

ORDINANCE NO. 437

AN ORDINANCE TO CONTRACT AN INDEBTEDNESS ON BEHALF OF THE CITY OF LAS ANIMAS, COLORADO, AND UPON THE CREDIT THEREOF BY ISSUING GENERAL OBLIGATION BONDS OF THE CITY IN THE PRINCIPAL AMOUNT OF \$125,000 FOR THE PURPOSE OF SUPPLYING THE CITY WITH WATER BY EXTENDING AND IMPROVING THE EXISTING WATERWORKS SYSTEM OF THE CITY; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME; AND DECLARING AN EMERGENCY.

WHEREAS, a majority of the voters of the City of Las Animas, Colorado, who were taxpayers under the law, voting on the question at a municipal election heretofore held in said City, by their vote approved and authorized the City Council of the City to erect a system of waterworks for fire and domestic purposes, the same to be owned and operated by the City; and

WHEREAS, the City did erect and ever since said time has owned, operated and maintained a system of waterworks for said purpose; and

WHEREAS, the City Council has determined to extend and improve the waterworks system in order to supply the City and the inhabitants thereof with a proper and adequate supply of water; and

WHEREAS, the City has entered into a loan and grant agreement with the United States Department of Agriculture, Farmers Home Administration, whereby the Farmers Home Administration will provide the following grant and loan toward the total estimated project cost of \$718,000, as follows:

- (a) FmHA Grant            \$140,000
- (b) FmHA Loan            \$453,000; and

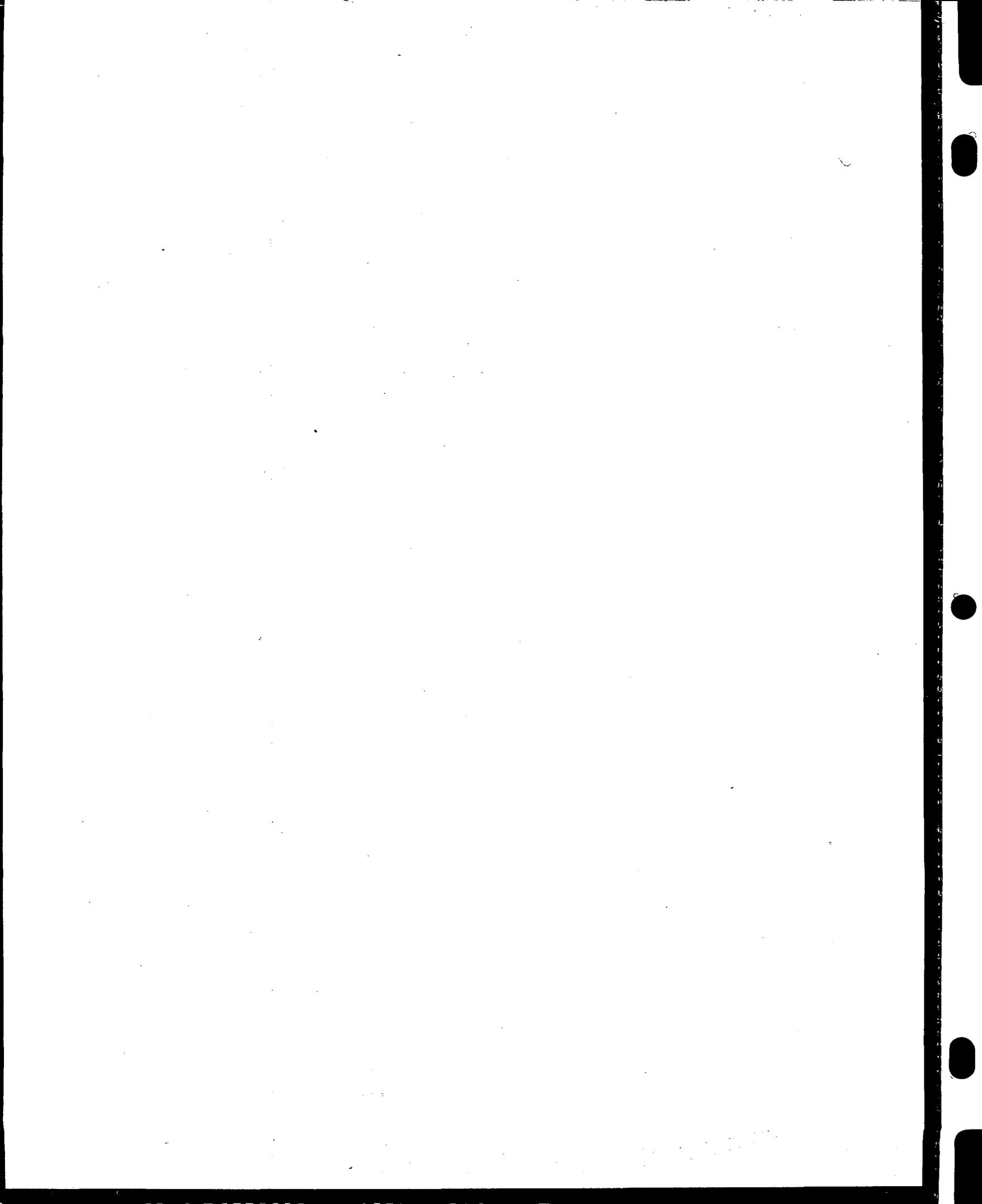
WHEREAS, pursuant to said agreement the City will provide the funds for the balance of the total project costs in the amount of \$125,000; and

WHEREAS, there are not sufficient funds in the treasury of the City to pay its share of the costs and expenses of supplying the City with water and the City Council deems it advisable and necessary to authorize the issuance of general obligation negotiable coupon bonds of the City in the amount of \$125,000 for that purpose;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAS ANIMAS, COLORADO:

Section 1. BOND DETAILS. That for the purpose of paying part of the costs and expenses of supplying the City of Las Animas with water by extending and improving the existing waterworks system of the City, the City shall issue its general obligation negotiable coupon bonds in the principal amount of \$125,000, each to be designated "General Obligation Water Bond",

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dated February 1, 1978, consisting of 25 bonds in the denomination of \$5,000 each, numbered 1 to 25, inclusive, payable in lawful money of the United States of America, to bear interest as evidenced by interest coupons designated "A" and "B" attached to said bonds, as hereinafter set forth. Said "A" coupon interest shall bear interest from and after date at the rates hereinafter set forth, shall be payable on December 1, 1978, and semi-annually thereafter on the 1st day of June and the 1st day of December, each year, and maturing serially on December 1, as follows:

<u>Amount</u>	<u>Maturity</u>	<u>"A" Coupon Interest Rate</u>
\$ 5,000	1979	7.50%
5,000	1980	7.50%
5,000	1981	7.25%
5,000	1982	7.25%
5,000	1983	6.50%
\$ 5,000	1984	6.50%
5,000	1985	6.50%
5,000	1986	6.50%
5,000	1987	6.50%
5,000	1988	5.50%
\$ 5,000	1989	5.60%
5,000	1990	5.70%
5,000	1991	5.75%
5,000	1992	5.80%
10,000	1993	5.85%
\$ 10,000	1994	5.90%
10,000	1995	6.00%
10,000	1996	6.00%
15,000	1997	6.00%

In addition to the "A" coupon interest rates hereinabove set forth, only those bonds numbered 5 to 25, inclusive, maturing in the years 1983 to 1997, inclusive, shall bear additional interest as evidenced by supplemental coupons designated "B", at the rate of 3.00% per annum, for the period from February 1, 1978 to December 1, 1978, inclusive, payable on December 1, 1978.

Bonds of this issue maturing on or before December 1, 1988, shall not be redeemable in advance of their respective maturities. Bonds maturing on December 1, 1989 and thereafter, shall be redeemable at the option of the City on December 1, 1988, and on any interest payment date thereafter, in inverse numerical order, upon payment of par and accrued interest, and a premium of 1% of the principal amount so redeemed.

The principal of and interest on said bonds shall be payable at office of the City Treasurer, in Las Animas, Colorado.

The net effective interest rate of this issue of bonds is 6.218 % per annum.

Section 2. FORM AND EXECUTION OF BONDS AND INTEREST COUPONS. The Bonds shall be signed by the manual signature of the Mayor, sealed with a facsimile of the seal of the City, attested and countersigned by the facsimile signature of the City Clerk and Treasurer, and shall be recorded in a book kept by the City Treasurer for that purpose. All interest coupons shall bear the facsimile signature of the Treasurer of the City, and when issued as part of said bonds, shall be the lawful promises and obligations of the City, securing the payment of said interest as it becomes due. 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.

That the 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 BENT

CITY OF LAS ANIMAS  
GENERAL OBLIGATION WATER BOND

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

\$5,000

The City of Las Animas, in the County of Bent and State of Colorado, for value received, acknowledges itself indebted and hereby promises to pay to the bearer hereof the principal sum of

FIVE THOUSAND DOLLARS

on the 1st day of December, 19\_\_ , with interest thereon at the rate of \_\_\_\_\_ per centum ( \_\_\_\_\_ %) per annum, payable on December 1, 1978, and semi-annually thereafter on the 1st day of June and the 1st day of December, each year, as evidenced by interest coupons designated "A" attached hereto, both principal and interest being payable in lawful money of the United States of America, at the office of the City Treasurer, in Las Animas, Colorado, upon presentation and surrender of said coupons and this Bond as they severally become due.

In addition to the "A" coupon interest rate hereinabove specified, only those bonds of this issue numbered 5 to 25, inclusive, maturing in the years 1983 to 1997, inclusive, shall bear additional interest, as evidenced by supplemental interest coupons designated "B" attached to said bonds (but which may subsequently be detached therefrom), at the rate of three per centum (3.00%) per annum. Said "B" coupon interest shall be payable for the period from February 1, 1978 to December 1, 1978, inclusive, payable on December 1, 1978.

Bonds of this issue maturing on or before December 1, 1988, shall not be callable for redemption prior to maturity. Bonds maturing on December 1, 1989 and thereafter, are redeemable prior to maturity at the option of the City on December 1, 1988, and on any interest payment date thereafter, in inverse numerical order, upon payment of par, accrued interest, and a premium of 1% of the principal amount so redeemed.

This Bond is issued by the City Council of the City of Las Animas, Colorado, for the purpose of supplying water to the City and its inhabitants, by extending and improving the water-works system of the City, under the authority of and in full conformity with the Constitution of the State of Colorado, the provisions of Title 31, Article 15, Part 3, Colorado Revised Statutes 1973, as amended, and all other laws thereunto enabling, and pursuant to an Ordinance of the City duly adopted, published and made a law of the City prior to the issuance of this Bond.

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It is hereby certified and recited that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that the total debt of the City, including that of this Bond, does not exceed any limit of indebtedness prescribed by the Constitution or Laws of the State of Colorado, and that provision has been made for the levy and collection of annual taxes on all the taxable property in said City, sufficient to pay the interest on and the principal of this Bond when the same become due.

The full faith and credit of the City of Las Animas, Colorado, are hereby pledged for the punctual payment of the principal of and the interest on this Bond.

IN TESTIMONY WHEREOF, the City Council of the City of Las Animas, Colorado, has caused this Bond to be signed by the manual signature of the Mayor of the City, sealed with a facsimile of the seal of the City, attested and countersigned by the facsimile signature of the City Clerk and Treasurer, and the attached interest coupons to be signed with the facsimile signature of the City Treasurer, as of the 1st day of February, 1978.

CITY OF LAS ANIMAS, COLORADO

(FACSIMILE  
S E A L )

(Do Not Sign)  
(Manual Signature)  
Mayor

ATTEST AND COUNTERSIGNED:

(Do Not Sign)  
(Facsimile Signature)  
City Clerk and Treasurer

(Form of Interest Coupon)

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

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

December,  
On the 1st day of June, 19\_\_, unless the Bond to which this coupon is attached, if redeemable, has been called for prior redemption, the City of Las Animas, in the County of Bent and State of Colorado, will pay to bearer the amount shown hereon in lawful money of the United States of America, at the office of the City Treasurer, in Las Animas, Colorado, being interest then due on its General Obligation Water Bond, dated February 1, 1978, bearing

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

(Do Not Sign)  
(Facsimile Signature)  
\_\_\_\_\_  
City Treasurer

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Section 3. DISPOSITION OF BOND PROCEEDS. Said bonds, when executed as provided by law, shall be delivered to the purchaser thereof in accordance with its contract of purchase. The proceeds of the bonds herein authorized shall be used only for the purpose of paying the costs and expenses of supplying the City of Las Animas with water and for no other purpose whatever. Neither the purchaser of the bonds nor the subsequent holder of any of them shall be responsible for the application or disposal by the City, or any of its officers, of any of the funds derived from the sale thereof.

All or any appropriate portion of the bond proceeds may be temporarily invested or reinvested pending such use in securities or obligations which are lawful investments for such cities in the State of Colorado. It is hereby covenanted and agreed by the City that the temporary investment or reinvestment of the bond proceeds, or any portion thereof, shall be of such nature and extent, and for such period, that the bonds shall not be or become arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code, and pertinent regulations, and such proceeds, if so invested or reinvested, shall be subject to the limitations and restrictions of said Section 103(c), as the same now exists or may later be amended, and shall further be subject to any applicable regulations of the Internal Revenue Service.

Section 4. PAYMENT OF PRINCIPAL AND INTEREST. If necessary, the interest to become due on said bonds on December 1, 1978, shall be advanced from the water fund or other funds of the City which are lawfully available therefor. For the purpose of reimbursing said fund, and for paying the interest accruing on the bonds promptly as the same become due, and for providing for the ultimate payment and redemption of the bonds, there shall be levied on all the taxable property in the City, in addition to all other taxes, direct annual taxes in each of the years 1978 to 1996, inclusive, sufficient to make such reimbursement and to pay the principal of and interest on the outstanding bonds as the same become due and payable. Said taxes when collected shall be deposited in a special fund to be known as the "City of Las Animas Water Bond Fund, 1978", and such Fund shall be applied solely to the purpose of the payment of the interest on and the principal of the bonds and for no other purpose whatever, until the indebtedness so contracted under this Ordinance, both principal and interest, shall have been fully paid, satisfied and discharged. Nothing herein contained shall be so construed as to prevent the City from applying any other funds or revenues that may be in the City treasury and available for that purpose, to the payment of the interest or principal, as the same respectively mature, and upon any such payments, the levy or levies herein provided may thereupon be diminished to that extent.

An amount necessary to pay all costs and expenses incidental to the issuance of said bonds and the amounts hereinbefore provided to pay the interest on said bonds and to discharge the principal thereof when due, are hereby appropriated for that purpose, and said amount for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the City Council of the City in each year, respectively.

It shall be the duty of the City Council of the City, annually, at the time and in the manner provided by law for levying other City taxes, if such action shall be necessary to effectuate the provisions of this Ordinance, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Council shall levy, certify and collect said taxes in the manner provided by law for the purpose of creating a fund for the payment of the principal of the bonds and interest thereon, and said taxes, when collected, shall be kept for and applied only to the payment of the interest and principal of the bonds as hereinabove specified.

Section 5. ESTABLISHMENT OF RATES AND CHARGES FOR SERVICES. Notwithstanding the foregoing provisions for tax levies, the City hereby further covenants and agrees to establish, maintain, collect and enforce a schedule of rates, fees, tolls and charges for connection to and use of the waterworks system of the City, which schedule shall be sufficient to assure that the revenue thereby produced, together with the proceeds of general ad valorem taxes and any other legally available funds, shall pay all reasonable costs and expenses of operating and maintaining the waterworks system and to pay the interest on and principal of the General Obligation Water Bonds, herein authorized, promptly as the same become due and payable, respectively.

Section 6. REPEALER. All ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

Section 7. ORDINANCE IRREPEALIBILITY. After said bonds are issued, this Ordinance shall be and remain irrepealable until said bonds and the interest thereon shall have been fully paid, satisfied and discharged.

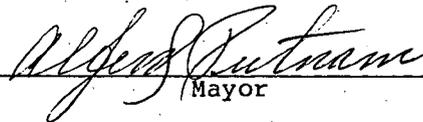
Section 8. SEVERABILITY. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such determination shall not affect, impair or invalidate the remaining provisions hereof, the intention being that the various provisions hereof are severable.

Section 9. RECORDING AND AUTHENTICATION. This Ordinance, immediately on its passage shall be recorded in the City Book of Ordinances kept for that purpose, authenticated by the signatures of the Mayor and Clerk and shall be published as required by law.

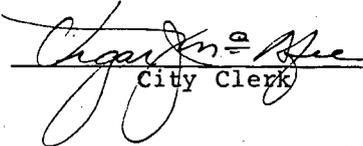
Section 10. EMERGENCY PROVISION. By reason of the fact that the City and its inhabitants must be properly and adequately supplied with water, and that it is necessary to issue and sell bonds of the City to pay a part of the costs and expenses of extending and improving the water system, which costs and expenses have and 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 be in full force and effect upon final publication as provided by law.

INTRODUCED AND PASSED ON FIRST READING This 9<sup>th</sup> day of January, 1978.

( S E A L )

  
\_\_\_\_\_  
Mayor

ATTEST:

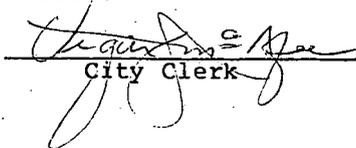
  
\_\_\_\_\_  
City Clerk

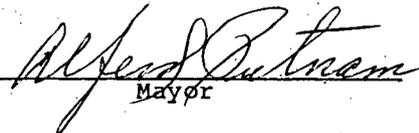
(The following to be inserted upon final reading  
of the Ordinance)

FINALLY ADOPTED AND APPROVED This 25<sup>th</sup> day of January,  
1978.

( S E A L )

ATTEST:

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

  
\_\_\_\_\_  
Mayor