

ORDINANCE NO. 33

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT MORE THAN \$43,000.00 OF WATER SYSTEM REVENUE BONDS OF THE VILLAGE OF CASTLEFORD, IDAHO, WHICH SHALL BE PAYABLE ONLY OUT OF THE EARNINGS AND REVENUES OF SAID SYSTEM: PROVIDING FOR THE FORM OF SAID BONDS AND THE INTEREST COUPONS TO BE ATTACHED THERETO: CREATING A SPECIAL FUND IN THE OFFICE OF THE VILLAGE TREASURER TO BE KNOWN AS "WATER SYSTEM REVENUE SPECIAL FUND OF 1952", AND CREATING A SPECIAL RESERVE ACCOUNT IN THE IDAHO FIRST NATIONAL BANK OF BUHL, IDAHO: PRESCRIBING CERTAIN COVENANTS AND PROVIDING FOR THE PUBLICATION OF, AND EFFECTIVE DATE OF, THIS ORDINANCE.

WHEREAS, at an election duly held on the 4th day of December, 1951, Revenue Bonds in the amount of not more than \$43,000.00 were authorized for the construction, installation, and acquisition of a water system, which, for the sake of brevity is referred to as "Works"; and

WHEREAS, there are certain requirements that must be complied with by the issuing corporation prior to the issuance of these Revenue Bonds,

NOW, THEREFORE, BE IT ORDAINED BY THE CHAIRMAN AND BOARD OF TRUSTEES OF THE VILLAGE OF CASTLEFORD, TWIN FALLS COUNTY, IDAHO:

Section 1: That for the purpose of obtaining and providing sufficient funds for the construction, installation and acquisition of said Works, and in order to pay the costs of the issuance of said Revenue Bonds, all engineering, inspection, fiscal and legal expenses, and interest, which is estimated will accrue during the construction period and for six months thereafter on money borrowed, there shall be issued and sold by the Village of Castleford, Idaho, Revenue Bonds of said Village in the aggregate amount of not more than Forty-three Thousand Dollars (\$43,000.00) which is the estimated cost and expense of all the foregoing, which said bonds shall be dated January 1, 1952, or on such date agreeable to the purchaser as may be fixed by the Chairman and Board of Trustees subsequent to the sale thereof, and shall bear interest at a rate of not in excess of Four per centum (4%) per annum, payable semi-annually after date, and shall consist of not more than Forty-three (43) bonds, of the denomination of \$1000.00 each, numbered from One (1) upward, consecutively, shall run for a period of twenty (20) years from date of issue, and shall be amortized and payable in accordance with the provisions of the Municipal Bond Law of the State of Idaho, the first annual amortized principal payment being at the expiration of two years from and after date of said bonds. Any balance from the sale of said bonds over

and above the foregoing costs will be deposited in the Special Water System Fund hereinafter created in this Ordinance. Any and all of said bonds maturing according to their terms on and after ten years from date of said bonds may be retired and redeemed prior to their fixed dates of maturity on any interest payment date at par and accrued interest upon and after publication of a notice of the intention of the Village thus to redeem at least once in a newspaper of general circulation, printed and published in said Village at least thirty (30) days prior to the date of intended redemption, or, if there be no newspaper published within said Village, then in some daily or weekly newspaper printed and published within Twin Falls County, Idaho, and by mailing notice of said call at the same time to the purchaser of said bonds, such redemption to be in the inverse order of the numbering of said bonds, highest numbers first, and upon the date of such redemption interest upon said bonds shall cease to accrue.

Section 2: The construction, acquisition, improvement, equipment, custody, operation and maintenance of these Works, and the collection of revenues therefrom for the services rendered thereby, shall be under the supervision and control of the governing body of this municipality.

Section 3: That the form of said bonds and the interest coupons which shall be attached thereto and the Certificate of the Clerk and Treasurer of said Village, which shall be printed upon the back of each bond, shall be substantially in the following form, viz:

(Form of Bond)

No. _____ \$1,000.00

UNITED STATES OF AMERICA
State of Idaho
County of Twin Falls
VILLAGE OF CASTLEFORD
WATER SYSTEM
REVENUE BOND OF 1952

KNOW ALL MEN BY THESE PRESENTS: That the Village of Castleford, Twin Falls County, Idaho, for value received hereby promises to pay to bearer on the first day of _____, 195____, the principal sum of

ONE THOUSAND DOLLARS

(\$1000.00), with interest thereon from date hereof at the rate

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of _____ per centum (____%) per annum, payable semi-annually on the first day of _____ and the first day of _____ in each year, upon the presentation and surrender of this bond at its maturity, and upon the presentation and surrender of the annexed interest coupons as they severally become payable, both principal and interest of this bond being payable in lawful money of the United States of America at the office of the Treasurer of the Village of Castleford, in Castleford, Idaho.

This bond and the interest thereon are payable solely from a Special Water System Fund named and known as the "Water System Revenue Special Fund of 1952," created by Ordinance No. _____ of said Village, passed and approved December _____, 1951, and thereafter duly published, providing for the monthly payment, commencing with the month of _____, 1952, or upon the month following the completion of the work, into said Special Water System Fund from the earnings and revenues of the Works of said Village of fixed amounts of the revenues of said Works sufficient to pay the principal and interest of this bond and of the issue of bonds of which this is one, as the same become payable, and as provided in said Ordinance; and the village of Castleford hereby covenants and agrees with the holder of this bond, and each subsequent holder thereof that it will pay, and cause to be paid, into said Fund monthly after date hereof from such revenues an amount sufficient to pay such principal and interest at maturity and as they accrue and become payable and as provided in said Ordinance; and will perform and keep all the covenants and provisions of said Ordinance 32 and of Ordinance No. ____; that said Village shall not sell, lease, or in any manner dispose of, said Works, or as the same may be improved, bettered or extended hereafter, or any substantial part or unit thereof, until this bond and the bond issue of which it is one, together with interest thereon shall be paid in full, unless and until provision shall have been made for the full payment of all of said bonds and interest; that said Village, until all of said bonds and the interest thereon shall have been fully paid, shall not reduce the rates required by it for water service from said Works so that the gross revenues of said Works (after subtracting the cost of operation and

maintenance thereof) shall be insufficient to permit the making of the payments of fixed amounts into said Special Water System Fund as required by Ordinance No. _____ and as recited herein; that if at any time the gross revenues of said Works, or as hereafter bettered, extended, added to and improved, shall not be sufficient to pay said costs of operation and maintenance and charges thereon by said Ordinance created in favor of the bonds authorized by said Ordinance, it, the said Village, shall increase its said rates to such rates and amounts as will be sufficient to provide for the payment of all such costs of operation and maintenance of said Works and of the principal and interest of the bonds authorized by said Ordinance; that said Village will establish, maintain and collect rates for said Works for so long as any of the authorized bonds herein are outstanding and will make available for the payment of the principal and interest of all such bonds as the same shall accrue an amount equivalent to 1.5 times the amount required each year for the principal and interest payments due on all such outstanding bonds; that in order to preserve the priority of the said Special Water System Fund, the said Village shall not create, or permit to be created, so long as any of said bonds shall be outstanding and unpaid, any indebtedness or charge whatsoever which shall be a charge against the revenues of said Works superior to the charges created by said Ordinance; that any future charge or special fund indebtedness which may be created by said Village, to be payable out of the revenues of said Works, shall constitute a charge and lien subject and junior to the charge and lien thereon created by said Ordinance. The Village of Castleford covenants and agrees that it will maintain at all times a Special Reserve Account equal to \$3000.00 in addition to the Water System Revenue Special Fund of 1952.

This bond is one of an issue of the Water System Revenue Bonds of 1952 of said Village, of like date, tenor and effect, except as to dates of maturity, aggregating Forty-three Thousand Dollars in principal amount, numbered from One (1) to Forty-three (43), both inclusive, of the denomination of \$1000.00 each, maturing in numerical order, lowest numbers first, on _____ first in each of the following years, in the following annually maturing amounts, viz: (Here will be set forth

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the annual maturities upon the sale of said bonds and the ascertainment of the rate, or rates, of interest to be borne by said bonds); Provided that Bonds Nos. _____ to 43, both inclusive, or any of them, shall be redeemable on any interest payment date prior to their dates of absolute maturity on and after ten years from date of said bonds, at the option of the Village of Castleford, in the inverse order of their numbering, highest numbers first, upon and after prior publication of a notice of the intention of the Village thus to redeem any of said bonds, by publication of such notice at least once in a newspaper of general circulation, printed and published in said Village at least thirty (30) days prior to the date of intended redemption, or, if there be no newspaper published within said Village, then in some daily or weekly newspaper printed and published within Twin Falls County, Idaho, and by mailing notice of said call at the same time to _____ of _____; and upon the date thus fixed for redemption, interest upon the bonds thus called for redemption shall cease to accrue. The foregoing bonds have been issued by the Village of Castleford, Idaho, for the purpose of acquiring funds to pay the cost and expense of the construction, acquisition and installation of said Works as provided in Ordinance No. 32 of said Village and as authorized at an election held within said Village on December 4, 1951. This bond has been issued under the authority of and in strict compliance with the Constitution and laws of the State of Idaho and with Chapter 47 of the Session Laws of Idaho of 1951, and the Ordinances and Resolutions of said Village.

It is hereby certified that all acts, conditions, and things required by the Constitution and laws of said State and by the Ordinances and Resolutions of said Village to happen, exist and to be done and performed precedent to and in the issuance of this bond have duly happened, have existed and do exist, and have been done and performed, and that this bond and the bond issue of which it is one are not affected by any constitutional or other municipal debt limitation.

IN WITNESS WHEREOF the VILLAGE OF CASTLEFORD, TWIN FALLS COUNTY IDAHO HAS CAUSED this bond to be signed in its corporate name, by its Chairman of the Board of Trustees, countersigned

by its treasurer and attested by its Village Clerk under the seal of said Village, and the coupons hereto attached to be signed by the Treasurer of said Village by his facsimile signature, which official, by the execution hereof, does adopt as and for his proper signature, his facsimile signature appearing on each of said coupons, this _____ A.D. 1952.

VILLAGE OF CASTLEFORD,
TWIN FALLS COUNTY, IDAHO

BY Daryl W Phillips
Chairman of Board of Trustees.
Countersigned:

Village Treasurer

ATTEST:

AS Sillett

Village Clerk
(Form of Interest Coupon)

No. _____ \$ _____

On the first day of _____, 19____, the Village of Castleford, Idaho, will pay to bearer at the office of the Treasurer of the Village of Castleford, in Castleford, Idaho, _____ Dollars(\$ _____) in lawful money of the United States of American solely from the "Water System Revenue Special Fund of 1952" of said Village created by Ordinance No. _____ passed and approved December _____, 1951, and solely from the earnings and revenues of the said Works, being the semi-annual interest then payable on its Water System Revenue Bond of 1952, dated _____ 1, 1952, Bond No. _____.

(Facsimile Signature)

Treasurer of Castleford, Idaho

(The following additional language will be printed upon the coupons of the bonds subject to prior redemption, viz:

"In the event of prior redemption of the annexed bond, all unearned interest evidenced hereby as of the date of such prior redemption shall cease to be payable.

CERTIFICATE OF VILLAGE CLERK AND VILLAGE TREASURER
(The be Printed upon the Back of each bond)

We, the undersigned Clerk and Treasurer of the Village of Castleford, Idaho, do hereby certify that the within bond has been duly registered in permanent record books kept in our respective offices for the purpose of such registration, in full compliance with the provisions of Chapter 262 of the Session Laws

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of the State of Idaho of 1927, and as amended, and Chapter 47 of the Session Laws of the State of Idaho of 1951, and all other laws applicable thereto, such registration showing the number, date, amount of the bond, rate of interest thereon, date of maturity, place of payment and the number and demoninations of the attached coupons; and the undersigned Treasurer does hereby certify that before the delivery of this bond he received the proper consideration therefor.

Clerk of the Village of Castleford,
Twin Falls County, Idaho.

Treasurer of the Village of Castleford,
Twin Falls County, Idaho.
(END OF BOND FORM)

Section 4: There shall be, and there is hereby created and established in the office of the Treasurer of the Village of Castleford, Idaho, a Special Water System Fund, which shall be known and described as the "WATER SYSTEM REVENUE SPECIAL FUND OF 1952" of the Village of Castleford, into which Fund for the purpose of paying the principal and interest of said bonds, according to their maturities, shall be paid monthly by said Village, and the proper officers of said Village shall pay monthly, and this Board of Trustees, by this Ordinance does hereby promise and agree, and obligates and binds the Village of Castleford, to set aside and pay out of the gross earnings and revenues of said Works (subject to the primary deduction therefrom of sums equal to the costs and expenses of operation and maintenance of such Works) a definite sum monthly in every month during the life of said Bonds, commencing with May 1, 1952, or upon the month following the completion of the Works, and until the full payment of said bonds and all interest, equal in amount (in each such month in each year during said period of monthly payments) to one-twelfth of the aggregate amount of bond principal which will be apyable during, and at the expiration of, each such year during the life of said bonds, and as specifically set forth hereinbefore, plus one-twelfth (in each month) of the bond interest accruing and being payable within each such year.

It is hereby made the mandatory official duty of the Treasurer

of the Village of Castleford, Idaho, for the time being, to maintain said Special Water System Fund continuously in his said office, and to pay, and to cause to be paid, into said Special Water System Fund out of the said revenues of said Works, the foregoing bonds, and to apply said moneys for the payment and retirement of said Water System Revenue Bonds according to their terms.

The foregoing Special Water System Fund created hereby, and the funds paid therein, as required hereinbefore, shall be used solely for the purpose of the payment of the principal of said bonds authorized hereby as they mature and become payable, and for the payment of the interest thereon as the same accrues and becomes payable, as provided in the interest coupons which shall be attached to said bonds, without preference or priority of the interest upon one bond over another bond maturing in any year, by reason of its numbering, priority of issuance, or otherwise.

The Board of Trustees and the corporate authorities of the Village of Castleford hereby declare that in fixing the amounts to be paid into said Special Water System Fund, as aforesaid, they have exercised due regard to the cost of operation and maintenance of said municipal Works and That no portion of said revenues nor charges has been previously pledged for any other indebtedness.

Section 5: Said Village hereby covenants and agrees with the owners and holders of each of said bonds that the Village will establish and maintain and collect rates and charges for said Works for as long as any of the \$43,000.00 bonds authorized herein are outstanding, and will make available for the payment of the principal and interest of all of such bonds as the same shall accrue an amount equivalent to 1.5 times the amount required each year for the principal and interest payments due on all of such bonds. The amount "available for the payment of the principal and interest of all such bonds as the same shall accrue" is hereby defined as the gross revenues of the said Works less expenses of maintenance and operation.

Section 6: There shall be, and there is hereby created and established by said Village, in addition to the "Water System Revenue Special Fund of 1952" a Special Reserve Account, and in addition to the sums above required, said Village shall set aside and pay into said Special Reserve Account, out of the

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gross revenues of said Works, after the primary deductions therefrom have been made of sums equal to the costs and expenses of operation and maintenance of said Works, and after the monthly payments into said Special Water System Fund have been made, as provided in Section 4 hereof, the sum of \$75.00 per month each month, commencing with the month of May, 1952, and monthly thereafter until said Special Reserve Account equals the sum of \$3000.00. When the sum of \$3000.00 has been deposited in said Special Reserve Account no further payments shall be made into said Special Reserve Account. Said Village further agrees that it will at all times maintain said sum of \$3000.00 in said Special Reserve Account. In the event of a deficiency in the said Special Water System Fund for the payment of maturing principal and interest amounts, such deficiency shall be made up from the Special Reserve Account. In the event of a deficiency in the said Special Water System Fund for the payment of maturing principal and interest amounts, such deficiency shall be made up from the Special Reserve Account and said Special Reserve Account shall be reimbursed out of the next available revenues arising from said Works after making necessary provisions for the required payments into the Special Water System Fund and costs and expenses of maintenance and operation. The foregoing funds deposited in the Special Reserve Account must be deposited in the Idaho First National Bank of Buhl, Idaho, or invested in legal securities for municipal investment purposes in the State of Idaho.

Section 7: It is the duty of the Village to transfer from its General Fund to the account, or accounts, of the Special Water System Fund or the Special Reserve Account, a sum, or sums, of money for furnishing the municipality, or any of its departments, boards of agencies, with the services and facilities of such Works.

Section 8: That in addition to the covenants set forth in Ordinance No. 32 of this Village and in this Ordinance, the said Board of Trustees further covenant and agree that none of the funds specifically pledged have heretofore been pledged for the payment of any special fund indebtedness whatsoever and that the revenues of said Works are sufficient in amount to fully pay the

foregoing bonds hereby authorized in addition to all other charges thereon.

Language expressing the terms or substance of this Section and the covenants contained in Ordinance No. 32 shall be set forth in the foregoing bonds in the form of, and as, a covenant and agreement of said Village with each and all of the owners and holders at any time of said bonds or any of them.

Section 9: It is further resolved, covenanted and agreed by this municipality, that for the protection of said municipality and for the further security of said bonds, the municipality shall obtain and maintain at all times during the life of said bonds the following insurance:

Fire, Explosion and Earthquake.

That these policies shall be in an amount sufficient to protect said Municipality and the holders of said bonds from any and all loss which may result to them during the life of said bonds and until the full payment thereof from any interruption of said Works, or from any interruption in making the payments out of said facilities for the payment of said bonds and interest thereon.

Said insurance policies shall be in such amounts and terms, and be in such insurance companies as in the judgment of this Village will be adequate for the reasonable protection of the foregoing bond issue. In the event of any loss of, or diminution in, and during the period of any loss or diminution in, the earnings of the foregoing Works, insurance payments sufficient to adequately protect the bondholders will be paid into the Water System Revenue Special Fund of 1952.

Section 10: A complete set of Books of Account of said Works shall be kept in the office of the Treasurer of said Village and shall be open to inspection by the public at any time during office hours. The books of Account shall be audited annually by a Certified Public Accountant appointed by the Village of Castleford, Idaho.

Section 11: When for any reason the Village of Castleford, or any of its duly authorized agents, have not deposited sufficient moneys into the Water System Revenue Special Fund of 1952, and there has been a default in the payment of the principal and interest of the bonds outstanding and payable, then,

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and in that event, one, or any number of the holders of the bonds, representing Twentyfive per centum (25%) of the outstanding bonds, are entitled to the appointment of a Receiver, which Receiver may enter and take possession of such Works, operate and maintain the same, prescribe rates, fees, tolls or charges and collect and receive and apply all revenue thereafter arising therefrom in the same manner as the Village of Castleford itself might do.

Section 12: If any section, subsection, sentence, clause of phrase of this Ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of the Ordinance.

Section 13: This Ordinance shall take effect and be in full force upon its passage, approval and publication in one issue of The Buhl Herald, a newspaper of general circulation within the Village of Castleford, Idaho, and being printed and published in the city of Buhl, Idaho, and being the official newspaper of the Village of Castleford, Idaho.

Passed and approved this 22nd day of December, 1951.

Darrel W. Phillips
 DARREL W. PHILLIPS
 Chairman of the Board of
 Trustees of the Village of
 Castleford, Idaho

ATTEST:

A. Hillert

 Village Clerk

