

ORDINANCE NO. 763

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GRAND JUNCTION, COLORADO, WATER REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$395,000, FOR THE PAYMENT OF SAID BONDS AND THE INTEREST THEREON, AND DECLARING AN EMERGENCY.

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, it is necessary to extend and improve said water system; and

WHEREAS, in order to meet the cost of such extensions and improvements the City Council has determined to authorize, issue and sell Water Revenue Bonds of the City in the aggregate principal amount of \$395,000, payable, both principal and interest, solely out of the net revenues to be derived from the operation of said 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 extending and improving its waterworks system, and to pay the expense thereof, there are hereby authorized Water Revenue Bonds of the City of Grand Junction, Series of 1948, in the aggregate principal amount of \$395,000, both the principal thereof and the interest thereon to be payable solely 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 January 1, 1948, 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 or rates to be fixed at the time of public sale of said bonds, payable semi-annually on the first days of January and July of each year, as evidenced by coupons attached thereto, signed with the facsimile signature of the Treasurer of the City. 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 the City Clerk. Both principal and interest shall be payable in lawful money of the United States at the office of the City Treasurer, in Grand Junction, Colorado. Said bonds shall be numbered consecutively from 1 to 395, inclusive, and shall mature on January 1st as follows: \$5,000 in each of the years 1950 to 1953, inclusive; \$10,000 in each of the years 1954 to 1958, inclusive; \$40,000 in each of the years 1959 to 1965, inclusive, and \$45,000 in the year 1966.

Bonds maturing in the years 1959 and thereafter shall be redeemable at the option of the City in inverse numerical order, on January 1, 1958, and on interest payment dates thereafter, at par and a premium of two per centum (2%) on the principal thereof, together with all interest accrued on the principal and unpaid at the time fixed for such redemption.

If the City shall elect to redeem any part or all of said bonds, prior to maturity, notice thereof shall be given by publishing a notice in a newspaper of general circulation 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 original purchaser of said bonds.

Section 3. Said Water Revenue Bonds, and interest coupons thereto attached, shall be in substantially the following form;

UNITED STATES OF AMERICA

STATE OF COLORADO

COUNTY OF MESA

CITY OF GRAND JUNCTION
WATER REVENUE BOND
Series of 1948

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 January, 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 January and the first day of July in each year, both principal and interest being payable at the office of the City Treasurer in Grand Junction, Colorado, upon presentation and surrender of the annexed coupons and this bond as they severally become due.

*(This bond is redeemable at the option of the City at par, accrued interest and a premium of 2% of principal, on January 1, 1958, and on interest payment dates thereafter, in its inverse numerical order in the issue of which it is one.)

This bond is issued by the City of Grand Junction for the purpose of extending and improving the waterworks system of said City, all in full conformity with the Constitution and laws of the State of Colorado, 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 "Water Revenue Bond Fund, Series of 1948," to contain the 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 and as an irrevocable charge thereon will pay this bond and the interest hereon, in the manner provided by said Ordinance No. _____ of said City, adopted and approved January 21, 1948. 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 January, A. D. 1948.

/s/

President, City Council

(S E A L)

ATTEST:

/s/

City Clerk

COUNTERSIGNED:

/s/

City Treasurer

*(This clause to appear in bonds maturing in the years 1959 to 1966, inclusive.)

(Form of Coupon)

No. _____

\$ _____

On the first day of January, July, 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 America, at the office of the City Treasurer, in Grand Junction, Colorado, out of the Water Revenue Bond Fund, Series of 1948, of said City, but not otherwise, being six months' interest on its Water Revenue Bond, Series of 1948, dated January 1, 1948, bearing

No. _____

/s/(Facsimile Signature)

City Treasurer

*(This clause to appear in coupons maturing on July 1, 1958 and thereafter.)

Section 4. Said bonds, or so many of them as shall be required, may be issued and sold at one time, or 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 the purposes hereinbefore specified. Coupons for interest due or overdue 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 purposes 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. 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 "Water Revenue Bond Fund, Series of 1948," 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;

(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. The owners and holders of outstanding bonds authorized herein shall have a first and prior lien on said revenues pledged for such purpose;

(c) For the accumulation of a "Reserve Fund" in the amount of \$5,000, and said Reserve Fund shall be maintained at said amount until such time as the amount therein will be sufficient to pay all of said Revenue 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, or for such other disposition 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, through appropriate action of its Council, establish, maintain and enforce a schedule of rates and charges for water furnished to consumers by means of its waterworks system, sufficient to insure the payments and accumulations 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 sales, as aforesaid, where the aggregate consideration exceeds the sum of \$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 monthly or quarterly bills for water furnished and 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 it will furnish the original purchaser or purchasers of said bonds a complete statement of the receipts and disbursements of and for its waterworks system for the fiscal year immediately preceding each statement;

(f) It will carry such forms of insurance in such amounts as will protect said waterworks system and its operation and afford security to the owners and holders of said bonds.

(g) It will furnish no free water service, and if it elects to use water service for municipal purposes, it will make provision to pay therefor at the same rate as is charged others for like service or consumption.

Section 8. That nothing in this Ordinance shall be construed in such manner as to prevent the issuance by the City of Grand Junction of additional bonds payable from the income derived from the operation of the waterworks system; provided, however, that while any of the bonds authorized by this Ordinance are outstanding, the City shall not issue any additional bonds payable from the income of said system and having a lien on such income on a parity with or superior to the lien of the bonds herein authorized; and provided further, that so long as any of the bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenue of the waterworks system shall be issued unless the revenues thereof, for the fiscal year immediately preceding such issuance, shall have been equal, after the deduction of the reasonable expenses of operation and maintenance, to an amount not less than 150% of the total of the following;

(a) The amount necessary to pay the interest and principal requirements of said Series of 1948 bonds, herein authorized, for the next ensuing fiscal year; and

(b) The amount necessary to pay the interest for the next ensuing fiscal year on such proposed issue and a portion of the principal thereof to be determined by dividing the amount of such proposed issue by the number of years to the final maturity date thereof.

Section 9. All costs and expenses incurred in connection with the extension and 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 of 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 extensions and improvements should be made at the earliest possible time, 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 as an emergency Ordinance this 21st day of January, A. D. 1948.

/s/Porter Carson

President, City Council

ATTEST:

/s/Helen C. Tomlinson

City Clerk

I HEREBY CERTIFY that the foregoing emergency ordinance entitled, "AN ORDINANCE PROVIDING FOR THE ISSUANCE OF GRAND JUNCTION, COLORADO, WATER REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$395,000, FOR THE PAYMENT OF SAID BONDS AND THE INTEREST THEREON, AND DECLARING AN EMERGENCY," was introduced, passed, numbered 763 and ordered published by the unanimous vote of the members of the City Council of the City of Grand Junction, at a regular adjourned meeting of said Council held on the 21st day of January, 1948.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City, this 22nd day of January, A. D. 1948.

/s/Helen C. Tomlinson

City Clerk