 1968 bonds, subject to the payment of all necessary and reasonable expenses of the operation and maintenance of the Facilities, constitute an irrevocable and first (but not necessarily an exclusively first) lien upon the revenues to be derived from the operation of the Facilities;

5. That interest on the 1968 bonds is exempt from taxation by the United States of America under present Federal income tax laws.

6. That interest on the 1968 bonds is exempt from taxation by the State of Colorado under present state income tax laws."

By order of the City Council of the City of Grand Junction, Colorado, dated this 24th day of January, 1968.

President of the City Council of
the City of Grand Junction (SEAL)

Attest:

City Clerk of the
City of Grand Junction

(End of Form of Official Notice of Bond Sale)

Section 5. The Director of Finance and the City's financial consultants be, and they hereby are, authorized and directed to give such other notice of said bond sale as they shall individually or collectively determine, including but not limited to the distribution among investment bankers and others of the Official Notice of Sale and other information relating to the bonds, the City, and its department of water and sewers.

Section 6. The bid form for each bidder shall be in substantially the following form:

(Form of Official Bid)

BOND PURCHASE PROPOSAL

CITY OF GRAND JUNCTION, COLORADO
JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS
SERIES A, DATED APRIL 1, 1968

Director of Finance
City Hall Building
Grand Junction, Colorado

Sir:

Reference is made to your "Official Notice of Bond Sale," dated the 24th day of January, 1968, which constitutes a part hereof, concerning the \$3,500,000.00 CITY OF GRAND JUNCTION, COLORADO, JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS, SERIES A, DATED APRIL 1.

For your legally issued bonds, as described in said notice we will pay you the principal amount thereof and accrued interest thereon to date of their delivery to us, plus a cash premium of \$_____ for bonds maturing October 1 in each year and bearing interest as follows:

Bond Numbers (All Inclusive)	Interest Rate (Per Annum)	Principal Maturing	Years Maturing
1 - 10	%	\$50,000.00	1971
11 - 20	%	50,000.00	1972
21 - 31	%	55,000.00	1973
32 - 42	%	55,000.00	1974
43 - 54	%	60,000.00	1975
55 - 67	%	65,000.00	1976
68 - 80	%	65,000.00	1977
81 - 94	%	70,000.00	1978
95 - 109	%	75,000.00	1979
110 - 125	%	80,000.00	1980
126 - 142	%	85,000.00	1981
143 - 159	%	85,000.00	1982
160 - 177	%	90,000.00	1983
178 - 196	%	95,000.00	1984
197 - 216	%	100,000.00	1985
217 - 238	%	110,000.00	1986
239 - 261	%	115,000.00	1987
262 - 285	%	120,000.00	1988
286 - 310	%	125,000.00	1989
311 - 337	%	135,000.00	1990
338 - 365	%	140,000.00	1991
366 - 395	%	150,000.00	1992
396 - 426	%	155,000.00	1993
427 - 459	%	165,000.00	1994
460 - 494	%	175,000.00	1995
495 - 531	%	185,000.00	1996

532 - 570	%	195,000.00	1997
571 - 611	%	205,000.00	1998
612 - 654	%	215,000.00	1999
655 - 700	%	230,000.00	2000

Our calculation (which is not a part of this bid) of the interest cost from the above is:

Gross Interest Cost:	\$
Less Any Premium:	\$
Net Interest Cost:	\$
Net Effective Interest Rate:	_____ %

Enclosed herewith is a cashier's check of, or a certified check drawn on, a solvent bank or trust company, payable to the Treasurer of the City of Grand Junction, in the amount of \$100,000.00, which deposit is submitted in accordance with the terms of the Official Notice of Bond Sale and which will be returned to the undersigned if the bid is not accepted.

Dated this _____ day of _____, 1968,

Respectfully submitted,

Name _____

Address

Manager

By
Authorized Representative

The return of the bid deposit is hereby acknowledged

By

The foregoing proposal accepted this _____ day of
1968.

CITY OF GRAND JUNCTION, COLORADO

By

(End of Official Bid Form)

Section 7. Upon receipt of said bids, the Director of Finance of the City of Grand Junction shall tabulate the same. Thereafter, the City Council shall accept the bid of the best bidder or reject all bids, in accordance with the Official Notice of Sale.

Section 8. The officers of the City, with the assistance of the City's financial consultants, and bond counsel, be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution, including but not limited to:

A. The assembly of financial and other information concerning the City and the bonds; and

B. The preparation of an official statement for prospective bidders.

Section 9. All action heretofore taken by the City Council and the officers of the City, on its behalf directed toward the public sale of said bonds, including without limitation notice thereof, be, and the same hereby is, ratified, approved, and confirmed.

Section 10. All orders, by-laws, and resolutions, or parts thereof, in conflict with this resolution, are hereby repealed. This repealer shall not be construed to revive any order, by-law, or resolution, or part thereof, heretofore repealed.

Section 11. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

Section 12. This resolution shall take effect immediately upon its passage and adoption.

FINALLY ADOPTED AND APPROVED THIS 24th day of January, 1968.

President of the City Council

(SEAL)

Attest:

City Clerk

APPROVED AS TO FORM

City Attorney

It was then moved by Councilman Richard O. Youngerman and seconded by Councilman Harry O. Colescott that all rules of this Council which might prevent, unless suspended, the final passage and adoption of this resolution at this meeting be, and the same are hereby suspended, for the purpose of permitting the final passage and adoption of said resolution at this meeting.

The question being upon the adoption of said motion and the suspension of the rules, the roll was called with the following result:

Those Voting AYE: Ray A. Meacham
Charles E. McCormick
Richard Youngerman
Harry O. Colescott
Robert B. Evans
Stanley Anderson

Those Voting NAY: None

Those Absent: Herbert M. Wright

Six members of the City Council having voted in favor of said motion, the presiding officer declared said motion carried and the rules suspended.

Councilman Harry O. Colescott then moved that said resolution be finally passed and adopted as read. Councilman Richard G. Youngerman seconded the motion.

The question being upon the final passage and adoption of said resolution, the roll was called with the following result:

Those Voting Aye: Ray A. Meacham
Charles E. McCormick
Richard Youngerman
Harry O. Colescott
Robert B. Evans
Stanley Anderson

Those Voting Nay: None

Those Absent: Herbert M. Wright

The President as presiding officer thereupon declared that six of the members of the City Council elected having voted in favor thereof, the said motion was carried and the said resolution duly passed and adopted.

Thereafter there being no further business to come before the meeting, on motion duly made by Councilman McCormick, seconded by Councilman Youngerman and unanimously carried, the meeting was adjourned.

President of the City Council

(SEAL)

Attest:

/s/ Helen C. Tomlinson
City Clerk