

ORDINANCE NO. 612

AN ORDINANCE PROVIDING FOR THE ISSUE AND FORM OF GRAND JUNCTION, COLORADO, WATER REVENUE REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF \$100,000 AND FOR THE PAYMENT OF SAID BONDS AND INTEREST THEREON.

WHEREAS, pursuant to Ordinance No. 601, the City of Grand Junction has heretofore issued and sold \$100,000 City of Grand Junction, Colorado Water Revenue Bonds dated December 1, 1938, of which \$30,000 mature \$6,000 December 1, in each year 1939 to 1943, inclusive, and bear interest at the rate of 2 3/4% per annum and \$70,000 mature \$7,000 December 1 in each year 1944 to 1953, inclusive, and bear interest at the rate of 3% per annum; and

WHEREAS, said bonds are subject to redemption at any time upon thirty days' published notice at par plus a premium of 1%; and

WHEREAS, the City of Grand Junction has determined that said Water Revenue Bonds should be refunded at a lower rate of interest, thus effecting a savings to the City of Grand Junction; and

WHEREAS, it is to the best interests of the City and its inhabitants that the City should issue and sell its Water Works Refunding Bonds in the principal amount of \$100,000 for the purpose of paying and redeeming the above described Grand Junction, Colorado Water Revenue 2 3/4% and 3% Bonds;

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 refunding the outstanding \$100,000 City of Grand Junction Water Revenue 2 3/4% and 3% Bonds dated December 1, 1938, there are hereby authorized Water Revenue Refunding Bonds of the City of Grand Junction in the aggregate principal amount of \$100,000, both the 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 operation of its waterworks system.

Section 2. That said bonds hereby authorized shall be dated June 1, 1939, shall be in denomination of \$1,000 each, shall be payable to bearer in series, as hereinbelow set forth and shall bear interest at the rate of Two and One-half per centum (2 1/2%) per annum, payable semi-annually on the first days of June and December of each year until paid 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 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 upon the payment of the premium as set forth below, together with all interest accrued on and principal unpaid at the time fixed for such redemption; provided, however, that any such redemption shall be made in inverse numerical order. If all or any part of said bonds shall be redeemed prior to maturity, the City shall pay a premium thereon as follows:

If redeemed prior to December 1, 1943, a premium of 2 1/2% of the principal thereof shall be paid;

If redeemed on or after December 1, 1943, and prior to December 1, 1948, a premium of 1 1/2% of the principal thereof shall be paid;

If redeemed on or after December 1, 1948, and prior to December 1, 1953, a premium of 1/2 of 1% of the principal thereof shall be paid;

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 notice shall be mailed by the Treasurer of the City of 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 100 with the premium as above set forth, 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 Refunding 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 STATE OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION

WATER REVENUE REFUNDING 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 2 1/2% 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, as follows:

If redeemed prior to December 1, 1943, a premium of 2 1/2% of the principal thereof shall be paid;

If redeemed on or after December 1, 1943 and prior to December 1, 1948, a premium of 1 1/2% of the principal thereof shall be paid;

If redeemed on or after December 1, 1948 and prior to December 1, 1953, a premium of 1/2 of 1% of the principal thereof

shall be paid;

together with all interest accrued and unpaid 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 refunding a like amount of outstanding Water Revenue Bonds, all in full conformity with the Constitution and laws of the State of Colorado, and the Charter of said City, and 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 of its waterworks system, the amounts and 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. 612 of said City, adopted and approved July 19, 1939. 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 the facsimile signature of its Treasurer, as of the first day of June, A. D. 1939.

President, City Council

COUNTERSIGNED:

City Treasurer

(SEAL)

ATTEST:

City Clerk

(Form of Coupon)

No. _____

\$12.50

On the first day of June, 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

Twelve Dollars and Fifty Cents

in lawful money of the United States of America, 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 Refunding Bond dated June 1, 1939 bearing No._____.

/s/ (Facsimile Signature)

City Treasurer

Section 4. Said bonds shall be issued and sold at their par value plus accrued interest at Boettcher and Company of Denver, Colorado, solely to provide the City with monies for redemption of \$100,000 City of Grand Junction Water Revenue Bonds dated December 1, 1938, Delivery of the refunding bonds to the purchasers thereof shall be made on September 1, 1939, and the funds so derived shall be placed in a special trust account at First National Bank of Denver, Colorado, to the credit of the Grand Junction Water Revenue Bond Fund and shall be disbursed for the sole purpose of redeeming the \$100,000 outstanding 2 3/4% and 3% Water Revenue Bonds dated December 1, 1938, and out of its water revenues, the City of Grand Junction shall place in the same trust account a sufficient amount to pay the accrued interest to September 1, 1939 on the called Water Revenue Bonds dated December 1, 1938, together with 1% premium of the principal amount thereof. The issue of said refunding bonds by the City shall constitute a warrant 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 refunding revenue bonds when and as the same shall become due and payable respectively.

(c) For the accumulation of a "Reserve Fund" sufficient in amount to pay the interest on and the principal of said refunding 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 refunding 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 Refunding 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 the consumer, 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 interest on and the principal of the City of Grand Junction Water Revenue Refunding 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, subject only to minimum and necessary costs of operation and maintenance of said system.

Section 9. All costs and expenses incurred in complying with the provisions of this ordinance and in the issuance and payment of said revenue refunding bonds and interest and premium thereon shall be paid exclusively from the revenue of said system, and in no event shall any of such costs or expenses be paid out of or

charged to the general funds or tax levies of said City, either directly or indirectly,

Section 10. The owners and holder of said refunding bonds shall be subrogated to all the rights, privileges and remedies of the owners and holders of the bonds so refunded.

Section 11. After said outstanding revenue bonds dated December 1, 1938, and the interest and premium have been paid in full, all ordinances, or parts thereof, in conflict with this ordinance, are hereby repealed. After said refunding bonds have been issued this ordinance shall be irrevocable until said refunding bonds, the interest thereon, and premium, if any, shall be fully paid, satisfied and discharged in the manner herein provided.

Section 12. Because of unsettled conditions it is deemed necessary and advisable to take advantage of the present opportunity to effect substantial savings as herein recited, therefore, it is hereby declared that a special emergency exists and 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 13. 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 19th day of July, A. D. 1939.

/s/ O. E. Boston
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 REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF \$100,000 AND FOR THE PAYMENT OF SAID BONDS AN INTEREST THEREON", was introduced, read, passed, numbered 612, and ordered published 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 19th day of July, A. D. 1939.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City, this 19th day of July, A. D. 1939.

/s/ Helen C. Tomlinson

City Clerk

(SEAL)

Published July 20, 1939