

ORDINANCE NO. 425

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEWER REVENUE BONDS OF THE CITY OF GOLDEN, COLORADO, IN THE PRINCIPAL AMOUNT OF \$100,000; PRESCRIBING THE FORM AND PROVIDING FOR THE PAYMENT OF SAID BONDS AND THE INTEREST THEREON; AND DECLARING AN EMERGENCY.

WHEREAS, for many years the City of Golden, Colorado, has operated and now operates a water and sewer system as a single enterprise; and

WHEREAS, by Ordinance No. 253 of said City, adopted and approved March 28, 1949, the City Council of said city created a fund designated "The Water and Sewer Fund", into which all revenues of said water and sewer system shall be deposited, for the purpose of paying all expenses of the Water and Sewer Department of said City, and no part or portion thereof shall be transferred to any other fund or account except by action of the City Council; and

WHEREAS, the City Council has taken no action to transfer any part or portion of said Fund to any other fund or account; and

WHEREAS, for health and sanitary reasons it is imperative immediately that said sewer system be extended and improved; and

WHEREAS, in order to provide funds for said purpose, the City Council of the City of Golden, Colorado, has determined to issue Sewer Revenue Bonds of said City in the amount of \$100,000;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GOLDEN, JEFFERSON COUNTY, COLORADO:

Section One. That for said purpose there are hereby authorized Sewer Revenue Bonds of the City of Golden in the aggregate amount of \$100,000, both the principal thereof and the interest thereon to be payable solely and only out of said The Water and Sewer Fund.

Section 2. That said bonds hereby authorized shall be dated as of October 1, 1958, shall be in the denomination of \$1,000 each, shall be payable to bearer, shall bear interest at a rate or rates later to be determined by resolution of the City Council after public sale of said bonds in accordance with law, payable semi-annually on the 1st day of April and the 1st day of October each, shall have coupons attached thereto, signed with the facsimile signature of the Clerk and Treasurer of the City, evidencing said interest, and shall mature on October 1, as follows:

Amount	Maturity
\$5,000	1959 to 1961, incl.
6,000	1962 to 1965, incl.
7,000	1966 to 1969, incl.
8,000	1970 to 1972, incl.
9,000	1973

Said bonds maturing in the years 1964 and thereafter shall be redeemable at the option of the City on October 1, 1963, and on interest payment dates thereafter in inverse numerical order. Redemptions on and after October 1, 1963, to and including October 1, 1968, shall be at par, accrued interest and a premium of 3% of principal. Redemptions after October 1, 1968, shall be at par and accrued interest.

Said bonds shall be signed by the

Mayor, with the seal of said City there-to affixed, attested and countersigned by the City Clerk and Treasurer. Both principal of and interest on said bonds shall be payable in lawful money of the United States of America, at the office of the City Treasurer, in Golden, Colorado.

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

UNITED STATES OF AMERICA
State of Colorado County of Jefferson
CITY OF GOLDEN

SEWER REVENUE BOND

No. _____ \$1,000
The City of Golden, in the County of Jefferson and State of Colorado, for value received, hereby promises to pay to the bearer hereof, out of the special fund hereinafter designated but not otherwise, the sum of

ONE THOUSAND DOLLARS
in lawful money of the United States of America, on the 1st day of October, 19____, with interest thereon from date until paid at the rate of _____ per centum (_____%) pre annum, payable semi-annually on the 1st day of April and the 1st day of October each year, both principal and interest being payable at the office of the City Treasurer, in Golden, Colorado, upon presentation and surrender of the annexed coupons and this Bond as they severally become due.

(The following paragraph shall be inserted in bonds maturing in the years 1964 and thereafter.)

This bond is redeemable at the option of the City on October 1, 1963, and on interest payment dates thereafter, in its inverse numerical order in the issue of which it is one, at par, accrued interest and a premium of 3% of principal if redeemed on or after October 1, 1963, to and including October 1, 1968, and at par and accrued interest if redeemed after October 1, 1968.

This Bond is issued by the City of Golden for the purpose of extending and improving its sewer system in full conformity with the Constitution and laws of the State of Colorado, and an ordinance of said City, duly 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 "The Water and Sewer Fund" of said City, which Fund shall contain the revenue derived by the City from the operation of its municipal water and sewer system, all as is more fully stated in said Ordinance.

It is hereby recited, certified and warranted that for the payment of this Bond the City of Golden has created and will maintain said Fund and will deposit therein, out of the revenue of its water and sewer system, the amounts and revenue specified in said Ordinance, and out of said Fund as in irrevocable charge thereon will pay this Bond and the interest hereon, 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.

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 or statutory limitation.

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

IN TESTIMONY WHEREOF, the City of Golden, Colorado, has caused this Bond to be subscribed by its Mayor, the seal of the City to be hereto affixed, attested and countersigned by its Clerk and Treasurer, and the interest coupons hereto annexed to be signed with the facsimile signature of its Clerk and Treasurer, as of the 1st day of October, 1958.

(SEAL)

Mayor

ATTESTED AND COUNTERSIGNED:

City Clerk and Treasurer
(Form of Coupon)

No. _____ \$ _____

On the 1st day of April-October 19--,
*(unless the bond to which this coupon is attached has been called for prior redemption) the City of Golden, in the County of Jefferson and State of Colorado, will pay to bearer hereof

_____ Dollars
in lawful money of the United States of America, at the office of the City Treasurer, in Golden, Colorado, out of The Water and Sewer Fund of said City, but not otherwise, being six months' interest on its Sewer Revenue Bond dated October 1, 1958, bearing

No. _____
(Facsimile Signature)

City Clerk and Treasurer
*(This clause to appear in coupons maturing on April 1, 1964, and thereafter.)

Section 4. Said bonds shall be sold and delivered to the purchasers after public notice of sale, solely to provide the City with money for the purposes hereinbefore specified. The issuance 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.

Section 5. The principal of and interest on said bonds shall be payable solely out of the 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 agrees to maintain "The Water and Sewer Fund," to be kept separate and apart from all other funds of the City as provided in said Ordinance No. 253. Except as herein after provided, the owners and holders of said Revenue Bonds shall have a first and prior lien on said revenues and Fund. Such net revenues are hereby irrevocably pledged for the following purposes and shall be disbursed in the

following order:

(a) For all necessary expenses of maintaining and operating said water and sewer system;

(b) For the prompt payment of the interest on and the principal of said Sewer Revenue Bonds, when and as the same shall become due and payable, respectively;

(c) For a separate "Reserve Fund" to be accumulated at the rate of \$4,000 each year for a period of three years. The money in the Reserve Fund may be used to prevent defaults in the payment of said Revenue Bonds and interest thereon, but if money be used for such purpose, it shall be restored to the Reserve Fund as soon as possible. Said Reserve Fund shall be maintained until such time as the amount therein will be sufficient to pay all of said Revenue Bonds outstanding and the interest thereon. The money in said Reserve Fund may be invested in direct obligations of the United States of America; or in such depositories as permitted by the laws of the State of Colorado.

(d) For the purchase of said bonds in the open market at a price not less than the par value thereof, or 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 City Council of said City, for extensions of or improvements to its water and sewer system or for paying principal of and interest on additional bonds payable out of said Fund.

Section 7. The City hereby further irrevocably covenants and agrees with each and every holder of said 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 water and sewer 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 The Water and Sewer Fund, may at all times be readily and accurately determined;

(b) It will, through appropriate action of its City Council, establish, maintain and enforce a schedule of rates and charges for water and sewer services furnished by said system sufficient to pay all costs of maintaining and operating said system, and sufficient to produce the interest on and principal of said bonds and said Reserve Fund. In the event that such rates and charges in any year should not be sufficient to produce such amounts, the City shall increase its water and sewer rates and charges to such an extent as to insure the payments and accumulations required by the provisions of this Ordinance;

(c) It will not sell or alienate any of the property constituting any part, or all of its water and sewer system, in any manner or to any extent as might reduce the security provided for the payment of said Revenue Bonds by means of and out of said The Water and Sewer Fund, heretofore created and established, but the City may sell any portion of

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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 system: provided, however, that in the event of any sale or sales, as aforesaid, where the aggregate consideration exceeds the sum of \$1,000, such consideration shall be paid into said The Water and Sewer Fund, and shall be used for the purposes of said Fund.

(d) It will promptly render bills for water and sewer services furnished, and it will certify to the Board of County Commissioners of Jefferson County, Colorado, delinquent sewer rates and charges which shall become a lien on delinquent property the amount thereof to be collected in the same manner as general taxes are collected.

(e) At least once each year it will furnish each original purchaser of said bonds with a copy of an audit of the receipts of and the disbursements for its sewer system for the fiscal year immediately preceding each statement. Such audit shall be prepared by a competent independent accountant, and the audit shall show clearly whether or not there has been strict compliance with the provisions and covenants of this Ordinance, and if not, in what respects there has been non-compliance:

(f) It will carry workmen's compensation, public liability and such other forms of insurance on insurable sewer property, in such amounts as will fully protect said sewer system and the owners of said bonds:

(g) For the protection of the health of the inhabitants of the City, it will, by appropriate action, compel all owners of occupied property capable of being served by said sewer system, to connect their premises with such system.

Section 8. That nothing in this Ordinance shall be construed in such manner as to prevent the issuance by the City of Golden of additional bonds for the improvement or extension of such system, payable from the income derived from the operation of said system: provided, however, 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 sewer system, having a lien equal to or on a parity with the lien of the bonds authorized herein, 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 not less than 150% of the average annual amount required for interest on and principal of said bonds and of such additional bonds. Nothing herein shall prevent the issuance of bonds having a subordinate or inferior lien on said revenues, provided, however, that the City is current in the payments and accumulations required herein.

Section 9. All costs and expenses incurred in connection with the issuance and payment of the Revenue Bonds au-

thorized herein, as provided by this Ordinance, shall be paid exclusively from the revenue of said 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 said City.

Section 10. All ordinances, or parts thereof, in conflict with this Ordinance, are hereby repealed. After said Revenue 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. That the City Clerk shall be and he is hereby authorized to cause a Notice of Sale of said bonds to be published once in Golden Outlook, a newspaper circulating in the City of Golden, and a copy thereof to be published once in Daily Journal, a financial newspaper published in Denver, Colorado, at least five days prior to such sale.

Section 12. As the construction and installation of sewer extensions and improvements for said City at the earliest possible time are necessary as a health and sanitary measure, it is hereby declared that an emergency exists, that this Ordinance is necessary for the preservation of the public health, peace and safety, and that it shall take effect five (5) days after final publication as provided by law.

INTRODUCED AND READ AND ORDERED PUBLISHED this 11th day of September, 1958.

(S E A L)

ADOPTED AND APPROVED AND ORDERED PUBLISHED THIS 9th DAY OF OCTOBER, 1958

CLARK B. CARPENTER
Mayor

ATTEST:
B. O. BEAUSANG

I, B. O. Beausang, City Clerk of the City of Golden, Colorado, do hereby certify that the foregoing ordinance was introduced and read at a regular meeting of the City Council of said City held on the 11th day of September, 1958 and by order of said City Council was published as a proposed ordinance as the law directs, and for more than ten days prior to its passage in the Golden Outlook, a legal newspaper; and that on the 9th day of October, 1958, the said proposed ordinance was read and passed by the City Council aforesaid, the said meeting being a regular meeting of said City Council, and ordered published in aforesaid newspaper as the law directs.

Witness my hand and official seal of the City of Golden, Colorado, this 10th day of October, 1958.
(SEAL)

Attest:
B. O. BEAUSANG
City Clerk of the City of Golden, Colorado

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