

ORDINANCE NO. 522

AN ORDINANCE PERMITTING THE APPLICATION OF THE NET INCOME OF THE WATER SYSTEM TO THE PAYMENT OF GRAND JUNCTION WATERWORKS RESERVOIR BONDS DATED APRIL 1, 1934, AND PROHIBITING THE PLEDGING OR ENCUMBERING THEREOF FOR ANY OTHER PURPOSE.

WHEREAS, pursuant to due and lawful authorization and proceedings, the City of Grand Junction heretofore made and entered into a certain written loan agreement with the United States of America with respect to the sale and purchase of certain bonds of the said City of Grand Junction, designated "Grand Junction Waterworks Reservoir Bonds", dated April 1, 1934; and

WHEREAS, in said loan agreement it is provided, among other things, that said bonds shall be payable as to both interest and principal from ad valorem taxes which may be levied, without limitation as to rate or amount, on all taxable property within the territorial limits of the City of Grand Junction and from the net income of the water system of the city; and

WHEREAS, by Ordinance No. 515, duly adopted on January 3, 1934, and by Ordinance No. 519, likewise duly adopted on April 19, 1934, the form of said bonds was fixed; and

WHEREAS, in said Ordinance No. 515, it was provided, among other things, in Section 12 thereof, that the provision for annual levies of taxes for principal and interest therein specified should not be construed as to prevent the city from applying any other funds that may be in the city treasury and available for that purpose to the payment of said interest or principal as the same respectively mature, and that the levy or levies in said section provided for may thereupon to that extent be diminished; and

WHEREAS, the said loan is about to be closed, and the United States of America, as a prerequisite to such closing, and in part consideration of the grant provided for in said loan agreement, desires formal action of the City of Grand Junction specifically providing for a sinking fund derived from the said net income of the water system, as contemplated by said loan agreement.

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

SECTION 1. That the City of Grand Junction will, so long as any of the bonds issued under the provisions of Ordinance No. 515, of the City of Grand Junction, adopted January 3, 1934, and Ordinance No. 519, adopted April 19, 1934, and their appurtenant interest coupons (in said ordinances described as "Grand Junction Waterworks Reservoir Bonds", bearing date as of the first day of April, A.D. 1934), may remain outstanding and unpaid, fix and maintain rates and collect charges for the facilities and services afforded by the waterworks system of the City of Grand Junction, as extended and improved (herein called the "system"), which will provide revenues sufficient at all times:

(a) To pay for reasonable operation, maintenance, depreciation, replacement and betterment charges of the system; and principal and interest of bonds heretofore issued thereon, and

(b) To establish and maintain the sinking fund hereinafter described.

SECTION 2. That the City of Grand Junction will, so long as any of the said Grand Junction Waterworks Reservoir Bonds, bearing date as of April 1, 1934, and their appurtenant interest coupons, may remain outstanding and unpaid, set aside regularly and at least once each month, all the revenues, receipts and income from its water system. Said revenues, receipts and income are hereby pledged for the following purposes and in the order named:

(a) The City of Grand Junction will set aside from said gross revenues, receipts and income sufficient moneys for the payment of the reasonable expenses of operation, maintenance, depreciation, replacement and betterment of its water system, and principal and interest of bonds heretofore issued thereon;

(b) For the purpose of creating a sinking fund for the payment of the bonds hereinbefore described, the City of Grand Junction will set aside the remainder of said revenues, receipts and income, and shall use said net income from said water system solely for the purpose of paying the interest on and the principal of said bonds as the same become due.

SECTION 3. That the City of Grand Junction will not pledge or otherwise encumber the net income of said water system so long as any of said bonds, or the coupons thereto appurtenant, be outstanding and unpaid.

SECTION 4. That by reason of the fact that the city and its inhabitants are not properly or adequately supplied with water for fire and domestic purposes, and this ordinance is necessary in order to secure the said loan and grant, a special emergency is declared to exist and the City Council finds and determines that this ordinance is immediately necessary for the preservation of the public peace, health and safety, and that it shall take effect upon passage.

Adopted and approved this 5th day of July, A.D., 1934.

/s/ Allen L. Holcombe  
President of the City Council

ATTEST:

/s/ Helen C. Tomlinson  
City Clerk

I HEREBY CERTIFY That the foregoing ordinance entitled "AN ORDINANCE PERMITTING THE APPLICATION OF THE NET INCOME OF THE WATER SYSTEM TO THE PAYMENT OF GRAND JUNCTION WATERWORKS RESERVOIR BONDS DATED

APRIL 1, 1934, AND PROHIBITING THE PLEDGING OR ENCUMBERING THEREOF FOR ANY OTHER PURPOSE", was introduced, read, passed and adopted as an emergency ordinance, numbered 522, and ordered published, by the unanimous vote of the members of the City Council of the City of Grand Junction, Colorado, at a regular meeting of said Council, held on July 5th, A.D. 1934.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City, this 5th day of July, A.D. 1934.

/s/ Helen C. Tomlinson  
City Clerk

(SEAL)

Published July 6, 1934