

ORDINANCE NO. 9

AN ORDINANCE AMENDING A FORMER ORDINANCE OF THE BOARD OF TRUSTEES OF THE TOWN OF RUSSELL SPRINGS, KENTUCKY, WHICH WAS ADOPTED ON THE 5th DAY OF NOVEMBER, 1936, AND PROVIDED BY ITS TERMS FOR THE ISSUANCE AND SALE OF \$15,000.00 IN PRINCIPAL AMOUNT OF THE WATERWORKS REVENUE BONDS OF SAID TOWN TO DEFRAY THE COST TO SAID TOWN OF CONSTRUCTING AND INSTALLING A WATERWORKS <sup>supply</sup> ~~supply~~ AND DISTRIBUTION SYSTEM IN AND FOR SAID TOWN, BY REPEALING IN THE ENTIRETY CERTAIN HEREINAFTER SET FORTH SECTIONS OF SAID ORDINANCE OF NOVEMBER 5, 1936, AND RE-ENACTING SAID SECTIONS AS HEREINAFTER SET FORTH SO AS TO PROVIDE AND AUTHORIZE BY THIS SAID AMENDATORY ORDINANCE FOR THE ISSUANCE AND SALE BY SAID TOWN OF \$23,000.00 IN PRINCIPAL AMOUNT OF ITS WATERWORKS REVENUE BONDS INSTEAD OF THE \$15,000.00 IN PRINCIPAL AMOUNT OF SAID HERETOFORE AUTHORIZED AND PROVIDED FOR AS ABOVE SAID.

WHEREAS, by proper ordinance duly adopted on the 5th day of November, 1936, the Board of Trustees of the Town of Russell Springs, Kentucky, authorized and provided for the issuance and sale by said Town of Russell Springs, Kentucky, of \$15,000.00 in principal amount of its Waterworks Revenue Bonds, under and pursuant to the provisions of Chapter 133 of the Session Acts of the General Assembly of Kentucky for 1926, as amended by Chapter 92 of the Session Acts of said General Assembly for 1930, to provide funds for defraying a part of the cost of constructing, erecting and installing a waterworks supply and distribution system in and for said Town under and pursuant to the provisions of an agreement by and between the said Town and the Works Progress Administration of the United States of America, and

WHEREAS, the total sum that could be realized from the issuance and sale of \$15,000.00 in principal amount of said bonds is now deemed and is hereby declared to be an insufficient that part of sum to defray the cost of installing, constructing and erecting said waterworks system that said Town must bear, as aforesaid, and

WHEREAS, the issuance and sale of \$23,000.00 in principal amount of said bonds will provide a sum that is now deemed and hereby declared to an adequate sum for said above purpose, but not in excess of the amount necessary for same.

NOW, in consideration of the premises, the Board of Trustees of the Town of Russell Springs, Kentucky, DO ORDAIN AS FOLLOWS:

SECTION ONE. That Section Three of said Ordinance of November 5, 1936, shall be and the same is hereby repealed in its entirety, and said Section is hereby re-enacted so that same, as hereby amended and re-enacted, shall read in words and figures as follows, to-wit:

" Section Three. For the purpose of providing the funds for defraying that part of the cost of the establishment, construction, erection and installation of the said waterworks system, together with all the appurtenances thereto, that said town must provide funds for, as aforesaid, there shall be issued the bonds of said town to be known as Waterworks Revenue Bonds, in the principal amount of \$23,000.00, which bonds shall bear date

of January 1, 1938,<sup>be</sup> numbered consecutively from one (1) to fifty-<sup>eight</sup>~~five~~ (58) inclusive, said bonds bearing numbers one (1) to fifteen (15), inclusive, to be of the denomination of One Hundred (\$100.00) Dollars each, and those bearing numbers sixteen (16) to fifty-<sup>eight</sup>~~five~~ (58), inclusive, to be of the denomination of Five Hundred (\$500.00) Dollars each, all to bear interest at the rate of five per centum (5%) per annum payable semi-annually on the first days of July and January of each year until retired, commencing July 1, 1938, and said bonds to mature on the first day of January in the following numbers and amounts in the following years:

<u>BOND NO.</u>	<u>YEAR</u>	<u>AMOUNT</u>
1-2	1940	\$200.00
3-4	1941	200.00
5-6	1942	200.00
7-8-9-	1943	300.00
10-11-12	1944	300.00
13-14-15	1945	300.00
16	1946	500.00
17	1947	500.00
18	1948	500.00
19-20	1949	1,000.00
21-22	1950	1,000.00
23-24	1951	1,000.00
25-26	1952	1,000.00

<u>BOND NO.</u>	<u>YEAR</u>	<u>AMOUNT</u>
27-28-29	1953	1,500.00
30-31-32	1954	1,500.00
33-34-35	1955	1,500.00
36-37-38-39	1956	2,000.00
40-41-42-43-	1957	2,000.00
44-45-46-47	1958	2,000.00
48-49-50-51-52	1959	2,500.00
53-54-55-56-57-58	1960	3,000.00

Both the principal of and interest upon said bonds shall be payable in such funds as are then legal tender for the payment of debts due to the United States of America at the office of the Town Treasurer of the Town of Russell Springs, Kentucky.

Said bonds shall be signed by the Chairman of the Board of Trustees and sealed with the corporate seal of said Town and attested by the Town Clerk, and the interest coupons attached to said bonds shall be executed with the fac-simile signatures of said Chairman and said Town Clerk, and said officials by the execution of said bonds shall adopt as and for their own proper signatures their respective fac-simile signatures on said coupons. All of said bonds, together with the interest thereon, shall be payable out of the Bond and Interest Sinking Fund Account hereinafter provided for, and shall be a valid claim of the holder thereof only against said account and the fixed and determined

portion or amount of the gross income and revenues of said waterworks system of said Town of Russell Springs, Kentucky, pledged to said account, and such bonds shall not constitute an indebtedness of said Town within the meaning of any constitutional provisions or limitations."

SECTION TWO. That Sections Five, Six, and Thirteen of said Ordinance of November 5, 1936, be and the same are each hereby repealed in ~~the~~ <sup>the</sup> entirety, and each of said Sections is hereby re-enacted, so that said Sections, as hereby re-enacted, shall read, respectively, as follows, to-wit:

(1) "Section Five. That said bonds shall be in substantially the following form:

UNITED STATE OF AMERICA  
COMMONWEALTH OF KENTUCKY  
COUNTY OF RUSSELL  
TOWN OF RUSSELL SPRINGS  
WATERWORKS REVENUE BOND

NO. \_\_\_\_\_ (\$100.00), (\$500.00)

The Town of Russell Springs, in the County of Russell and Commonwealth of Kentucky, for value received, hereby promises to pay to bearer, or if this is registered, to the registered holder thereof as hereinafter provided, the sum of ((~~One~~ <sup>Bond</sup> Hundred Dollars (\$100.00)); ((Five Hundred Dollars (\$500.00) )) on the first day

of January, 19\_\_\_\_, and to pay interest on said sum from the date hereof until paid at the rate of five per cent. (5%) per annum, payable semi-annually on the first days of July and January of each year, commencing July 1, 1937, upon presentation and surrender of the attached interest coupons as the same severally mature; both principal and interest being payable in such funds as are then legal tender for the payment of debts due to the United States of America at the office of the Treasurer of the Town of Russell Springs, Kentucky.

This bond is issued by said Town pursuant to an ordinance duly enacted by the Board of Trustees thereof on the 5th day of November, 1936, as amended by an ordinance duly adopted by said Board of Trustees on the \_\_\_\_ day of \_\_\_\_\_, 1937, for the purpose of defraying the cost of constructing and erecting a municipal waterworks system for said Town under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including, among others, Chapter 133 of the 1926 Acts of the General Assembly of Kentucky, as amended by Chapter 92 of the 1930 Acts of said General Assembly.

This bond is payable only from and secured by a pledge of a fixed and determined portion of the gross income and revenues to be derived from the operation of said waterworks system which has been set aside as a special fund for that purpose and identified as the "Waterworks Bond and Interest Redemption Fund of Russell Springs, Kentucky," and this bond does not constitute an in-

debtedness of the Town of Russell Springs within the meaning of any Constitutional provisions or limitations. Said Town covenants and agrees that it will continuously operate said waterworks system and that it will fix and maintain such rates for water and water service and collect and account for income and revenues from such waterworks system sufficient to create and maintain said Sinking Fund Account so as to promptly pay the principal and interest of this bond and the issue of which it forms a part as the same will become due.

A statutory mortgage lien, which is hereby recognized as valid and binding on said waterworks system, is created and granted to and in favor of the holder or holders of this bond and the issue of which it forms a part, and in favor of the holder or holders of the coupons attached to said bonds, and said waterworks system shall remain subject to such statutory mortgage lien until the payment in full of the principal<sup>of</sup> and interest on this bond and the issue of which it forms a part.

This bond may be registered as to principal only in the name of the holder on the books of said Town in the office of its Town Treasurer, such registration being noted ~~hereon~~ by the Town Treasurer, after which no transfer shall be valid unless made on said books and similarly noted on the bond, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery, but it may again be registered as before. The registration of this bond as

to principal shall not restrain the negotiability of the coupons by delivery merely.

This bond is exempt from taxation in the Commonwealth of Kentucky.

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, and that the amount of this bond, together with all other obligations of said Town, does not exceed any limits prescribed by the Constitution or Statutes of the Commonwealth of Kentucky, and that a sufficient portion of the gross income and revenues of said waterworks system has been pledged to and will be set aside into the said special fund, hereinbefore mentioned, by said Town for the prompt payment of the principal of and interest on this bond and the issue of which it forms a part.

IN WITNESS WHEREOF, the Town of Russell Springs, in the Commonwealth of Kentucky, has caused this bond to be signed by the Chairman of its Board of Trustees, and its corporate seal to be hereunto affixed, attested by the Town Clerk, and the coupons hereto attached to be executed with fac-simile signatures of said Chairman and said Town Clerk, which officials by the execution of this bond do adopt as and for their own proper signatures their respective fac-simile signatures appearing on said coupons, and

~~this bond to be attested by the Chairman of the Board of Trustees, and~~



this bond to be dated as of the First day of January, 1938.

\_\_\_\_\_  
Chairman Board of Trustees.

ATTEST:

\_\_\_\_\_  
Town Clerk.

(FORM OF COUPON)

NO. \_\_\_\_\_

(\$2.50) (\$12.50)

On the first day of \_\_\_\_\_, 19\_\_\_\_, the Town of Russell Springs, Kentucky, will pay to bearer (( Two and 50/100 Dollars (\$2.50) )) (( Twelve and 50/100 Dollars (\$12.50) )) in such funds as are then legal tender for the payment of debts due to the United States of America out of the "Waterworks Bond and Interest Redemption Fund of Russell Springs, Kentucky," at the office of the Treasurer of the Town of Russell Springs, Kentucky, this being six months interest then due on its Waterworks Revenue Bond dated January 1, 1938.

\_\_\_\_\_  
Chairman Board of Trustees.

\_\_\_\_\_  
Town Clerk.

( PROVISIONS FOR REGISTRATION TO  
BE ENDORSED ON THE BACK OF EACH  
BOND)

At the request of the holder, the within bond is hereby converted into a registered bond, and the principal thereof shall be payable only to the registered holder or to his legal representative until it has been discharged from such registration by being transferred to bearer, after which it shall be payable to bearer and transferable by delivery.

<u>DATE OF REGISTRATION</u>	<u>IN WHOSE NAME REGISTERED</u>	<u>TOWN TREASURER</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

(2) " Section Six. That upon said Town coming into possession of said waterworks system, it shall thereafter be operated by it, for the purpose of this ordinance, on a fiscal year basis commencing January 1st. of each year, and ending December 31st of the same year. From and after the delivery of any bonds issued under the provisions of this ordinance, the gross income and revenues of said waterworks system of the Town of Russell Springs, Kentucky, shall be set aside and pledged into a separate and special fund to be used and applied to the payment of the principal and interest upon the bonds, the operation <sup>of</sup> ~~and~~ maintenance of the waterworks system, including the maintenance and insurance upon same as hereinafter provided, and to provide a depreciation fund therefor as follows, to-wit:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
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<u>YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
1938	\$1,150.00		\$1,150.00
1939	1,150.00	200.00	1,350.00
1940	1,140.00	200.00	1,340.00
1941	1,130.00	200.00	1,330.00
1942	1,120.00	200.00	1,320.00
1943	1,110.00	300.00	1,410.00
1944	1,095.00	300.00	1,395.00
1945	1,080.00	500.00	1,580.00
1946	1,055.00	500.00	1,555.00
1947	1,030.00	500.00	1,530.00
1948	1,005.00	1,000.00	2,005.00
1949	955.00	1,000.00	1,955.00
1950	905.00	1,000.00	1,905.00
1951	855.00	1,000.00	1,855.00
1952	805.00	1,500.00	2,305.00
1953	730.00	1,500.00	2,230.00
1954	645.00	1,500.00	2,145.00
1955	570.00	2,000.00	2,570.00
1956	470.00	2,000.00	2,470.00
1957	370.00	2,000.00	2,370.00
1958	270.00	2,500.00	2,770.00
1959	145.00	3,000.00	3,145.00

Payments shall be made into said account in equal month-

ly installments on the first of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payment shall be made on the next succeeding secular day. Said funds next hereinbefore provided for are hereby pledged for the purpose of paying the principal of and interest on the bonds herein authorized to be issued; provided, however, that after such amount of said bonds have been retired that the amount then held in the Sinking Fund is equal to the entire amount of the interest and principal that will be payable at the time of the maturity of all of the bonds then remaining outstanding, no further payments need be made into said Waterworks Bond and Interest Redemption Fund Account.

If in any Fiscal Year the Town shall, for any reason, fail to set apart and pay into said bond and interest sinking fund the full amount above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into said bond and interest redemption sinking fund from the first available gross income and revenues of the following year or years, and same shall be in addition to the amount otherwise herein provided to be so set apart and paid during such succeeding year or years.

Said bond and interest redemption account as hereinbefore provided for shall be used solely and only and is hereby irrevocably pledged for the purpose of paying the principal of and interest on the bonds herein authorized to be issued. Interest on said bonds accruing prior to the completion of the construction of said water-

works system shall be paid from the proceeds of said bonds to the extent such interest is not received as accrued interest, and, upon the sale and delivery of said bonds and the receipt of the proceeds, the sum of not less than \$250.00 including the accrued interest received, shall be withdrawn from said proceeds and placed in said bond and interest redemption sinking fund to pay said interest. Whenever and as a sufficient surplus shall have been accumulated in the operation and maintenance account hereinafter created to balance the amount of the proceeds of said bonds so used to pay said interest, there shall be a reimbursement from said operation and maintenance account to said bond and interest redemption account to the amount thereof. Any part of the money received from the sale of said bonds remaining unexpended after the completion of the construction of the said waterworks system shall be paid into said Bond and Interest Redemption Fund and shall be used only for the payment of the principal of said bonds or to acquire outstanding bonds of said issue by purchase at public or private sale at a price not to exceed the face amount thereof, exclusive of accrued interest. Any bonds so acquired by purchase shall be cancelled and shall not be re-issued.

Eighty Seven centum (87%) of the balance of the gross income and revenues remaining after the aforesaid payments therefrom into said bond and interest redemption sink-

ing fund shall be set aside into an account hereby designated to be known as the "Operation and Maintenance Account," to be used and expended for the proper operation and maintenance of said waterworks system, including the maintenance of insurance thereon as hereinafter provided, the Board of Trustees of the Town of Russell Springs, Kentucky, hereby finding and determining that said 87 % of such balance of the income and revenues of said waterworks system is necessary for the proper operation and maintenance thereof, but is not in excess of the amount required for said purpose.

The remaining ~~thirteen~~ per centum (13 %) of such balance of the gross income and revenues of said waterworks system shall be set aside into an account hereby designated to be known as the "Depreciation Fund," and to be used and expended in making good any depreciation in said waterworks system and in making any extensions, additions or constructions to the waterworks, the Board of Trustees of the Town of Russell Springs, Kentucky, hereby finding and determining that such proportion of such balance of the income and revenues is sufficient for said purposes. Any accumulation in said Depreciation Fund in excess of \$250.00 shall be invested in direct obligations of the United States of America, and the income from such investments shall be carried in the Depreciation Fund, and said Fund shall be used and expended only for the purposes hereinbefore set out. The Board of Trustees of said Town may order the

sale of any investments of said fund whenever necessary to make expenditures for the purposes authorized."

(3) "Section Thirteen. The said bonds bearing numbers One (1) to Fifty-eight (58) in the aggregate principal amount of Twenty-three Thousand (\$23,000.00) Dollars hereby authorized, shall be executed as hereinbefore authorized <sup>and provided</sup> ~~shall be executed as~~ as soon after the adoption of this ordinance as may be deemed advisable by the Chairman of and Board of Trustees of Russell Springs, Kentucky, and be thereupon deposited with the Town Treasurer.

The said bonds hereby authorized may be issued and sold in such amounts and in such manner and upon such terms as the said Chairman of and Board of Trustees shall deem for the best interests of the Town of Russell Springs, and the proceeds thereof shall be used only to defray the cost of constructing, erecting and installing the said waterworks system, except that provisions shall be made for the payment of the interest accruing upon said bonds prior to the completion of the construction of said waterworks system as hereinbefore provided for, and, except that if any part of the money received from the sale of said bonds remains unexpended after the completion of the construction of the said waterworks system, the said part so remaining unexpended shall be paid into said Bond and Interest Redemption Account hereinbefore created and provided for to be

used as hereinbefore provided."

SECTION THREE. All ordinances, resolutions, orders, or parts of same, in conflict herewith are to the extent of such conflict hereby repealed.

SECTION FOUR. This ordinance shall be and become in full force and effect immediately upon its adoption, approval and publication as required by law.

Introduced Sept 17, 1937.

Adopted and approved Sept 23, 1937.

Published Sept 23, 1937.

ATTEST:

Q. B. Bolton  
Town Clerk.

J. J. Kunkle  
Chairman Board of Trustees