

ORDINANCE NO. 1337

AN ORDINANCE AUTHORIZING THE ISSUANCE OF JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS OF THE CITY OF GRAND JUNCTION, COLORADO, IN THE PRINCIPAL AMOUNT OF \$1,000,000 FOR THE PURPOSE OF EXTENDING AND IMPROVING THE MUNICIPAL WATER SYSTEM AND THE MUNICIPAL SEWER SYSTEM OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS AND PROVIDING FOR THE APPLICATION OF THE REVENUE OF THE WATER SYSTEM AND SEWER SYSTEM TO PAY THE BONDS AND THE INTEREST THEREON; PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Grand Junction, Colorado, has for many years owned and operated and does presently own and operate a municipal water system and municipal sewer system (herein referred to as the "water and sewer system") for the inhabitants of said City; and

WHEREAS, for health and sanitary reasons it is imperative that extensions and improvements to the water and sewer system, with necessary incidentals and appurtenances, be constructed and installed immediately by the City of Grand Junction; and

WHEREAS, the City Council has determined to issue its Joint Water and Sewer Improvement Revenue Bonds in the principal amount of \$1,000,000, for the purpose of paying costs and expenses of extending and improving the water and sewer system; and

WHEREAS, \$1,000,000 of said bonds, after Public Notice of Sale, has been sold and awarded to Boettcher and Company, the highest and best bidder for cash at not less than par and accrued interest; and

WHEREAS, the City Council has determined at this time to authorize the issuance of said bonds in the principal amount of \$1,000,000, for said purpose;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION:

Section 1. That for the purpose of providing funds with which to extend and improve the water and sewer system, there are hereby authorized to be issued Joint Water and Sewer Improvement Revenue Bonds, Series November 1, 1969, in the principal amount of \$1,000,000, both the principal thereof and the interest thereon to be payable solely and only out of the net revenue and income to be derived by the City from and through the operation of its water and sewer system as hereinafter set forth. It is hereby determined that the estimated life of the water facilities and sewer facilities to be acquired by the proceeds of this bond issue is not less than twenty-five years.

Section 2. That said bonds shall be dated as of November 1, 1969, shall be in the denomination of \$5,000 each, shall be numbered 1 to 200, inclusive, shall be payable to bearer, and bear interest payable on November 1, 1970, and semi-annually thereafter on the 1st day of May and the 1st day of November, each year, and shall mature serially on November 1, as follows:

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>
\$ 5,000	1971	6%
10,000	1972	6%

15,000	1973	6%
20,000	1974	6%
30,000	1975	6%
35,000	1976	6%
40,000	1977	6%
45,000	1978	6%
50,000	1979	6%
55,000	1980	6%
60,000	1981	6%
65,000	1982	6%
70,000	1983	6%
75,000	1984	6%
80,000	1985 to 1989, incl	6

Bonds of this issue maturing in the years 1971 to 1974, inclusive, shall not be redeemable prior to their respective dates. Those bonds maturing in the years 1975 to 1989, inclusive, are redeemable prior to maturity at the option of the City, in inverse numerical order, on November 1, 1974, and on any interest payment date thereafter, upon payment of par, accrued interest and a premium of 3% of principal. Notice of prior redemption shall be given by publication at least one time in a newspaper having general circulation in the City of Grand Junction, not less than thirty days prior to the date of redemption. Notice shall also be given by mailing a copy thereof to the original purchaser of said bonds at or about the time of publication.

Both principal of and interest on said bonds shall be payable at the United States Bank of Grand Junction, in Grand Junction, Colorado.

Said bonds shall be signed with the facsimile signature of the President of the Council, sealed with a facsimile of the seal of the City, attested by the manual signature of the City Clerk, countersigned with the facsimile signature of the City Treasurer, and the interest coupons attached thereto shall bear the facsimile signature of said officers. When issued as aforesaid as part of said bonds, such interest coupons shall be binding obligations of the City according to their import.

Should any officer whose manual or facsimile signature appears on said bonds, or the interest coupons attached thereto, cease to be such officer before delivery of the bonds to the purchaser, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

Section 3. Said Bonds and the interest coupons attached thereto shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTY OF MESA

CITY OF GRAND JUNCTION
JOINT WATER AND SEWER IMPROVEMENT REVENUE BOND
SERIES NOVEMBER 1, 1969

No. _____ \$5,000

The City of Grand Junction, in the County of Mesa and State of Colorado, hereby promises to pay to the bearer out of the special fund or funds hereinafter designated, but not otherwise, the sum of

FIVE THOUSAND DOLLARS

on the 1st day of November, 19_____, with interest thereon at the rate of _____ per centum (_____%) per annum, payable on November 1, 1970, and semi-annually thereafter on the 1st day of May and the 1st day of November, each year, as evidenced by interest coupons attached hereto, upon presentation and surrender of the annexed coupons and this Bond as they severally become due, both principal and interest being payable in lawful money of the United States of America, at the United States Bank of Grand Junction, in Grand Junction, Colorado.

Bonds of this issue maturing in the years 1975 to 1989, inclusive, shall be redeemable at the option of the City, in inverse numerical order, on November 1, 1974, and on any interest payment date thereafter, upon payment of par, accrued interest, and a premium of 3% of principal.

This Bond is issued by the City Council of the City of Grand Junction, Colorado, for the purpose of providing funds with which to extend and improve the municipal water system and municipal sewer system of the City, under the authority of and in full conformity with the Constitution and Laws of the State of Colorado, the Charter of said City, and pursuant to an Ordinance of the City, duly adopted prior to the issuance of said Bond. This bond is issued under the authority of Chapter 139, Article 52, Colorado Revised Statutes, 1963, and such recital shall conclusively impart full compliance with all of the provisions of said article, and this bond issued containing such recital is uncontestable for any cause whatsoever after its delivery for value.

The principal of and interest on this Bond are payable solely from the net income derived from the operation of the municipal water system and municipal sewer system, and the holder hereof may not look to any general or other fund for the payment of the principal of or the interest on this bond, except the special funds pledged therefor. The payment of this bond and the interest thereon shall be made solely from the special funds designated as the "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Interest and Bond Retirement Fund" and the "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds Reserve Fund", into which the City covenants to pay from the revenues derived from the operation of the municipal water system and municipal sewer system, after provision only for all necessary and reasonable expenses of operation and maintenance, sums sufficient to pay when due the principal of and interest on the bonds and to create and maintain a reasonable and specified reserve for such purpose. The bonds of this issue are equitably and ratably secured by a lien on the net revenues of the municipal water system and municipal sewer system, and constitute an irrevocable and first lien (but not necessarily an exclusive first lien) upon said net revenues, (on a parity with the lien of the outstanding City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Series A, dated April 1, 1968) for the payment of the principal of and

interest on the outstanding bonds.

It is hereby recited, certified and warranted that for the payment of this Bond and the interest thereon, the City of Grand Junction has created and will maintain said Funds and will deposit therein, out of the net revenue of the municipal water system and municipal sewer system, the amounts and revenue specified in the Ordinance authorizing the issuance of this Bond, and out of said Funds, as an irrevocable charge thereon, will pay this Bond and the interest thereon, in the manner provided by said Ordinance. 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 that Ordinance.

This Bond does not constitute a debt of the City of Grand Junction within the meaning of any constitutional, statutory or charter limitation, and shall not be considered or held to be a general obligation of the City.

It is hereby certified and recited that all the requirements of law and all conditions precedent have been fully complied with by the proper officers of the City in the issuance of this bond.

For payment of this Bond and the interest thereon, the City of Grand Junction pledges the exercise of all its lawful corporate powers.

IN TESTIMONY WHEREOF, the City Council of the City of Grand Junction, Colorado, has caused this Bond to be signed with the facsimile signature of the President of the Council, sealed with a facsimile of the seal of the City, attested by the manual signature of the City Clerk, countersigned with the facsimile signature of the City Treasurer, and the attached interest coupons to be signed with the facsimile signature of said officers, as of the 1st day of November, 1969.

(Facsimile Signature)\President of the Council

(FACSIMILE SEAL)

ATTEST:

(Do not sign)\City Clerk

COUNTERSIGNED:

(Facsimile Signature)\City Treasurer

(Form of Interest Coupon)

No. _____ \$ _____

On the 1st day of May November, 19_____, unless the Bond to which this coupon is attached, if redeemable, has been called for prior redemption, the City of Grand Junction, in the County of Mesa and State of Colorado, will pay to bearer the amount shown hereon, in lawful money of the United States of America, at the United States Bank of Grand Junction, in Grand Junction, Colorado, out of the special funds designated in the bond to which this interest coupon is attached, but not otherwise, being interest then due on its Joint Water and Sewer Improvement Revenue Bond, Series November 1, 1969, dated November 1, 1969, bearing

No. _____

(Facsimile Signature) President of the Council

(Facsimile Signature) City Clerk

(Facsimile Signature) City Treasurer

Section 4. Said bonds shall be sold and delivered to the purchaser thereof, solely to provide the City with money for the purpose hereinbefore specified. Neither the purchaser of said bonds, nor the subsequent holders of any of them shall be responsible for the application or disposal by the City or any of its officers of the funds derived from the sale thereof. 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 law.

Each bond shall recite that it is issued under the authority of Chapter 139, Article 52, Colorado Revised Statutes, 1963, and such recital shall conclusively impart full compliance with all of the provisions of said article, and all bonds issued containing such recital shall be incontestable for any cause whatsoever after their delivery for value.

Section 5. If necessary, the interest due on said bonds during the construction of the extensions and improvements to the water and sewer system shall be advanced from any fund of the City available therefor, said amount to be later reimbursed from the revenues of the water and sewer system. The principal of and interest on said bonds shall be payable solely out of the net revenues to be derived by the city from the operation of its water and sewer system as specified in this Ordinance, but the term "water and sewer system" as herein used, shall include not only the property comprising said water and sewer system at the present time, but all additions and betterments thereto and improvements and extensions hereafter constructed or acquired by the City.

Section 6. The City Council has, by Ordinance No. 1281, Series 1968, finally adopted and approved as an emergency ordinance on the 21st day of February, 1968, authorized the issuance of, and there are presently outstanding, Joint Water and Sewer Improvement Revenue Bonds, Series A, dated April 1, 1968, in the principal amount of \$3,500,000. The principal of and interest on said bonds are payable solely from two special funds designated as the "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Interest and Bond Retirement Fund" and the "City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenues Bonds, Reserve Fund" both such funds created by said Ordinance No. 1281, Series 1968.

The Ordinance provides that there shall be credited to said Funds, from the revenues derived from the water and sewer system, after provision only for all necessary and reasonable expenses of operation and maintenance, sums sufficient to pay when due the principal of and interest on the bonds and to create and maintain a reasonable and specified reserve for such purpose. The Ordinance further provides that the two special funds constitute a common Interest and Bond Retirement Fund and a common Reserve Fund for all parity first lien bonds. The Bonds, Series A, dated April 1, 1968 constitute an irrevocable and first lien upon the net revenues of the water and sewer system, for the payment of the principal and interest on the outstanding bonds of said issue.

Said Ordinance No. 1281, Series 1968, provides further that additional bonds may be issued, subject to certain expressed conditions, which are payable from the net revenue of the water and sewer system and having a lien thereon on a parity with the lien of the Bonds, Series A, dated April 1, 1968, and that any additional securities issued on a parity with said bonds shall be payable from the City of Grand Junction, Colorado, Joint Water and Sewer Improvement Revenue Bonds, Interest and Bond Retirement Fund, authorized by said Ordinance. (Section 503 (B)).

The Joint Water and Sewer Improvement Revenue Bonds, Series November 1, 1969, dated November 1, 1969,

authorized herein, shall constitute an irrevocable and first lien (but not necessarily an exclusive first lien) on said Interest and Bond Retirement Fund, on a parity with said Bonds, Series A, dated April 1, 1968, authorized by Ordinance No. 1281, Series 1968. The City specifically covenants and agrees to maintain the Interest and Bond Retirement Fund, and to deposit therein sums sufficient to pay when due, the principal of and interest on the Bonds, Series A, dated April 1, 1968 and the principal of and interest on the Bonds, Series November 1, 1969, dated November 1, 1969; and that it will credit to the Reserve Fund and the Capital Fund those amounts in the time and manner as set forth in said ordinance.

Section 7. The City hereby irrevocably covenants and agrees with each and every holder of the Bonds, Series November 1, 1969, dated November 1, 1969, as long as any of said bonds remain outstanding, that it will keep and perform those covenants set forth in Ordinance No. 1281, Series 1968, specifically in Article VIII thereof, and said covenants are hereby incorporated herein by specific reference.

The City covenants and agrees further that it will charge and collect for all services rendered by the water and sewer system, including service to the City, such rates and amounts as shall be sufficient to produce income and revenue to make the payments and deposits required by Ordinance No. 1281, Series 1968, and the payments and accumulations required by this Ordinance.

It shall be the duty of the City to establish, maintain and enforce such rates continuously until all of the bonds authorized herein and the interest thereon, have been fully paid and discharged.

Section 8. Nothing herein contained shall be construed so as to permit the City to issue additional bonds or other additional securities payable from the income and revenue of the water and sewer system, and having a lien thereon prior and superior to the lien thereon of the Bonds, Series A, dated April 1, 1968, or the Bonds, Series November 1, 1969, dated November 1, 1969.

Nothing contained in this Ordinance shall be construed in such manner as to prevent the issuance by the City of additional bonds payable from the net revenue and income derived from the operation of the water and sewer system and constituting a lien upon said net revenues equal to or on a parity with the lien of the Bonds, Series A, dated April 1, 1968 or the Bonds, Series November 1, 1969, dated November 1, 1969, provided that all of requirements and standards set forth in Section 703 of Ordinance No. 1281, Series 1968, relating to the issuance of parity securities, shall have been met and complied with and subject to the express conditions stated therein. Those requirements and standards relating to the issuance of parity securities which are more particularly set forth in said Ordinance, are incorporated herein by reference.

The City may issue additional bonds or other securities payable from the income and revenue of the water and sewer system and having a lien thereon subordinate and junior to the lien thereon of the Bonds, Series A, dated April 1, 1968 and the Bonds, Series Number 1, 1969, dated November 1, 1969.

Section 9. The City Council has, by said Ordinance No. 1281, Series 1968, authorized the issuance of Joint Water and Sewer Improvement Revenue Bonds, Series B, dated October 1, 1969, in the principal amount of \$2,500,000 maturing in various principal amounts in each of the years 1971 to 2000, inclusive. Such Series B. bonds are in addition to the Series A bonds described above, and if issued and outstanding, would constitute a lien on the net revenue and income of the water and sewer system equal to or on a parity with the lien of the Bonds, Series A. The City Council has determined that it will not issue and sell the Series B bonds authorized by said Ordinance, and that the authorization for said bonds shall hereby lapse and expire.

Section 10. All costs and expenses incurred in connection with the issuance and payment of the Bonds authorized herein shall be paid exclusively from the proceeds of said bonds or from the income and revenue of the water and sewer system, and in no event shall any of such costs or expenses, or the principal of or interest on said bonds be paid out of or charged to the general funds or tax levies of the City.

Section 11. That if any one or more sections or parts of this Ordinance shall be adjudged unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, it being the intention that the various provisions hereof are severable.

Section 12. All ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

Section 13. After said bonds are issued, this Ordinance shall be and remain irrevocable until said bonds and the interest thereon shall have been fully paid, satisfied and discharged.

Section 14. Because it is necessary to construct and install extensions and improvements to the water and sewer system at the earlier possible date, and to issue and sell revenue Bonds for the purpose of paying the costs and expenses of such extensions and improvements, which costs have been due and which will hereafter become due and payable, it is hereby declared that an emergency exists, that this Ordinance is necessary to the immediate preservation of the public peace, health, and safety, and that it shall take effect upon its passage.

Section 15. This Ordinance, immediately on its final passage, shall be numbered and recorded in Ordinance Record kept for that purpose, authenticated by the signatures of the President of the Council and City Clerk, shall be published as required by law.

PASSED AND ADOPTED this 5th day of November, 1969.

R. G. Youngerman\President of the Council

SEAL

Helen C. Tomlinson\City Clerk

I HEREBY CERTIFY that the foregoing emergency ordinance entitled AN ORDINANCE AUTHORIZING THE ISSUANCE OF JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS OF THE CITY OF GRAND JUNCTION, COLORADO, IN THE PRINCIPAL AMOUNT OF \$1,000,000 FOR THE PURPOSE OF EXTENDING AND IMPROVING THE MUNICIPAL WATER SYSTEM AND THE MUNICIPAL SEWER SYSTEM OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS AND PROVIDING FOR THE APPLICATION OF THE REVENUE OF THE WATER SYSTEM AND SEWER SYSTEM TO PAY THE BONDS AND THE INTEREST THEREON; PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY was introduced, read, passed and adopted as an emergency ordinance, numbered 1337 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 5th day of November, 1969.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of said City, this 6th day of November, 1969.

Helen C. Tomlinson\City Clerk

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