

**ORDINANCE NO. 80-5**

**AN ORDINANCE TO CONTRACT AN INDEBTEDNESS ON BEHALF OF THE TOWN OF HUDSON, COLORADO, AND UPON THE CREDIT THEREOF BY ISSUING GENERAL OBLIGATION WATER BONDS OF THE TOWN IN THE PRINCIPAL AMOUNT OF \$218,000 FOR THE PURPOSE OF SUPPLYING THE TOWN WITH WATER BY EXTENDING AND IMPROVING THE EXISTING WATERWORKS SYSTEM OF THE TOWN; PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME; AND DECLARING AN EMERGENCY.**

WHEREAS, the Town of Hudson presently owns, operates and maintains a municipal waterworks system for the Town and its inhabitants; and

WHEREAS, it is necessary to extend and improve the waterworks system in order to supply the Town and the inhabitants thereof with a proper and adequate supply of water; and

WHEREAS, there are not sufficient funds in the treasury of the Town to pay the costs and expenses of supplying the Town with water and the Board of Trustees deems it advisable and necessary to authorize the issuance of general obligation negotiable coupon bonds of the Town in the amount of \$218,000 for that purpose; and

WHEREAS, the Board has entered into a loan agreement with the United States Department of Agriculture, Farmers Home Administration, (the "FmHA") whereby the FmHA will purchase the general obligation water bonds in the principal amount of \$218,000, at an interest rate of 5% per annum; and

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 HUDSON, WELD COUNTY, COLORADO:**

- Section 1. Construction and Extension of System.** The Board of Trustees has determined, and does hereby determine, that it is in the best interest of the Town and its inhabitants to provide funds for constructing and installing improvements to and extensions of the waterworks system of the Town. The total estimated cost of the project is \$435,000.00. The method of payment is as follows: (approximate amounts)
- (a) FmHA loan \$218,000
  - (b) Colorado Water Conservation Board Loan \$217,000
  - (c) Other \$

**Section 2. Bond Details.** That for the purpose of paying part of the costs and expenses of supplying the Town with water by extending and improving the existing waterworks system of the Town, the Town shall issue general obligation negotiable coupon bonds in the principal amount of \$218,000, each to be designated "General Obligation Water Bond, Series 1980". The bonds shall be dated as of the date of the issuance and delivery of the bonds, will be numbered from 1 to 218, 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 at the rate of 5% per annum, payable on November 1, 1981 and semi-annually thereafter on May 1 and November 1 each year, and mature serially on November 1, as follows:

Amount	Maturity
\$ 2,000	1982 to 1987, incl.
3,000	1988 to 1994, incl.
1005 to 1000	1995 to 2000, incl.

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, without redemption premium. 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. If any of the bonds to be redeemed are registered as to principal and interest, then notice shall be 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 Hudson, Colorado, or as to any bond or interest coupon owned by 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 3. 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 in 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 unmatrued coupons. The Registrar shall make a notation of such registration thereon and detach and cancel all unmatrued 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 4. Conversion of Registered Bonds.** Any bond registered as to both principal and interest may be reconvertd 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 5. Form and Execution of Bonds.** Said bonds shall be signed by the manual signature of the Mayor of the Town, sealed with the facsimile signature of the Town Treasurer, as of the day of \_\_\_\_\_, 19\_\_\_\_.

(Form of Bond)  
UNITED STATES OF AMERICA

STATE OF COLORADO  
TOWN OF HUDSON

GENERAL OBLIGATION WATER BOND, SERIES 1980  
No. \_\_\_\_\_ \$1,000

The Town of Hudson, in the County of Weld and State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay to the bearer hereof, or if this bond be registered, then to the registered owner hereof, the principal sum of ONE THOUSAND DOLLARS

on the 1st day of November, 19\_\_\_\_, with interest thereon at the rate of five per centum (5%) per annum, payable on November 1, 1981 and semiannually 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, or if this Bond be registered, then to the registered owner hereof. Both principal and interest are payable in lawful money of the United States of America, at the office of the Town Treasurer, in Hudson, Colorado, or as to any bond or coupon owned by the United States Department of Agriculture, Farmers Home Administration, then at the FmHA Finance Office, in St. Louis, Missouri.

Bonds of this issue maturing on or before November 1, 1990, shall not be redeemable prior to their respective maturity dates. Bonds maturing on November 1, 1991, and thereafter, are redeemable in inverse numerical order, at the option of the Town, on November 1, 1990, and on any interest payment dates thereafter, upon payment of par and accrued interest, without redemption premium. If, however, all of the bonds are held by the Farmers Home Administration, then 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, without redemption premium.

This Bond is issued by the Board of Trustees of the Town of Hudson, Colorado, for the purpose of supplying water to the Town and its inhabitants, by extending and improving the existing waterworks system of the Town, 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 thereto enabling, and pursuant to an Ordinance of the Town duly adopted, published and made a law of the Town prior to the issuance of this Bond.

It is hereby certified and recited that all the requirements of law have been fully complied with by the proper officers of the Town in the issuance of this Bond; that the total debt of the Town, 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 a general ad valorem tax on all the taxable property in said Town, sufficient to pay the interest on and the principal of this Bond when the same become due.

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

This Bond may be registered in the name of the holder thereof in conformity with the provisions endorsed hereon and subject to the terms and conditions set forth in the Ordinance authorizing its issuance, and unless so registered, this Bond shall be transferable by delivery. This Bond may be registered as to both principal and interest, but not as to principal only or to interest only; and if this Bond be registered as to both principal and interest, it may be reconvertd into a coupon bond in accordance with the provisions endorsed hereon and subject to the provisions set forth in said Ordinance.

**IN TESTIMONY WHEREOF,** the Board of Trustees of the Town of Hudson, Colorado, has caused this Bond to be signed by the manual signature of the Mayor, sealed with a facsimile of the seal of the Town, attested and countersigned with the facsimile signature of the Town Clerk and Treasurer, and the attached coupons to be signed with the facsimile signature of the Town Treasurer, as of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

TOWN OF HUDSON, COLORADO  
By \_\_\_\_\_  
(Manual Signature)  
Mayor

(FACSIMILE SEAL)

ATTEST AND COUNTERSIGNED:

(Facsimile Signature)  
Town Clerk and Treasurer

(Form of Registration Panel on Back of Bond)

PROVISION FOR REGISTRATION AND RECONVERSION
This bond may be registered as to both principal and interest, but not as to principal alone nor as to interest alone, on the books of the Town of Hudson, Colorado, kept by the Treasurer of the Town as Registrar, upon presentation hereof to the Registrar, who shall detach and cancel all unmatured coupons and shall make notation of such registration as to both principal and interest on the registration blank below. After registration this bond may 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 to be made on said book and endorsed hereon by the Registrar. The principal of and interest on this bond, if registered, shall be payable only to, or upon the order of, the registered owner or his legal representative.

This bond, if converted into a bond registered as to both principal and interest, may be reconverted, at the expense of the registered owner, into a coupon bond, upon presentation hereof to the Registrar, accompanied by an instrument duly executed by the registered owner, or his legal representative, in such form as shall be satisfactory to the Registrar, who shall attach hereto new coupons representing the interest to become due thereafter on this bond to the date of maturity, and shall make notation in the registration blank below that this bond is payable to bearer. Such coupon bond may again be registered as to both principal and interest as hereinabove provided. Any registration, transfer, or discharge from registration is subject to such reasonable rules and regulations as the authorizing ordinance, the Board of Trustees or the Registrar may prescribe and upon payment of a charge sufficient to reimburse the Town and the Registrar for any tax or other governmental charge to be paid by them in connection therewith. Except as otherwise provided in the authorizing ordinance, no charge shall be made to the holder hereof for the privilege of registration, transfer or discharge from registration. Every privilege of registration, transfer or discharge from registration, or conversion hereinabove provided shall be exercised only in accordance with and subject to the terms and provisions of that ordinance.

The registration books shall be closed for a period of fifteen (15) days next preceding any interest payment date or after the first publication of any notice of prior redemption of any bond has been made.

Date of Registration Name of Registered Owner Signature of Registrar

Undited States of America
Farmers Home Administration

(End of Form of Registration Panel on Back of Bond)
(Form of Interest Coupon)

No. May \$

On the 1st day of November, 19\_\_ unless the Bond to which this coupon is attached, if redeemable, has been called for prior redemption, the Town of Hudson, in the County of Weld 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 Town Treasurer, in Hudson, Colorado, or as to any bond or coupon owned by the United States Department of Agriculture, Farmers Home Administration, then at the FmHA Finance Office, in St. Louis, Missouri, being interest then due on its General Obligation Water Bond, Series 1980, bearing

(Facsimile Signature)
Town Treasurer

Section 6. Issuance of Single Bond. Notwithstanding the provisions of this ordinance relating to the issuance of serial bonds, the amount of any loan from the Farmers Home Administration shall be evidenced by a single bond as hereinafter set forth.

Such single bond shall be numbered R-1 and shall mature in installments of principal, substantially as provided in Section 2 hereof. The interest on said bond shall begin to accrue from the date of the issuance and delivery of the bond, and will not be evidenced by any interest coupons.

The principal of and interest on said bond shall be payable to the registered holder of said bond at the address shown on the registration books of the Town.

The single bond shall be registered as to principal and interest in the same manner and subject to the same terms and conditions as provided herein for the registration of serial bonds.

The single bond shall be signed by the manual signature of the Mayor, sealed with an impression of the seal of the Town, and attested and countersigned by the manual signature of the Town Clerk and Treasurer.

At the request of the holder and owner of the single bond, the Town may issue negotiable coupon bonds or serial registered bonds without coupons, in exchange for and upon surrender of the single bond, in the denomination of \$1,000 each, in the aggregate principal amount equal to the amount of the unpaid principal of the outstanding single bond, such bonds to be in the form provided by Section 7 of this Ordinance. The cost and expense of such serial bonds shall be paid by the holder and owner of the single bond.

Section 7. Form of Single Bond. The form of the single bond shall be as follows:

(Form of Bond)
UNITED STATES OF AMERICA
COUNTY OF WELD
STATE OF COLORADO
TOWN OF HUDSON

GENERAL OBLIGATION WATER BOND, SERIES 1980
No. R-1 \$218,000
The Town of Hudson, in the County of Weld and State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner hereof, the principal sum of TWO HUNDRED EIGHTEEN THOUSAND DOLLARS (\$218,000) on November 1 in the years and installments as follows:

Table with 2 columns: Amount, Maturity. Rows include \$ 2,000 (1982 to 1987, incl.), 3,000 (1988 to 1994, incl.), 4,000 (1995 to 1999, incl.), 5,000 (2000 to 2003, incl.), 6,000 (2004 to 2007, incl.), \$ 7,000 (2008 to 2010, incl.), 8,000 (2011 and 2012), 9,000 (2013 and 2014), 10,000 (2015 and 2016).

11,000 2017 and 2018  
12,000 2019 and 2020

with interest from the date thereof at the rate of five per centum (5%) per annum, payable on November 1, 1981 and semi-annually thereafter on May 1 and November 1, each year, until said sum is paid. Both the principal hereof and interest hereon are payable in lawful money of the United States of America, to the registered holder hereof at the address shown on the registration books of the Town. The final installment of principal and interest due on this Bond shall be made only upon presentation and surrender of this Bond to the Town.

Installments of principal of this Bond becoming due on or before November 1, 1990, are not payable prior to their stated due date, unless the Farmers Home Administration is the registered owner hereof. Installments becoming due on and after November 1, 1991, are subject to prepayment prior to their stated due dates in the amount of \$1,000 or any multiple thereof, at the option of the Town, in inverse order of due dates, on November 1, 1990, and on any interest payment date thereafter, by the payment of such principal amount and accrued interest, without prepayment premium. If the Farmers Home Administration is the registered owner, all installments are subject to prepayment at any time prior to their stated due date, in the amount of \$1,000 or any multiple thereof, in inverse order of their due date, by the payment of such principal amount and accrued interest to the date of prepayment, without prepayment premium. Notice of prepayment shall be given as provided by the Ordinance authorizing this Bond.

This Bond is issued by the Board of Trustees of the Town of Hudson, Colorado, for the purpose of supplying water to the Town and its inhabitants, by extending and improving the existing waterworks system of the Town, 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 Town duly adopted, published and made a law of the Town prior to the issuance of this Bond.

It is hereby certified and recited that all the requirements of law have been fully complied with by the proper officers of the Town in the issuance of this Bond; that the total debt of the Town, 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 general ad valorem taxes on all the taxable property in said Town, sufficient to pay the interest on and the principal of this Bond when the same become due.

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

This Bond is transferable only upon the books kept by the Treasurer of the Town as Registrar, by the registered owner hereof in person or by his duly authorized attorney, and similarly noted hereon, or it may be surrendered in exchange for new bonds of the same aggregate principal amount, in coupon form or in serial registered form, in the denomination of \$1,000 each, and subject to the conditions provided in said Ordinance.

IN TESTIMONY WHEREOF, The Board of Trustees of the Town of Hudson, Colorado, has caused this Bond to be signed by the manual signature of the Mayor, sealed with an impression of the seal of the Town, and attested and countersigned by the manual signature of the Town Clerk and Treasurer, as of the \_\_\_\_\_ day of \_\_\_\_\_, 198

( S E A L )  
TOWN OF HUDSON, COLORADO

By \_\_\_\_\_

Mayor

ATTEST AND COUNTERSIGNED):

(Manual Signature)

Town Clerk and Treasurer

(Form of Registration Panel)

This bond is registered in the office of the Treasurer of the Town of Hudson, Colorado, as Registrar, in the name of the owner listed below, and the principal amount of this bond and interest thereon shall be payable only to such owner, all in accordance with the ordinance authorizing the issuance of this bond.

Date of Registration	Name of Registered Owner	Signature of Registrar
	United States of America, Farmers Home Administration	

Section 8. **Disposition of Bond Proceeds.** Said bonds, when executed as provided by law, shall be delivered to the purchaser thereof with the 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 Town 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 Town, 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 towns in the State of Colorado. It is hereby covenanted and agreed by the Town 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 of 1954 as amended, and pertinent regulations, and such proceeds, if so invested or reinvested, shall be subject to the limitations and restrictions of said Section 103(c), and pertinent regulations as the same now exist or may later be amended.

Section 9. **Payment of Principal and Interest.** If necessary, the interest to become due on said bonds during the construction of the water improvements, shall be advanced from the water fund or other fund of the Town which are lawfully available therefor. For the purpose of reimbursing said fund, and for paying the interest accruing on said 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 Town, in addition to all other taxes, general ad valorem taxes in each of the years 1980 to 1919, 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 account to be known as the "Town of Hudson Water Bond Account, 1980", and such Account shall be applied solely to the purpose of the payment of the interest on and the principal of the bonds herein authorized 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 construed as to prevent the Town from applying any other funds or revenues that may be in the Town 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 be included in the annual budget and the appropriation bills to be adopted and passed by the Board of Trustees of the Town in each year, respectively.

It shall be the duty of the Board of Trustees of the Town, annually, at the time and in the manner provided by law for levying other Town 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 Board 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 10. **Establishment of Rates and Charges for Service.** Notwithstanding the foregoing provisions for tax levies, the Town 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 Town, which schedule shall be sufficient to assure that the revenue thereby produced, together with the proceeds of general ad valorem taxes, 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, Series 1980, herein authorized, promptly as the same become due and payable.

Section 11. **Defeasance.** When all principal, interest and prior redemption premiums, if any, in connection with the bonds hereby authorized have been duly paid, the pledge and lien and all obligations hereunder shall thereby be discharged and the bonds shall no longer be deemed to be outstanding within the meaning of this ordinance. There shall be deemed to be such due payment when the Town has placed in escrow and in trust with a commercial bank located within or without the State of Colorado, and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be initially invested) to meet all requirements of principal, interest and prior redemption premium, if any, as the same become due to their final maturities or upon designated prior redemption dates. The Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Town and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The term "Federal Securities" within the meaning of this section shall include only direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America.

Section 12. **Temporary Borrowing.** The Board of Trustees is hereby authorized to borrow such amount as may be necessary to pay the cost of constructing and improving the municipal waterworks system until such time as the bonds authorized by this ordinance are issued and sold to the purchaser. The amount of such borrowing shall not, however, exceed the amount of \$218,000, and the temporary borrowing shall be repaid immediately from the proceeds of this issue of bonds. The interest rate on such borrowing shall be determined by the Board of Trustees.

Section 13. **Repealer.** All ordinances, or parts thereof in conflict with this Ordinance are hereby repealed.

Section 14. **Ordinance Irrepealable.** After the General Obligation Water Bonds, Series 1980, have been issued, this Ordinance shall be irrepealable until said bonds and the interest thereon shall be fully paid, satisfied and discharged in the manner herein provided.

Section 15. **Severability.** That if 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 16. **Emergency Provision.** By reason of the fact that the Town is not supplied with adequate waterworks facilities, and it is necessary to issue bonds to pay part of the cost of the construction and installation of improvements for the municipal waterworks system, which costs have become due and will hereafter become due and payable, it is hereby declared that an emergency exists, that this Ordinance is necessary for the preservation of the public peace, health and safety, and that it shall take effect upon publication.

Section 17. **Recording and Authentication.** This Ordinance shall be recorded in a book kept for that purpose, shall be authenticated by the signatures of the Mayor and Town Clerk, and shall be published in accordance with law.

ADOPTED AND APPROVED This 10th day of December, 1980.  
( S E A L )

ATTEST:

Mayor

Town Clerk

Published in the Keene Valley Sun December 18, 1980.