

ORDINANCE NO. 601

AN ORDINANCE PROVIDING FOR THE ISSUE AND FORM OF GRAND JUNCTION, COLORADO, WATER REVENUE BONDS IN THE PRINCIPAL AMOUNT OF ONE HUNDRED THOUSAND DOLLARS AND FOR THE PAYMENT OF SAID BONDS AND INTEREST THEREON.

WHEREAS, the City of Grand Junction, in the County of Mesa and State of Colorado, has heretofore acquired and now owns, maintains and operates a municipal water system for the purpose of supplying the inhabitants of the City and of the territory adjacent to the City, with water for domestic, irrigation and manufacturing uses and purposes; and

WHEREAS, in order to supply said City and its inhabitants with good and wholesome water it is necessary to construct and install an appropriate filtration plant to connect with said water system; and

WHEREAS, the City has applied for and received a grant from the Federal Administration of Public Works, under which the City will receive 45% of the cost of constructing and installing said filtration plant; and

WHEREAS, it is to the best interests of the City and its inhabitants that the City should construct and install said filtration plant as an addition and betterment to the City's water system and in order to meet part of the expenses involved therein the City has determined to authorize, issue and sell its Water Revenue Bonds in the aggregate principal amount of One Hundred Thousand Dollars (\$100,000), as hereinafter stated, payable both principal and interest, solely out of the net revenues to be derived from the operation of its water system:

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

Section 1. That for the purpose of constructing and installing a filtration plant as an addition and betterment to its water works system and to pay a part of the expense thereof, there are hereby authorized Water Revenue Bonds of the City of Grand Junction, in the aggregate principal amount of One Hundred Thousand Dollars (\$100,000), both of principal thereof and the interest thereon to be payable solely and only out of the net revenue to be derived by the City from and through the operation of its waterworks system.

Section 2. That said bonds hereby authorized shall be dated December 1, 1938, shall be in denomination of \$1,000 each, shall be payable to bearer in series, as hereinbelow set forth, and shall bear interest at a rate not exceeding four per centum (4%) per annum, payable semi-annually on the first days of June and December of each year, up to their respective maturities, and shall have coupons attached thereto, signed with the facsimile signature of the Treasurer of the City, evidencing said interest.

Said bonds shall be signed by the President of the City Council, countersigned by the City Treasurer, with the seal of the City thereto affixed, and attested by its Clerk. Both principal and interest thereon shall be payable in lawful money of the United States at the office of the City Treasurer, in Grand Junction, Colorado, or at the First National Bank of Denver, in Denver, Colorado, at the option of the holder. Said bonds shall be numbered consecutively from one upward and shall mature as follows: On December 1st, \$6,000 in each year of the years 1939 to 1943, inclusive, and \$7,000 in each of the years 1944 to 1953, inclusive.

Notwithstanding the face maturity of said bonds the City may, at any time prior to maturity, redeem and pay part or all of said bonds at par with a premium of one per centum (1%) on the principal thereof, together with all interest accrued on the principal and unpaid at the time fixed for such redemption; provided, however, that any such redemptions shall be made in inverse numerical order. If the City shall at any time elect to redeem any part or all of said bonds, prior to maturity, notice thereof shall be given by publishing a notice in newspapers of general circulation, published in the City of Grand Junction and in Denver, Colorado, such publication to occur not less than thirty (30) days nor more than forty (40) days prior to the time fixed for the redemption and payment of such bonds. Copies of all such published notices shall be mailed by the Treasurer of the City to the aforesaid Bank, at which said bonds are payable, and to the purchaser of said bonds. Such notice shall state the intention of the City to redeem all or part of such unmatured bonds. If all of such bonds are to be redeemed it shall be so stated in the notice. If only a part of such bonds are to be redeemed then the notice shall describe the particular bonds to be redeemed by giving their serial numbers and maturity date or dates. Such notice shall also state the date when and the place where the bonds described in the notice will be redeemed, at par, with a premium of one per centum (1%) of the principal thereof, together with all interest accrued on the principal and unpaid at the time fixed for such redemption, and that after such date interest on said bonds shall cease. Notice of election to redeem having been so given and funds being available to pay the bond or bonds called and interest thereon, bonds described in the notice shall, on the date designated for redemption, become due and payable at the place designated therein, and interest thereon shall cease on such redemption date. If said bonds shall not be so paid on presentation, they shall until payment, continue to bear interest at the rate aforesaid, payable semi-annually. The bonds to be redeemed must be presented with all coupons maturing on and after the date designated for redemption and all bonds so redeemed shall, on payment thereof, be cancelled. The City Treasurer shall make and keep a suitable record of all bonds issued hereunder.

Section 3. Said Water Revenue Bonds, and interest coupons thereto attached, shall be in substantially the following form, with appropriate changes or insertions to show serial numbers and

maturity dates, and the number and date of passage of this ordinance:

UNITED STATES OF AMERICA  
STATE OF COLORADO  
COUNTY OF MESA

CITY OF GRAND JUNCTION  
WATER REVENUE BOND

NO. \_\_\_\_\_ \$1,000

The City of Grand Junction, in the County of Mesa and State of Colorado, for value received, hereby promises to pay to the bearer hereof, out of the special fund hereinbelow designated but not otherwise, the sum of

ONE THOUSAND DOLLARS

in lawful money of the United States of America, on the first day of December, A. D. 19\_\_\_\_\_, with interest thereon from date until payment at the rate of \_\_\_\_\_ per centum per annum, payable semi-annually on the first day of June and the first day of December in each year, both principal and interest being payable at the office of the City Treasurer in Grand Junction, Colorado, or at the First National Bank of Denver, in Denver, Colorado, at the option of the holder, upon presentation and surrender of the annexed coupons and this bond as they severally become due.

Any time prior to maturity this bond is subject to call and redemption at the option of the City, at par and a premium of 1% on the principal, together with all interest accrued and un-paid at the time fixed for such redemption, and after not less than thirty days previous notice published in newspapers of general circulation in Grand Junction and Denver, Colorado, and notice to said Bank; provided, however, that when bonds of this issue are redeemed prior to maturity they shall be redeemed in inverse numerical order.

This bond is one of an authorized series not exceeding the aggregate principal sum of One Hundred Thousand Dollars (\$100,000), issued by the City of Grand Junction for the purpose of improving the waterworks system of said City by constructing and installing a filtration plant to be connected with said system, all in full conformity with the Constitution and laws of the State of Colorado, and the Charter of said City, an ordinance of the City duly enacted and adopted prior to the issuance hereof, and both the principal of this bond and the interest hereon are payable solely out of a special fund created in full conformity with law and designated "Grand Junction Water Revenue Bond Fund", to contain revenue derived by the City from the operation of its municipal waterworks system, all as is more fully stated in the ordinance of the City authorizing the issue of bonds of which this

is one.

It is hereby certified, recited and warranted that for the payment of this bond the City of Grand Junction has created and will maintain said fund and will deposit therein, out of the revenue specified in or ascertained in accordance with said ordinance, and out of said fund as an irrevocable charge thereon will pay this bond and the interest hereon, in the manner provided by Ordinance No. \_\_\_\_\_ of said City, adopted and approved \_\_\_\_\_, 1938. For a description of said fund and the nature and extent of the security afforded thereby for the payment of this bond, reference is made to said ordinance.

It is further recited and certified that all requirements of law and all conditions precedent have been fully complied with by the proper officers of said City in the issuance of this bond and that this bond does not exceed any constitutional, statutory or charter limitation.

IN TESTIMONY WHEREOF, The City of Grand Junction, Colorado, has caused this bond to be subscribed by the President of its City Council, countersigned by its Treasurer, the seal of the City to be hereto affixed, attested by its Clerk, and the interest coupons hereto annexed to be signed with a facsimile signature of its Treasurer, as of the first day of December, A. D., 1938.

\_\_\_\_\_  
President, City Council

COUNTERSIGNED:

\_\_\_\_\_  
City Treasurer

(SEAL)

ATTEST:

\_\_\_\_\_  
City Clerk

(Form of Coupon)

No. \_\_\_\_\_

\$ \_\_\_\_\_

On the first day of June, December, A. D. 19\_\_\_\_\_, unless the bond to which this coupon is attached has been called for prior redemption, the City of Grand Junction, in the County of Mesa and State of Colorado, will pay the bearer hereof

\_\_\_\_\_ DOLLARS

in lawful money of the United States of American, at the office of the City Treasurer, in Grand Junction, Colorado, or at the First

National Bank of Denver, in Denver, Colorado, at the option of the holder, out of Grand Junction Water Revenue Bond Fund, but not otherwise, being six months' interest on its Water Revenue Bond dated December 1, 1938, and bearing

No. \_\_\_\_\_

/s/ (Facsimile Signature)  
City Treasurer

Section 4. Said bonds, or so many of them as shall be required, may be issued and sold all together at once time, or singly, or in blocks from time to time, for cash at such price or prices as the Council of said City shall determine, solely to provide the City with moneys for constructing and installing said filtration plant. Coupons for interest due or over due at the time of any delivery of any of said bonds, shall be detached and cancelled before delivery thereof. All moneys received from the sale of said bonds shall be disbursed by the City only for the purpose herein set forth. The issue of said bonds by the City shall constitute a warranty by and on behalf of the City for the benefit of each and every holder of any of said bonds, that said bonds have been issued for a valuable consideration in full conformity with the law.

Section 5. Notwithstanding anything in this ordinance elsewhere contained, the principal of and interest on said bonds shall be payable only out of the revenues derived by the City from the operation of its waterworks system as specified in this ordinance, but the term "waterworks system" as herein used shall include not only the property comprising said waterworks system at the present time, but all additions and betterments thereto and improvements and extensions thereof hereafter constructed or acquired by the City.

Section 6. The City hereby creates and establishes, and so long as any of said bonds remain outstanding, it will maintain the fund to be known as "Grand Junction Water Revenue Bond Fund", to be kept separate and apart from all other funds of the City, which fund shall contain all of the revenue to be derived by the City from the operation of its waterworks system. Such revenue shall be known as and termed the "gross revenue" of said system, and such revenue is hereby irrevocably pledged for the following purposes and shall be disbursed in the following order:

(a) For all necessary and proper costs and expenses of the efficient and economical operation and maintenance of said waterworks system, including a fair and reasonable amount not exceeding 5% of said gross revenue of said waterworks system each year for depreciation or obsolescence, and for additions and betterments.

(b) For the prompt payment of the interest on and the principal of said revenue bonds when and as the same shall become due and

payable respectively.

(c) For the accumulation of the "Reserve Fund" sufficient in amount to pay the interest on and the principal of said bonds becoming due and payable in the next ensuing year. Said Reserve Fund shall be maintained until such time as the amount therein shall be sufficient to pay all of said bonds outstanding and the interest thereon.

(d) For the payment and redemption of said revenue bonds prior to their maturity in such amounts and at such times as may be determined by the Council of said City.

(e) When the foregoing payments and accumulations have been made, any moneys remaining in said Revenue Bond Fund may be disposed of as the City Council may direct.

Section 7. The City hereby further irrevocably covenants and agrees with each and every holder of said Water Revenue Bonds, issued under the provisions of this ordinance, that so long as any of said bonds remain outstanding:

(a) It will continue to operate and manage its waterworks system in an efficient and economical manner and keep and maintain separate accounts of the receipts and expenses thereof in such manner that the revenue thereof, payable into said fund, may at all times be readily and accurately determined;

(b) It will, so far as it lawfully may, through appropriate action of its Council, establish, maintain and enforce a schedule of charges for water furnished to consumers by means of its waterworks system sufficient to insure the payments required by the provisions of Section 6 hereof;

(c) It will not sell or alienate any of the property constituting any part, or all of its waterworks system, in any manner or to any extent as might reduce the security provided for the payment of said bonds by means of and out of said Water Revenue Bond Fund, created and established by this ordinance, but the City may sell any portion of such property which shall have been replaced by other similar property of at least equal value, or which shall cease to be necessary for the efficient operation of said waterworks system; provided, however, that in the event of any sale or sales, as aforesaid, where the aggregate consideration exceeds the sum of One Thousand Dollars (\$1,000), such consideration shall be paid into said Water Revenue Bond Fund, and shall be used for the purposes of said fund;

(d) It will render to consumers, quarterly bills payable in advance, and ten days after each quarterly period it will shut off water from the property of all persons who are delinquent in the payment of such bills.

(e) At least once each year, and more often if required, it will

furnish the purchaser of said bonds a statement of the receipts and disbursements of and for its waterworks system for the period immediately preceding each statement.

(f) It will carry workmen's compensation and public liability insurance in such amounts as will protect said system and its operation.

Section 8. If it should ever be legally determined that any legislative or any other body or commission has power lawfully to prescribe a lower schedule of rates than that contemplated by this ordinance, and if such lower rates should be prescribed, then the payment of the interest on and the principal of the City of Grand Junction Water Revenue Bonds issued pursuant to the provisions of this ordinance, shall constitute a first and prior charge on the revenue received or to be received from said waterworks system, anything in this ordinance contained to the contrary notwithstanding.

Section 9. All costs and expenses incurred in connection with the improvement of said waterworks system and the issuance and payment of revenue bonds and interest as provided by this ordinance shall be paid exclusively from the revenue of said system, and in no event shall any of such costs or expenses be paid out or charged to the general funds or tax levies of said City.

Section 10. All ordinances, or parts thereof, in conflict with this ordinance, are hereby repealed. After said bonds have been issued this ordinance shall be irrevocable until said bonds and the interest thereon shall be fully paid, satisfied and discharged in the manner herein provided.

Section 11. By reason of the fact that said City and its inhabitants are not properly or adequately supplied with water and the further fact that construction must commence at an early date in order to secure Federal aid, a special emergency is declared to exist, this ordinance is declared to be necessary for the immediate preservation of the public peace, health and safety, and it shall become effective upon its passage.

Section 12. This ordinance, after its passage, shall be recorded in the Book of Ordinances of said City kept for that purpose, and authenticated by the signatures of the President of the Council and the City Clerk.

ADOPTED AND APPROVED this 2nd day of November, A. D. 1938.

/s/ L.P. Groves  
President, City Council

(SEAL)

ATTEST:

/s/ Helen C. Tomlinson  
City Clerk

I HEREBY CERTIFY that the foregoing emergency ordinance entitled "AN ORDINANCE PROVIDING FOR THE ISSUE AND FORM OF GRAND JUNCTION, COLORADO, WATER REVENUE BONDS IN THE PRINCIPAL AMOUNT OF ONE HUNDRED THOUSAND DOLLARS AND FOR THE PAYMENT OF SAID BONDS AND INTEREST THEREON", was introduced, read, passed, numbered 601, and ordered published in The Daily Sentinel, by the unanimous vote of the members of the City Council of the City of Grand Junction, at a regular meeting of said Council held on the 2nd day of November, A. D. 1938.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City, this 2nd day of November, A. D. 1938.

/s/ Helen C. Tomlinson  
City Clerk

(SEAL)

Published November 3, 1938