

ORDINANCE NO. 1979-2

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS OF THE TOWN OF LA JARA, COLORADO, IN THE PRINCIPAL AMOUNT OF \$69,000, FOR THE PURPOSE OF EXTENDING AND IMPROVING THE SEWER SYSTEM; PRESCRIBING THE FORM OF SAID BONDS AND PROVIDING FOR THE APPLICATION OF THE NET INCOME AND REVENUE OF THE SEWER SYSTEM OF THE TOWN FOR THE PAYMENT OF SAID BONDS AND THE INTEREST THEREON; PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND DECLARING AN EMERGENCY.

WHEREAS, the Board of Trustees of the Town of La Jara has determined to improve the municipal sewer system of the Town and its inhabitants; and

WHEREAS, the Town has determined that it is necessary to issue revenue bonds pursuant to Title 31, Article 35, Part 4, Colorado Revised Statutes 1973, as amended, for the payment of part of the cost of such improvement project; and

WHEREAS, the Town has entered into a loan agreement with the United States Department of Agriculture, Farmers Home Administration, whereby the Farmers Home Administration will purchase sewer revenue bonds in a principal amount not exceeding \$69,000, at an interest rate of 5.00% per annum; and

WHEREAS, in accordance with Section 31-35-404, such bonds may be sold to the United States of America, or any agency thereof, without the requirement of having a public sale;

WHEREAS, it is necessary to authorize the issuance of said bonds and to provide for the form and payment thereof;

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA, CONEJOS COUNTY, COLORADO:

Section 1. Project. The Board of Trustees has previously determined that it is in the best interest of the Town and its inhabitants to improve the sewer system for the Town. The sewer improvements include the repair and replacement of sewer mains and all necessary appurtenances thereto.

The total estimated cost of the project is \$136,630.50 . The method of payment is as follows: (approximate amounts)

- (a) State of Colorado Grant \$61,375.00
- (b) FmHA loan (Bonds) \$69,000
- (c) Other: Town of La Jara Funds \$ 6,255.50

Section 2. Authorization. That for the purpose of providing funds to improve the municipal sewer system for the Town, there are hereby authorized Sewer Revenue Bonds, Series 1979, of the Town of La Jara, in the total amount of \$69,000, 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 Town from and through the operation of its sewer system. It is hereby determined that the estimated life of the sewer facilities to be improved by the proceeds of this bond issue is not less than forty years.

Section 3. Bond Details. The bonds shall be dated as of the date of issuance, will be numbered from 1 to 69, inclusive, and will be in the denomination of \$1,000 each. The net effective interest rate of this issue of bonds is 5.00%; said bonds shall bear interest from the date on which the bonds are issued and sold, at the rate of 5% per annum, payable on June 1, 1980 and annually thereafter on the 1st day of June, each year, and shall mature serially on June 1, as follows:

<u>Amount</u>	<u>Maturity</u>
\$ 1,000	1981 to 1999, incl.
2,000	2000 to 2012, incl.
3,000	2013 to 2016, incl.
4,000	2017 to 2019, incl.

Bonds of this issue maturing on or before June 1, 1989 shall not be redeemable prior to their respective maturity dates. Bonds maturing on June 1, 1990 and thereafter, shall be redeemable at the option of the Town on June 1, 1989, and on any interest payment date thereafter, in inverse numerical order, upon payment of par and accrued interest, without redemption premium. If, however, all of the bonds are held by or on behalf of the Farmers Home Administration, all or any number of the bonds may be redeemed at the option of the Town at any time in inverse numerical order, upon payment of par and accrued interest to the date of redemption. Notice of prior redemption shall be given by publication at least one time in a newspaper having general circulation in the Town, not less than thirty days prior to the date of redemption, without redemption premium. If any of the bonds to be redeemed are registered as to principal and interest, then notice shall also be given by mailing a copy of the notice by registered, first class mail, to the registered owner or owners of such bonds, at least thirty days prior to the date of redemption.

The principal of and interest on said Bonds shall be payable at the office of the Town Treasurer, in La Jara, Colorado, or as to any bond or interest coupon owned by or on behalf of the United States Department of Agriculture, Farmers Home Administration, then at the FmHA Finance Office, 1520 Market Street, St. Louis, Missouri 63103, or at such other place as may be indicated by the Farmers Home Administration.

Section 4. Registration as to Principal and Interest. Each of the bonds of this issue may be registered for payment as to both principal and interest (but not as to principal only or to interest only) and any bond so registered may be discharged from registration as hereafter provided in this Ordinance. At the option of the bearer, any bond of this issue may be registered as to both principal and interest upon presenting the same

to the Treasurer of the Town (designated as and referred to herein as the "Registrar" for purposes of registration) accompanied by all unmatured coupons. The Registrar shall make a notation of such registration thereon and detach and cancel all unmatured interest coupons. Any bonds so registered may thereafter be transferred only upon a duly executed assignment of the registered owner or his legal representative in such form as shall be satisfactory to the Registrar. Such transfer shall be made on the registration books kept by the Registrar and shall be endorsed on the bond. The principal of and interest on any bond registered as to both principal and interest shall be payable only to, or upon the order of, the registered owner or his legal representative.

Section 5. Conversion of Registered Bonds. Any bond registered as to both principal and interest may be reconverted into a coupon bond payable to bearer upon presentation thereof to the Registrar accompanied by an instrument duly executed by the registered owner or his legal representative, in such form as is acceptable to the Registrar. The Registrar shall attach thereto new coupons representing the interest to become due thereafter on the bond to the date of maturity and shall make notation thereon that the bond is payable to bearer. Such new coupons shall bear the facsimile signature of the officer signing the coupons as herein provided at the time of the execution of the bond, i.e., the Treasurer of the Town. Upon reconverting the bonds in accordance with this Ordinance, the Registrar shall require the payment of all expenses incurred by it in connection with such reconversion, payment of which together with any tax or other governmental charge required to be paid, shall be made by the holder requesting such reconversion.

Section 6. Form and Execution of Bonds. Said Bonds shall be signed by the manual signature of the Mayor of the Town, sealed with a facsimile of the seal of the Town, attested and countersigned with the facsimile signature of the Town Clerk and Treasurer, respectively, and the interest coupons attached

thereto shall bear the facsimile signature of the Town Treasurer. When issued as aforesaid as part of said bonds, such interest coupons shall be the binding obligations of the Town 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.

Said bonds, interest coupons and registration grid shall be in substantially the following form: