

ORDINANCE NO. 69A

AN ORDINANCE PROVIDING FOR THE CONSTRUCTION OF A SEWER SYSTEM AND IMPROVEMENTS TO THE WATERWORKS SYSTEM; PROVIDING FOR THE ISSUANCE OF WATER AND SEWER REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 1964; SETTING UP CERTAIN FUNDS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS the City of Clinton, Arkansas does not have a sewer system and its water system is inadequate at this time, and has had prepared by a duly qualified consulting engineer plans and estimates of the cost for the construction of a sewer system and improvements to the water system with related facilities (which will be operated as one municipal project and which will be hereinafter sometimes referred to as the "Project"); and

WHEREAS the plans and estimates have been examined and approved by the City Recorder, and subject to the inspection of any interested person; and

WHEREAS a brief general description of the Project is as follows: Sanitary sewer facilities, including collection lines lift station, treatment facilities and appurtenances (herein called the "Project"); and

WHEREAS the estimated cost of the Project to the City is \$644,400, including engineering, legal and other necessary expenses incidental to the construction of the Project and to the issuance of bonds; and

WHEREAS it has been determined that of the total estimated cost, \$102,00 can be financed with the proceeds to be derived from a federal grant for the construction of sanitary sewer facilities under Public Law 660, 84th Congress, and \$296,400 can be financed with the proceeds to be derived from a federal grant under the Area Redevelopment Program, and the sum of \$246,000 can be financed by the issuance of Water and Sewer System Revenue Bonds under Act No. 131 of the Acts of the General Assembly of the State of Arkansas for the year 1933, as amended, Act No. 132

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of the Acts of the General Assembly of the State of Arkansas for the year 1933, and the decision of the Supreme Court of the State of Arkansas in the case of City of Harrison v. Braswell, 209 Ark. 1094; and

WHEREAS the City now has outstanding \$65,000 in Water System Revenue Bonds and has entered into a contract with E. L. Willareal & Company, Inc., for the refunding of said outstanding bonds by the purchasing of a like amount of bonds of this issue at the identical interest rates and maturities as the outstanding bonds, the total amount of this issue being \$311,000, of which said sum of \$65,000 represents bonds to be refunded; and

WHEREAS after due advertisement, City of Clinton, Arkansas, Water and Sewer Refunding and Improvement Revenue Bonds in the principal amount of \$246,000 were offered for sale on sealed bids on the 26th day of March, 1963, and at said sale the United States of America bid par plus accrued interest at the rate of 3 5/8% per annum for certain bonds, being Bond Nos. 67 through 116, inclusive, and 3 1/2% per annum for certain bonds, being Bonds Nos. 117 through 312, inclusive; and

WHEREAS the purchasers have agreed to name The First National Bank in Little Rock, Little Rock, Arkansas, or its successor, as Trustee and Paying Agent;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Clinton, Arkansas:

SECTION 1. That the Project be constructed.

SECTION 2. That the sale at par and accrued interest of \$311,000 principal amount of bonds to the purchasers described above be, and the same is hereby, authorized, approved and confirmed.

SECTION 3. That under the authority of the Constitution and Laws of the State of Arkansas, including particularly Act No. 131 of the Acts of the General Assembly of the State of Arkansas for the year 1933, as amended, Act No. 132 of the Acts of the General Assembly of the State of Arkansas for the year 1933, Act

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No. 297 of the Acts of the General Assembly of the State of Arkansas for the year 1937, and the decision of the Supreme Court of Arkansas in the case of City of Harrison v. Braswell, 209 Ark. 1094, City of Clinton, Arkansas, Water and Sewer Refunding and Improvement Revenue Bonds, Series 1964, are hereby authorized and ordered issued in the total amount of \$311,000, of which proceeds \$246,000 are necessary to provide funds, together with the proceeds of a federal grant under Public Law 660, 84th Congress, and the proceeds of a federal grant under the Area Redevelopment Program to construct the Project, the estimated cost of which being \$644,400, including engineering, legal and other necessary expenses incidental to the construction of the Project and to the issuance of the bonds, in accordance with the plans of a duly qualified consulting engineer heretofore submitted to and approved by the Council, and a copy of which is on file in the office of the City Recorder, and with the remaining principal amount of bonds (\$65,000) to be used for refunding the outstanding Water System Revenue Bonds. The bonds shall be dated March 1, 1964, and Bonds Nos. 1 to 11, inclusive, shall bear interest at the rate of  $3\frac{1}{4}\%$  per annum; Bonds Nos. 12 to 36, inclusive, shall bear interest at the rate of  $3\frac{1}{2}\%$  per annum; Bonds Nos. 37 to 56, inclusive, shall bear interest at the rate of  $4\%$  per annum; Bonds Nos. 57 to 66, inclusive, shall bear interest at the rate of  $4\frac{1}{4}\%$  per annum; Bonds Nos. 67 to 116, inclusive, shall bear interest at the rate of  $3\frac{5}{8}\%$  per annum; and Bonds Nos. 117 to 312, inclusive, shall bear interest at the rate of  $3\frac{1}{2}\%$  per annum, payable semi-annually on March 1 and September 1 of each year commencing March 1, 1965, and shall mature on March 1 of each year as follows, but shall be callable for payment prior to maturity as hereinafter set forth:

<u>YEAR</u>	<u>BOND NOS.</u>	<u>AMOUNT</u>
1965	1	\$ 500
1966	2	2,000
1967	4	2,000
1968	6	2,000
1969	8	2,000

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<u>YEAR</u>	<u>BOND NOS.</u>	<u>AMOUNT</u>
1970	10	\$ 2,000
1971	12	3,000
1972	15	3,000
1973	18	3,000
1974	21	4,000
1975	25	4,000
1976	29	4,000
1977	33	4,000
1978	38	5,000
1979	43	6,000
1980	49	6,000
1981	55	7,000
1982	62	8,000
1983	70	8,000
1984	78	8,000
1985	86	8,000
1986	94	8,000
1987	102	9,000
1988	111	9,000
1989	120	9,000
1990	129	10,000
1991	139	10,000
1992	149	11,000
1993	160	11,000
1994	171	12,000
1995	183	12,000
1996	195	12,000
1997	207	12,000
1998	219	13,000
1999	232	13,000
2000	245	13,000
2001	258	13,000
2002	271	14,000
2003	285	14,000
2004	299	14,000
	312	

The bonds shall be in the denomination of \$1,000 each, except that Bond Nos. 1 and 37 shall be in the denomination of \$500 each, and the bonds shall be numbered consecutively from 1 to 312, inclusive.

The bonds shall be negotiable coupon bonds payable to bearer and the principal and interest shall be payable in any coin or currency which, on the date of payment, is legal tender for the payment of debts due the United States of America upon presentation of the bonds proper coupons at the office of The First National Bank in Little Rock, Little Rock, Arkansas, or at the option of the holder, at the office of The Chase Manhattan Bank, which is located in the Borough of Manhattan, City and State of New York.

SECTION 4. That the bonds shall be executed on behalf of the City by the Mayor and City Recorder and shall have impressed thereon the seal of the City. Interest coupons attached to each

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of said bonds shall have the facsimile signature of the Mayor of the City lithographed or printed thereon, which signature shall have the same force and effect as if she had personally signed each of said coupons. The bonds, together with interest thereon, shall be payable solely out of the Water and Sewer System Revenue Bond and Interest Sinking Fund as hereinafter defined, and shall be a valid claim of the holders thereof only against such fund and the amount of the revenues pledged to such fund, which amount of said revenues is hereby pledged and mortgaged for the equal and ratable payment of the bonds and shall be used for no other purpose than to pay the principal of and interest on the bonds, except as hereinafter specifically provided. The bonds and interest thereon shall not constitute an indebtedness of the City within any constitutional or statutory limitation.

SECTION 5. That the bonds and coupons shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF ARKANSAS  
COUNTY OF VAN BUREN  
CITY OF CLINTON  
% WATER AND SEWER REFUNDING  
AND IMPROVEMENT REVENUE BOND  
SERIES 1964

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

KNOW ALL MEN BY THESE PRESENTS:

That the City of Clinton, County of Van Buren, and State of Arkansas, acknowledges itself to owe, and for value received, hereby promises to pay to bearer, solely from the special fund provided as hereinafter set forth, the principal sum of \_\_\_\_\_ DOLLARS in any coin or currency which, on the date of payment, is legal tender for the payment of debts due the United States of America upon the first day of March, 196\_\_\_, and to pay solely from said special fund interest hereon at the rate of \_\_\_\_\_ per cent (\_\_\_\_\_% ) per annum from date, semi-annually on March 1 and September 1 of each year, until the principal hereof is fully paid, commencing March 1, 1965, upon presentation and surrender of the annexed coupons as they severally become due. Both principal

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and interest of this Revenue Bond are made payable at the office of The First National Bank in Little Rock, Little Rock, Arkansas, or, at the option of the holder, at the office of The Chase Manhattan Bank, which is located in the Borough of Manhattan, City and State of New York.

This bond is one of a series of three hundred twelve bonds, aggregating Three Hundred Eleven Thousand Dollars (\$311,000), dated March 1, 1964 and numbered from one (1) to three hundred twelve (312), inclusive, all of like tenor and effect except as to number, rate of interest, denomination, and maturity, and the bonds are issued for the purpose of financing a portion of the cost of constructing a sewer system and improvements to the water system with related facilities, the construction of an access road and appurtenances, and refunding outstanding Water System Revenue Bonds of the City.

This bond and the series of which it forms a part are issued pursuant to and in full compliance with the Constitution and Laws of the State of Arkansas, including particularly Act Nos. 131 and 132 of the Acts of the General Assembly of the State of Arkansas for the year 1933, Act No. 297 of the Acts of the General Assembly of the State of Arkansas for the year 1937, and the decision of the Supreme Court of the State of Arkansas in the case of City of Harrison v. Brasswell, 209 Ark. 1094, and pursuant to Ordinance No. \_\_\_\_\_ of the City Council of the City of Clinton, Arkansas, duly adopted and approved on the \_\_\_\_\_ day of \_\_\_\_\_, 1964, which ordinance sets forth specifically and in detail the pledges and covenants of the City for the payment of the principal of and interest on the bonds and to which reference may be had for a detailed statement of said pledges and covenants. The bonds do not constitute an indebtedness of the City of Clinton within any constitutional or statutory limitation. They are not general obligations of the City but are special obligations payable solely from the net revenues derived from the operation of the sewer and waterworks system. An amount thereof at least sufficient to pro-

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vide for the payment of the principal of, interest on, and paying agent's fees in connection with the bonds has been duly set aside and pledged as a special fund for that purpose and identified as the "Water and Sewer System Revenue Bond and Interest Sinking Fund" created by Ordinance No. \_\_\_\_\_, under which this bond is authorized to be issued. The City of Clinton has established and has covenanted and agreed to maintain rates for sewer and water services which shall be at least sufficient at all times to provide for the payment of the reasonable expenses of operation and maintenance of the sewer and waterworks system, to provide for the payment of the principal of and interest on the bonds as the same become due and payable and the paying agent's fees, and to provide depreciation funds for necessary replacements and repairs.

By virtue of the authority of said Act No. 131 of the General Assembly of the State of Arkansas for the year 1933, as amended, there is granted and created a statutory mortgage lien on the waterworks system to and in favor of the holder of this bond, and the bonds of the issue of which it forms a part, and to and in favor of the holders of each of the coupons evidencing the interest on this bond, and the bonds of the issue of which it forms a part; and said waterworks system shall remain subject to such statutory mortgage lien until the payment in full of all of said bonds.

This bond is expressly made negotiable under the laws of the State of Arkansas, and is issued with the intent that the laws of the State of Arkansas shall govern the construction thereof.

The bonds of this issue will be callable for payment prior to maturity (1) from the proceeds of the sale of the bonds remaining after payment of all costs of construction on the next interest paying date in inverse numerical order at par and accrued interest; and (2) on and after ten (10) years from date of issue, callable at the option of the City, in whole or in part, in inverse numerical order on any interest paying date upon not less than thirty (30) days prior notice at par and accrued interest to date so fixed for redemption plus a premium of four per cent (4%) on all bonds so called at the expiration of the tenth (10th) year, with a reduction

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of one-fourth ( $\frac{1}{4}$ ) of one per cent ( $1\%$ ) per year until the expiration of the twenty-sixth (26th) year, after which date there shall be no premium on any bonds so called. Notice of the call of redemption shall be published one time in a newspaper published in the City of Little Rock, Arkansas and having a general circulation throughout the State of Arkansas, at least thirty (30) days prior to the redemption date, giving the number and maturity of each bond being called, and after the date fixed redemption, each bond so called shall cease to bear interest, provided funds for its payment are on deposit with the paying agent at that time.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed, precedent to and in the issuance of this bond, have existed, have happened and have been performed in due time, form and manner as required by law; that the indebtedness represented by this bond and the issue of which it forms a part does not exceed any constitutional or statutory limitations; and that sufficient of the income and revenue which is deemed to be derived from the operation of the sewer and waterworks system has been pledged to and will be set aside into said special fund for the payment of the principal of and interest on said bonds.

This bond shall not be valid until it shall have been authenticated by the certificate hereon duly signed by The First National Bank in Little Rock, Little Rock, Arkansas.

IN WITNESS WHEREOF, the City of Clinton, Arkansas, by its City Council, has caused this bond to be signed by the Mayor and City Recorder thereof and sealed with the corporate seal of the City, and has caused the coupons hereto attached to be executed by the facsimile signature of said Mayor, all as of the 1st day of March, 1964.

CITY OF CLINTON, ARKANSAS

By \_\_\_\_\_

MAYOR

CITY RECORDER

(Seal)

(continued)



COUPON

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

On the first day of September, 196   , the City of Clinton, <sup>March</sup> Van Buren County, Arkansas, upon surrender hereof, unless the bond to which this coupon is attached is paid prior thereto, hereby promises to pay to bearer, solely out of the fund specified in the bond to which this bond is attached \_\_\_\_\_ DOLLARS in any coin or currency which, on the date of payment is legal tender for the payment of debts due the United States of America at the office of The First National Bank in Little Rock, Little Rock, Arkansas, being six (6) months' interest then due on its Water and Sewer Refunding and Improvement Revenue Bonds, Series 1964, dated March 1, 1964, and numbered \_\_\_\_\_.

CITY OF CLINTON, ARKANSAS

By \_\_\_\_\_  
MAYOR

On each bond shall appear the following:

CERTIFICATE

This is to certify that this bond is one of a series of three hundred twelve (312) 3 $\frac{1}{4}$ %, 3 $\frac{1}{2}$ %, 4%, 4 $\frac{1}{4}$ % and 3-5/8% Water and Sewer Refunding and Improvement Revenue Bonds, Series 1964, of the issue mentioned and described herein.

THE FIRST NATIONAL BANK IN LITTLE ROCK,  
LITTLE ROCK, ARKANSAS

By \_\_\_\_\_  
\_\_\_\_\_, 1964

SECTION 6. (a) That in order to pay the principal of and interest on the bonds as they mature, Ordinance No. 66, passed and approved by the City Council on the 7th day of March, 1963, established the rates to be charged for the use of the sewer and waterworks system, is hereby approved and confirmed. The City Council hereby finds and declares the rates so established are fair, reasonable and necessary minimum rates.

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(b) That the City covenants and agrees with the holders of the bonds and coupons that said rates will produce a total revenue sufficient to pay the reasonable operation and maintenance expenses of the sewer and waterworks system, to pay the principal of and interest on the bonds as they mature, and the paying agent's fees, and to provide a debt service reserve and a depreciation fund for necessary replacements or repairs to the sewer and waterworks system. Said rates shall never be reduced until all outstanding bonds and coupons thereto attached have been paid in full and shall, from time to time when necessary, be increased to an amount sufficient to provide for the above set forth purposes, and for the maintenance of the funds hereinafter described.

(c) That none of the facilities or services afforded by the sewer and waterworks system shall be furnished without a charge being made therefor. In the event that the City or any department, agency, or instrumentality thereof shall avail itself of the facilities or services afforded by the sewer and waterworks system, the reasonable value of the services and facilities so afforded shall be charged against the City or such department, agency, or instrumentality, and shall be paid for as the charges therefor accrue. The revenues so received from the City shall be deemed to be revenues derived from the operation of the sewer and waterworks system, and shall be used and accounted for in the same manner as any other revenue derived from the operation of the sewer and waterworks system, provided, however, nothing herein shall be construed as requiring the City or any department, agency, or instrumentality thereof to avail itself of the facilities or services afforded by the sewer and waterworks system.

SECTION 7. That the Treasurer of the City shall be custodian of the revenues derived from the sewer and waterworks system, and shall give bond for the faithful discharge of all duties as such custodian. The amount of such bond shall be equal to the total of said funds in custody of the Treasurer at any one time and such bond shall be approved by the Trustee. A like bond, in a sufficient

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amount to be approved by the City Council and Trustee, shall be required of each other city employee handling funds of the waterworks and sewer system. All waterworks and sewer revenue received by the Treasurer from the operation of the waterworks and sewer system shall be deposited by him in such depository or depositories as shall from time to time be designated by the City Council, provided, that all such depositories shall be members of the Federal Deposit Insurance Corporation, and all deposits in any depository in excess of the amount insured by the Federal Deposit Insurance Corporation shall be secured by bonds or other direct or fully guaranteed obligations of the United States of America. All deposits made by the Treasurer shall be in the name of the City and shall be so designated as to indicate the particular fund to which the revenues belong.

SECTION 8. Water and Sewer System Revenue Fund. That all income and revenues, as received, derived from the operation or ownership of the combined water and sewer system, and all unexpended funds in the Revenue and Operation and Maintenance Funds, if any, established in accordance with the ordinances authorizing the issuance of the bonds herein refunded, shall be deposited into a special account which is hereby created and designated Water and Sewer System Revenue Fund. The revenues in the Water and Sewer System Revenue Fund are hereby pledged and shall be applied in the manner hereinafter set forth.

SECTION 9. Water and Sewer System Operation and Maintenance Fund. That there shall be paid by the Treasurer from the Water and Sewer System Revenue Fund into a fund which is hereby created and designated "Water and Sewer System Operation and Maintenance Fund" on or before the fifth day of the month following completion of the Project, and continuing on or before the fifth day of each month thereafter while any sewer and waterworks revenue bonds shall be outstanding, an amount sufficient to pay the reasonable and necessary monthly expenses of operation and maintenance of the sewer and waterworks system for such month and from which disbursements shall be made only for those purposes. Fixed annual charges,

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such as insurance premiums, and the cost of repair and maintenance expenses, may be computed and set up on an annual basis and one-twelfth (1/12) of the amount thereof may be paid into the Water and Sewer System Operation Maintenance Fund each month. If any month, for any reason, there shall be a failure to transfer and pay the required amount into said fund, then the amount of any deficiency shall be added to the amount otherwise required to be transferred and paid into said fund in the next succeeding month.

If in any fiscal year, a surplus shall be accumulated in the Water and Sewer System Operation and Maintenance Fund over and above the amount which shall be necessary to defray the reasonable and necessary costs of operation and maintenance of the sewer and waterworks system during the remainder of the then current fiscal year and the next ensuing fiscal year, such surplus may be transferred to and deposited in the Water and Sewer System Revenue Bond and Interest Sinking Fund; provided, however, that any such transfer into the Water and Sewer System Revenue Bond and Interest Sinking Fund shall be in addition to all other payments required to be made into said fund.

SECTION 10. Water and Sewer System Revenue Bond and Interest Sinking Fund. (1) It is hereby ordered that an account and fund, which is hereby designated "Water and Sewer System Revenue Bond and Interest Sinking Fund", be established and created in a bank which is a member of the Federal Deposit Insurance Corporation for the purpose of paying the principal of and interest on the bonds as they mature and to provide a debt service reserve, and into which account shall be deposited all accrued interest, if any, received from the sale and/or exchange of the bonds, and all the funds and/or investments in the Bond and Interest Sinking Fund and Reserve Fund, if any, established in accordance with the Resolution authorizing the issuance of the Bonds herein refunded. Simultaneously with the delivery of the bonds issued under this Ordinance, the entire amounts on deposit in the Bond Funds being maintained in connection with the Water Revenue Bonds being refunded hereby shall be withdrawn therefrom and deposited in the Water and

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Sewer System Revenue Bond and Interest Sinking Fund. The principal of and interest on the bonds shall be paid as they mature according to the following schedule, to-wit:

YEAR	BOND NOS.	PRINCIPAL	INTEREST		TOTAL
			MARCH 1	SEPTEMBER 1	
1965	1	\$ 500	\$11,093.75	\$5,538.75	\$17,132.50
1966	2	2,000	5,538.75	5,506.25	13,045.00
1967	3	2,000	5,506.25	5,437.75	12,980.00
1968	4	2,000	5,473.75	5,441.25	12,915.00
1969	5	2,000	5,441.25	5,408.75	12,850.00
1970	6	2,000	5,408.75	5,376.25	12,785.00
1971	7	2,000	5,376.25	5,323.75	13,700.00
1972	8	2,000	5,323.75	5,271.25	13,595.00
1973	9	3,000	5,271.25	5,218.75	13,490.00
1974	10	3,000	5,218.75	5,148.75	14,367.50
1975	11	4,000	5,148.75	5,078.75	14,227.50
1976	12	4,000	5,078.75	5,008.75	14,087.50
1977	13	4,000	5,008.75	4,928.75	14,437.50
1978	14	5,000	4,928.75	4,828.75	14,757.50
1979	15	6,000	4,828.75	4,708.75	15,537.50
1980	16	6,000	4,708.75	4,588.75	15,297.50
1981	17	6,000	4,588.75	4,442.50	15,031.25
1982	18	7,000	4,442.50	4,281.88	16,724.38
1983	19	8,000	4,281.88	4,136.87	16,418.75
1984	20	8,000	4,136.87	3,991.88	16,128.75
1985	21	8,000	3,991.88	3,846.87	15,838.75
1986	22	8,000	3,846.87	3,701.88	15,548.75
1987	23	9,000	3,701.88	3,538.75	16,240.63
1988	24	9,000	3,538.75	3,377.50	15,916.25
1989	25	9,000	3,377.50	3,220.00	15,597.50
1990	26	10,000	3,220.00	3,045.00	16,265.00
1991	27	10,000	3,045.00	2,870.00	15,915.00
1992	28	11,000	2,870.00	2,677.50	16,547.50
1993	29	11,000	2,677.50	2,485.00	16,162.50
1994	30	11,000	2,485.00	2,275.00	16,760.00
1995	31	12,000	2,275.00	2,065.00	16,340.00
1996	32	12,000	2,065.00	1,855.00	15,920.00
1997	33	12,000	1,855.00	1,645.00	15,500.00
1998	34	13,000	1,645.00	1,417.50	16,062.50
1999	35	13,000	1,417.50	1,190.00	15,607.50
2000	36	13,000	1,190.00	962.50	15,152.50
2001	37	13,000	962.50	735.00	14,697.50
2002	38	14,000	735.00	490.00	15,225.00
2003	39	14,000	490.00	245.00	14,735.00
2004	40	14,000	245.00		14,245.00

(2) That after making the monthly deposits into the "Water and Sewer System Operation and Maintenance Fund," there shall be paid by the Treasurer from the Water and Sewer System Revenue Fund and deposited in the Water and Sewer System Revenue Bond and Interest Sinking Fund on or before the fifth day of each month, beginning on or before the fifth day of the month following completion of the Project, a sum equal to one-fifth (1/5) of the next installment of interest and one-tenth (1/10) of the next installment of principal, and an amount sufficient to provide for the

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