

ORDINANCE NO. 15.

An Ordinance concerning the construction of additions, extensions and improvements to the sewage works owned and operated by the City of Bloomington, Indiana, the issuance of revenue bonds to provide funds to be applied on the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said bonds, and other matters connected therewith

WHEREAS, the City of Bloomington owns and operates sewage works established, financed and constructed pursuant to the provisions of Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and the acts amendatory thereof and supplemental thereto, and under the provisions of Ordinance No. 11, 1934 adopted by the Common Council of said City on March 20, 1934; and

WHEREAS, the Stream Pollution Control Board of the State of Indiana, acting pursuant to the provisions of Chapter 214 of the Acts of the Indiana General Assembly for the year 1943, on February 18, 1955 issued a final order to the City of Bloomington to cease and desist the pollution of Clear Creek and tributaries thereof by discharging into said stream inadequately treated sanitary and domestic sewage and industrial wastes, and the Board of Public Works and Safety has heretofore found that it will be necessary for the City to enlarge and improve its existing sewage works in order to comply with said order; and that plans and specifications for said additions, extensions and improvements have been prepared by the engineers and approved by the Board of Public Works and Safety of the City and by all governmental authorities having jurisdiction, particularly the Stream Pollution Control Board of

the State of Indiana, and the State Board of Health; and

WHEREAS, the Council further finds that the Board of Public Works and Safety has heretofore advertised for and received bids for the construction of said additions, extensions and improvements to the sewage works of said City, and on the basis of said bids the cost of said project, as defined in Sec. 7 of the governing act, will be in the amount of Two Million Dollars (\$2,000,000); and

WHEREAS, the City has heretofore issued bonds payable from the revenues of the sewage works to finance the original construction of said sewage works, which bonds are now outstanding in the amount of One Hundred Eighty-one Thousand Dollars (\$181,000), designated "Sewage Works Revenue Bonds," issued under date of February 1, 1934, bearing interest at the rate of four per cent (4%) per annum, and maturing annually over a period ending on February 1, 1967, which bonds constitute a first charge upon all of the net revenues of the sewage works of the City; and

WHEREAS, the City is authorized by Chapter 61 of the Acts of the Indiana General Assembly for the year 1932, as amended, to issue revenue bonds to pay the cost of the proposed additions, extensions and improvements, which bonds, under the provisions of said act, will be payable solely from the revenues of the City's sewage works, and consents for the issuance of additional sewage works revenue bonds junior and subordinate to the outstanding bonds payable out of the revenues of the City's sewage works have been obtained from the holders of more than sixty per cent (60%) of the outstanding bonds, as required by Sec. 10 (h) of Ordinance No. 11, 1934; and

WHEREAS, the Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said additional revenue bonds have been complied with in accordance with the provisions of the governing statute; now therefore,

BE IT ORDAINED by the Common Council of the City of  
Bloomington, Indiana:

Section 1. That the actions of the Board of Public Works and Safety in and about the making of additions, extensions and improvements to the sewage works of the City of Bloomington be and the same are hereby approved, ratified and confirmed, and that said Board be and it is hereby authorized and directed to proceed with the construction of said project consisting of the enlargement and improvement of the existing sewage treatment plant, intercepting, trunk, relief, connecting and lateral sewers, pumping stations, and lands and easements required in connection with the construction of said project. Said additions, extensions and improvements shall be constructed and acquired in accordance with the plans and specifications prepared and filed by Consoer, Townsend & Associates, consulting engineers of Chicago, Illinois, at a cost not to exceed Two Million Dollars (\$2,000,000). The terms "sewage works," "works," and other like terms where used in this ordinance shall be construed to mean and include all existing structures and property and all additions, extensions and improvements hereafter constructed or acquired, whether from the proceeds of the bonds herein authorized or otherwise. The additions, extensions and improvements to said works shall be constructed and the bonds herein authorized shall

be issued pursuant to and in accordance with the provisions of Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and all acts amendatory thereof and supplemental thereto, hereinafter sometimes referred to as the "Act."

Sec. 2. The City of Bloomington shall issue its junior sewage works revenue bonds in the amount of Two Million Dollars (\$2,000,000) for the purpose of procuring funds to be applied on the cost of the above mentioned additions, extensions and improvements, as defined in Sec. 7 of said Act. The bonds authorized by this ordinance shall be designated as "Sewage Works Revenue Bonds of 1955." Any other provisions of this ordinance to the contrary notwithstanding, the revenue bonds herein authorized to be issued shall be junior and subordinate in all respects to said Sewage Works Revenue Bonds issued and outstanding pursuant to said Ordinance No. 11, 1934, as amended by Ordinance No. 11, 1937.

Said bonds shall be issued in the denomination of One Thousand Dollars (\$1,000), numbered consecutively from 1 to 2000 inclusive, dated as of the first day of the month in which sold, and shall bear interest at a rate or rates not exceeding four per cent (4%) per annum (to be determined by bidding), payable semi-annually on February 1 and August 1 of each year, beginning on February 1, 1956. Such interest shall be evidenced by coupons attached to said bonds. Both bonds and interest coupons shall be payable in lawful money of the United States of America at the Harris Trust and Savings Bank, in the City of Chicago, Illinois, and such bonds shall mature serially in numerical order in the amounts and on the dates as follows:

\$ 5,000	February 1, 1958	\$10,000	August 1, 1958
5,000	February 1, 1959	10,000	August 1, 1959
10,000	February 1, 1960	10,000	August 1, 1960
10,000	February 1, 1961	10,000	August 1, 1961
10,000	February 1, 1962	10,000	August 1, 1962
10,000	February 1, 1963	10,000	August 1, 1963
10,000	February 1, 1964	10,000	August 1, 1964
10,000	February 1, 1965	15,000	August 1, 1965
10,000	February 1, 1966	15,000	August 1, 1966
10,000	February 1, 1967	15,000	August 1, 1967
20,000	February 1, 1968	25,000	August 1, 1968
20,000	February 1, 1969	25,000	August 1, 1969
20,000	February 1, 1970	25,000	August 1, 1970
25,000	February 1, 1971	25,000	August 1, 1971
25,000	February 1, 1972	25,000	August 1, 1972
25,000	February 1, 1973	25,000	August 1, 1973
25,000	February 1, 1974	30,000	August 1, 1974
25,000	February 1, 1975	30,000	August 1, 1975
25,000	February 1, 1976	30,000	August 1, 1976
30,000	February 1, 1977	30,000	August 1, 1977
30,000	February 1, 1978	30,000	August 1, 1978
30,000	February 1, 1979	30,000	August 1, 1979
30,000	February 1, 1980	35,000	August 1, 1980
30,000	February 1, 1981	35,000	August 1, 1981
35,000	February 1, 1982	35,000	August 1, 1982
35,000	February 1, 1983	35,000	August 1, 1983
35,000	February 1, 1984	40,000	August 1, 1984
35,000	February 1, 1985	40,000	August 1, 1985
40,000	February 1, 1986	40,000	August 1, 1986
40,000	February 1, 1987	40,000	August 1, 1987
40,000	February 1, 1988	45,000	August 1, 1988
40,000	February 1, 1989	45,000	August 1, 1989
45,000	February 1, 1990	45,000	August 1, 1990
45,000	February 1, 1991	45,000	August 1, 1991
45,000	February 1, 1992	50,000	August 1, 1992
45,000	February 1, 1993	50,000	August 1, 1993
45,000	February 1, 1994		

Sec. 3. The bonds of this issue maturing on February 1, 1962 and thereafter shall be redeemable at the option of the City, in whole or in part, on August 1, 1961, or any interest payment date thereafter, in their inverse numerical order, at face value thereof, together with the following premiums:

5% if redeemed on August 1, 1961, or thereafter on or before February 1, 1966;

- 4% if redeemed on August 1, 1966, or thereafter on or before February 1, 1972;
- 3% if redeemed on August 1, 1972, or thereafter on or before February 1, 1978;
- 2% if redeemed on August 1, 1978, or thereafter on or before February 1, 1984;
- 1% if redeemed on August 1, 1984, or thereafter prior to maturity;

plus in each case accrued interest to the date fixed for redemption.

Notice of such redemption shall be published at least one time in a newspaper or financial journal of general circulation published in Indianapolis, Indiana, and Chicago, Illinois. Such publication shall not be less than thirty (30) days prior to the date fixed for redemption. If any of the bonds so to be redeemed are registered, such notice shall be mailed to the address of the registered holder as shown on the registration records of the City. The notice shall specify the date and place of redemption and, if less than all of the bonds be called, the serial numbers and dates of maturity of the bonds called for redemption. The place of redemption shall be determined by the City. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named. Coincidentally with the payment of the redemption price, the bonds so called for redemption shall be surrendered for cancellation together with the unmatured interest coupons appurtenant thereto.

Sec. 4. Said bonds shall be signed in the name of the City by the Mayor and attested by the Clerk-Treasurer who shall affix the seal of said City to each of said bonds. The interest coupons attached to said bonds shall be executed by placing thereon the facsimile signatures of

the Mayor and Clerk-Treasurer, and said officials, by the signing of said bonds, shall adopt as and for their own proper signatures their facsimile signatures appearing on said coupons. In case any officer whose signature appears on the bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until the delivery thereof. Said bonds shall have all of the qualities and incidents of negotiable instruments under the negotiable instruments law of the State of Indiana,

Said bonds shall be negotiable by delivery unless registered. Upon presentation of any of the bonds at the office of the Clerk-Treasurer, said Clerk-Treasurer shall register said bonds as to principal without charge or expense to the holder. Such registry shall be noted on each bond so presented, after which no transfer thereof shall be valid unless made by the registered owner in person or by his attorney duly authorized and similarly noted on such bond, but bonds so registered may be discharged from registry by being in like manner retransferred to bearer, after which they shall be transferable by delivery but may again be registered as before. The registration of any bond shall not affect the negotiability of the interest coupons attached thereto, but such coupons shall continue to pass by delivery merely and shall remain payable to bearer.

The principal of and interest on all of said bonds and all bonds on a parity therewith, shall be payable from and secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues





on the first day of \_\_\_\_\_, 19\_\_\_\_ (unless this bond be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon from the date hereof until the principal is paid, at the rate of \_\_\_\_\_ per cent (\_\_\_\_%) per annum, payable on the first days of February and August in each year, beginning on February 1, 1956, upon presentation and surrender of the annexed coupons as they severally become due.

Both principal and interest of this bond are payable in lawful money of the United States of America at the Harris Trust and Savings Bank, in the City of Chicago, Illinois.

This bond is one of an authorized issue of two thousand (2,000) bonds of the City of Bloomington, of like date, tenor and effect, except as to interest rates and dates of maturity, in the total amount of Two Million Dollars (\$2,000,000), numbered from 1 to 2000 inclusive, issued for the purpose of providing funds to be applied on the cost of additions, extensions and improvements to the City's sewage works, as authorized by an ordinance adopted by the Common Council of the City of Bloomington on \_\_\_\_\_, 1955, entitled "An Ordinance concerning the construction of additions, extensions and improvements to the sewage works owned and operated by the City of Bloomington, Indiana, the issuance of revenue bonds to provide funds to be applied on the cost thereof, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said bonds, and other matters connected therewith," and in strict compliance with the provisions of Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and the acts amendatory thereof and supplemental thereto.

Pursuant to the provisions of said Act and said ordinance, the principal and interest of this bond and all other bonds of said issue, and all bonds on a parity therewith, are payable solely from the Sewage Works Sinking Fund created by Ordinance No. 11, 1934, to be provided from the net revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the City of Bloomington, including the additions, extensions and improvements constructed or acquired by the use of the proceeds of this bond and the issue of which it is a part, and all additions, extensions and improvements thereto and replacements thereof subsequently constructed or

acquired; subject, however, to the prior payment from said Sewage Works Sinking Fund of the principal of and interest on bonds designated "Sewage Works Revenue Bonds" in accordance with the terms and provisions thereof. This bond shall not constitute an indebtedness of the City of Bloomington within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this bond or the interest thereon except from said special fund provided from said net revenues.

Subject to the prior servicing of the first charge bonds designated as Sewage Works Revenue Bonds payable from the net revenues of the City's sewage works, the City of Bloomington irrevocably pledges the entire net revenues of said sewage works, to the extent necessary for that purpose, to the prompt payment of the principal and interest of the bonds of the issue of which this is one, and all bonds on a parity therewith. The City covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into said Sinking Fund under the provisions of said Act and the ordinance pursuant to which this bond is issued. In the event the City, or the proper officers thereof, shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the holder of this bond shall have all of the rights and remedies provided for in said Chapter 61, Acts of 1932 (Special Session), and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and the interest thereon.

The City further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on the Sewage Works Revenue Bonds hereinbefore referred to and the interest on this bond and the other bonds of the issue of which this is one, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of the Sewage Works Revenue Bonds and the principal of this bond and the other bonds of the issue of which this is one, as the same are payable, and (d) an additional amount as a margin of safety

and for the payment of premiums on bonds redeemed by call or purchase, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten per cent (10%) of all other amounts so required to be paid into said Sinking Fund.

The bonds of this issue maturing on February 1, 1962 and thereafter are redeemable at the option of the City, in whole or in part, on August 1, 1961, or any interest payment date thereafter, in their inverse numerical order, at face value thereof, together with the following premiums: five per cent (5%) if redeemed on August 1, 1961, or thereafter on or before February 1, 1966; four per cent (4%) if redeemed on August 1, 1966, or thereafter on or before February 1, 1972; three per cent (3%) if redeemed on August 1, 1972, or thereafter on or before February 1, 1978; two per cent (2%) if redeemed on August 1, 1978, or thereafter on or before February 1, 1984; one per cent (1%) if redeemed on August 1, 1984, or thereafter prior to maturity, plus in each case accrued interest to the date fixed for redemption; provided notice of such redemption shall be published one time at least thirty (30) days prior to the date fixed for redemption in a newspaper or financial journal of general circulation published in Indianapolis, Indiana, and Chicago, Illinois. A like notice shall be sent by mail to the holders of such bonds as are then registered. Interest on bonds so called for redemption shall cease on the redemption date fixed in said notice, if funds are available at the place of redemption to pay the redemption price on the date so named or when presented for payment. The bonds so redeemed prior to maturity shall be surrendered for cancellation, together with all unmatured interest coupons appurtenant thereto.

If any bond or interest coupon shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Harris Trust and Savings Bank, in the City of Chicago, Illinois, an amount sufficient to pay such bond or interest coupon or the redemption price thereof, as the case may be, and thereafter the holder shall look only to the funds so deposited in trust with said bank for payment and the City shall have no further obligation or liability in respect thereto.

This bond and all other bonds of said issue shall have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the State of Indiana. This bond may be registered as to principal

at the office of the Clerk-Treasurer in the City of Bloomington, Indiana, in the name of the owner hereof, and such registration noted hereon by said Clerk-Treasurer. Thereafter no transfer hereof shall be valid unless made at said office by the registered owner in person or by his duly authorized attorney and similarly noted hereon, but this bond may be discharged from registration by being in like manner transferred to bearer and may again from time to time be registered or transferred to bearer as before. Such registration shall not restrict or affect the negotiability of the interest coupons hereto attached by delivery only, but such interest coupons shall always be payable to bearer.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

IN WITNESS WHEREOF, the City of Bloomington, in Monroe County, State of Indiana, has caused this bond to be executed in its corporate name by its Mayor, its corporate seal to be hereunto affixed and attested by its Clerk-Treasurer, and the interest coupons hereto attached to be executed by placing thereon the facsimile signatures of said Mayor and Clerk-Treasurer, as of the first day of \_\_\_\_\_, 1955.

CITY OF BLOOMINGTON

By \_\_\_\_\_

Mayor

Attest:

\_\_\_\_\_  
Clerk-Treasurer

(Interest Coupon)

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

On \_\_\_\_\_ 1, 19\_\_\_\_

(unless the bond herein mentioned shall have been called for previous redemption), the City of Bloomington, Indiana, will pay to bearer at the Harris Trust and Savings Bank, in the City of Chicago, Illinois, out of its Sewage Works Sinking Fund, \_\_\_\_\_ Dollars

in lawful money of the United States of America, being the interest then due on its Sewage Works Revenue Bond of 1955, dated \_\_\_\_\_ 1, 1955, No. \_\_\_\_\_.

CITY OF BLOOMINGTON  
By \_\_\_\_\_ (Facsimile)  
Mayor  
  
\_\_\_\_\_  
Clerk-Treasurer (Facsimile)

REGISTRATION ENDORSEMENT

This bond can be registered only at the office of the Clerk-Treasurer in the City of Bloomington, Indiana. No writing hereon except by the Clerk-Treasurer.

Date of Registry	In Whose Name Registered	Clerk-Treasurer
_____	_____	_____
_____	_____	_____
_____	_____	_____

Sec. 6. The Mayor and Clerk-Treasurer are hereby authorized and directed to have said bonds and coupons prepared and to execute said bonds and the interest coupons to be attached thereto, in the form and manner herein provided. The Clerk-Treasurer is hereby authorized to deliver said bonds to the purchaser thereof after sale in accordance with the provisions of this ordinance. The bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the revenues of the City's sewage works to be set aside into the Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of said bonds shall be and are hereby set aside for application on the cost of construction of said additions, extensions and improvements to the City's

sewage works hereinbefore referred to, and the expenses necessarily incurred in connection therewith and on account or in connection with the issuance of said bonds. The proper officers of the City are hereby directed to do all acts and things which may be necessary to carry out the provisions of this ordinance.

Sec. 7. Prior to the sale of said bonds the Clerk-Treasurer shall cause to be published a notice of such sale once each week for two weeks in two newspapers published in the City of Bloomington, Indiana, representing the two leading political parties, and one time in a newspaper or financial journal published in the City of Indianapolis, the last publication to be at least seven (7) days prior to the date fixed for said sale. Said notice may also be published in a newspaper or financial journal published in the City of Chicago, Illinois, and a newspaper or financial journal published in the City of New York, New York, in the discretion of the Clerk-Treasurer. The bond sale notice shall state the time and place of sale, the character and amount of the bonds, the maximum rate of interest thereon, the maturities thereof, the purpose for which the bonds are being issued, the terms and conditions upon which bids will be received and the sale made, and such other information as the Clerk-Treasurer and the attorneys employed by the City shall deem advisable. Said notice shall provide, among other things, that each bid shall be accompanied by a certified or cashier's check in the amount of Ten Thousand Dollars (\$10,000) to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of the bonds and pay for the same at the time fixed in the notice of sale, then said check and the proceeds thereof shall be

the property of the City and shall be considered as its liquidated damages on account of such default.

All bids for said bonds shall be sealed and shall be presented to the Clerk-Treasurer at her office. Bidders for said bonds shall be required to name the rate or rates of interest which the bonds are to bear, not exceeding the maximum rate hereinbefore fixed. Such interest rate or rates shall be in multiples of one-eighth ( $1/8$ ) of one per cent (1%), and not more than three (3) interest rates shall be named by each bidder. Bids specifying more than one interest rate shall also specify the amount and maturities of the bonds bearing each rate, but all bonds maturing on the same date shall bear the same rate. The bonds shall be awarded by the Clerk-Treasurer to the highest qualified bidder who has submitted his bid in accordance with the terms of this ordinance and the notice of sale. The highest bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the bonds to their maturities and deducting therefrom the premium bid, if any. No bid for less than the par value of said bonds, including accrued interest to the date of delivery, shall be considered. The right to reject any and all bids shall be reserved. In the event an acceptable bid is not received on the date fixed in the notice, the Clerk-Treasurer shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days without readvertisement, but during such continuation no bid shall be accepted which is lower than the highest bid offered at the advertised sale.

Prior to the sale of said bonds the Clerk-Treasurer shall be authorized to obtain a legal opinion as to the validity of the bonds from

Ross McCord Ice & Miller, acting as bond counsel for the City, and to furnish such opinion to the purchasers of the bonds. The fee of such bond counsel shall be considered as a part of the cost of the project on account of which said bonds are issued and shall be paid out of the proceeds of said bonds.

Sec. 8. The accrued interest and premium received at the time of the delivery of the bonds, if any, shall be deposited in the Sewage Works Sinking Fund heretofore created. The remaining proceeds from the sale of said bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Bloemington, Sewage Works Construction Account." All funds deposited to the credit of said Sewage Works Sinking Fund or Sewage Works Construction Account shall be deposited, held and secured in accordance with the laws of the State of Indiana relating to the depositing, holding and securing of public funds. The funds in said special account or accounts shall be expended only for the purpose of paying the cost of the additions, extensions and improvements to the works hereinbefore referred to, as defined in Sec. 7 of said Chapter 61 of the Acts of 1932, as amended, or as otherwise required by said Act. Any balance or balances remaining unexpended in such special account or accounts after completion of said additions, extensions and improvements which are not required to meet unpaid obligations incurred in connection with such project, shall be paid into the Sewage Works Sinking Fund and shall be used solely for the purposes of said fund.



Subject to the approval of the Board of Public Works and Safety, the Clerk-Treasurer shall be authorized to invest in direct obligations of the United States Government such portion of the funds in said Construction Account as shall not be required for immediate use, provided that no such investment shall be made at a cost in excess of the par value of the securities purchased, and that none of the funds shall be invested in any securities the maturity date of which is later than the time when such funds are required to be available for the purposes thereof, or if the time when such funds will be required for use cannot be determined, such investment shall be made only in securities having a maturity date of one (1) year or less from the date of purchase. Such investment shall be made in strict accordance with the provisions of Chapter 9 of the Acts of the Indiana General Assembly for the year 1945, and any interest or other accretions derived from any such investments shall become a part of the funds invested. In conformity with the provisions of the governing statutes, the holders of said bonds shall be entitled to a lien on the proceeds of said bonds until the same are applied on the project on account of which said bonds were issued.

Sec. 9. All of the revenues derived from the operation of the City's sewage works shall be segregated and kept in the special fund, separate from all other funds of the City, heretofore created by Ordinance No. 11, 1934 and designated "Sewage Works General Fund." Out of this fund all proper and reasonable expenses of operation, repair and maintenance of the works shall be paid.

Sec. 10. The special fund designated as "Sewage Works Sinking Fund" created by Ordinance No. 11, 1934, adopted on March 20, 1934, for the payment of the Sewage Works Revenue Bonds authorized by said ordinance, is hereby designated and constituted as the special fund from which the bonds issued pursuant to this ordinance and all bonds on a parity therewith shall be paid. Said fund shall be continued until all of the bonds issued under this ordinance have been fully redeemed. There shall be set aside and paid into said Sinking Fund monthly, as available, a sufficient amount of the net revenues of said sewage works for the payment of (a) the interest on the Sewage Works Revenue Bonds hereinbefore referred to and the interest on the bonds authorized by this ordinance, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of the Sewage Works Revenue Bonds and the principal of the bonds authorized by this ordinance, as the same are payable, and (d) an additional amount as a margin of safety and for the payment of premiums upon bonds redeemed by call or purchase, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten per cent (10%) of all other amounts so required to be paid into said Sinking Fund. The monthly payments into said sinking fund shall be in an amount equal to at least one-twelfth ( $1/12$ ) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as said fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof.

Said Sewage Works Sinking Fund shall be applied (first) to the payment of the interest on and principal of said first charge Sewage Works Revenue Bonds, and (second) to the payment of the interest on and principal of the Sewage Works Revenue Bonds of 1955 issued pursuant to the provisions of this ordinance, and any bonds hereafter issued on a parity therewith.

In no event shall any part of the Sewage Works Sinking Fund be used in calling bonds for redemption prior to maturity, except to the extent that the amount then in said Sinking Fund exceeds the amount required to pay the principal of the bonds payable from said Fund which will mature within a period of twelve (12) calendar months next following the date of such redemption, together with all interest on the bonds payable in said period. Any such excess of funds above said required level may also be used in purchasing outstanding bonds of the issue herein authorized at a price less than the then applicable redemption price, if first approved by the Board of Public Works and Safety. Moneys in said Sinking Fund shall not be used for any other purpose whatsoever except as provided in this ordinance.

Sec. 11. In the event all required payments into the Sewage Works Sinking Fund have been met to date and there has been accumulated in said Sewage Works Sinking Fund an amount sufficient to meet the requirements of said Sinking Fund for the then next succeeding twelve (12) calendar months, and funds in an amount sufficient for operation, repair and maintenance of the works for a like period have been accumulated and reserved for that purpose in the Sewage Works General Fund,

then any excess revenues shall be transferred from such Sewage Works General Fund to a fund to be designated as "Sewage Works Depreciation Fund," to the extent and in the manner hereinafter provided. Out of such excess revenues there shall be deposited in said Depreciation Fund on or before the first day of each calendar month not less than the sum of Two Thousand Dollars (\$2,000), until such time as said Depreciation Fund shall contain the sum of Two Hundred Forty Thousand Dollars (\$240,000). After the accumulation of said amount in said fund no further deposits need be made therein except to the extent necessary to maintain a minimum balance in said fund of Two Hundred Forty Thousand Dollars (\$240,000). Such further deposits, if any, shall be made at the rate of not less than Two Thousand Dollars (\$2,000) per month from such excess revenues until said minimum balance shall have again been attained. The moneys in said Depreciation Fund may be expended in making good depreciation in the works, or to meet unforeseen contingencies in the repair and maintenance of the works, but no part thereof shall be expended for additions or extensions to the works unless and until the amount of the Sewage Works Sinking Fund shall equal the principal of all outstanding bonds and the interest payable thereon to maturity. The Clerk-Treasurer shall, if needed to prevent a default in the payment of the interest on or principal of the bonds, transfer to the Sewage Works Sinking Fund a sufficient amount of the moneys then in said Depreciation Fund to prevent such default. Any accumulations in the Depreciation Fund not required for immediate use may be invested in obligations of the United States Government to the extent permitted

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by law, and any income from such investment shall accrue to the Depreciation Fund.

If all other conditions precedent have been met and the monthly deposits have been made in the Sewage Works Depreciation Fund to date, and the total of the amounts in said Sewage Works Sinking Fund and Sewage Works Depreciation Fund shall equal not less than the principal of and interest on the then outstanding Sewage Works Revenue Bonds dated August 1, 1934, to the maturity thereof, then any excess revenues of the works available may be placed in a fund to be designated as "Sewage Works Improvement Fund," and be used to pay the cost of additions and extensions to the works. No revenues of the works shall be deposited in or credited to the Sewage Works Depreciation Fund or Sewage Works Improvement Fund which will interfere with the requirements of the Sewage Works Sinking Fund or with the requirements as to reserving funds for the operation, maintenance and repair of the works.

Sec. 12. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and deposited in the Sewage Works General Fund, and all disbursements made therefrom on account of the operation of the works, or to meet the requirements of the Sewage Works Sinking Fund, also all other financial transactions relating to said works, including the amounts set aside or credited to the Sewage Works Depreciation Fund and Sewage Works Improvement Fund, and the cash balances in each of said funds as of the close of the preceding fiscal year. There

shall be prepared and furnished, upon written request, to the original purchasers of the bonds, and to any holder of the bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, operating income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the Clerk-Treasurer, or the person charged with the duty of auditing the books and records relating to said works. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any holder or holders of the bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Sec. 13. The City shall, by ordinance of the Common Council, maintain just and equitable rates or charges for the use of and the services rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewerage system of the City, or that in any way uses or is served by such works. Such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, the payment of the sums required to be paid into the Sewage Works Sinking Fund by said governing Act, and to maintain the Sewage Works Depreciation Fund as herein provided. Such rates or charges shall, if necessary, be changed and readjusted from time to time so

that the revenues therefrom shall always be sufficient for said purposes. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid by the City or the various departments thereof as the charges accrue.

Sec. 14. For the purpose of further safeguarding the interests of the holders of the bonds herein authorized, it is specifically provided as follows:

(a) All contracts let by the City in connection with the construction of said additions, extensions and improvements to the sewage works shall be let after due advertisement as required by laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred per cent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers' liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) The additions, extensions and improvements shall be constructed under the supervision and subject to the approval of Consoer, Townsend & Associates, or such other competent engineers as shall be designated by the Board of Public Works and Safety. All estimates for work done or material furnished shall first be checked by the engineers and approved by the Board of Public Works and Safety.

(c) The City shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(e) So long as any of the bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete or other property not required for the proper operation and maintenance of the works.

(f) So long as any of the bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage treatment works shall be authorized, executed or issued by the City except such as shall be made subordinate and junior in all respects to the bonds herein authorized, unless all of the bonds herein authorized are redeemed and retired coincidently with the delivery of such additional bonds or other obligations or funds suf-



ficient to effect such redemption are available and set aside for that purpose at the time of issuance of such additional bonds; provided, however, the City reserves the right to issue additional bonds in a principal amount not exceeding One Hundred Thousand Dollars (\$100,000) ranking on a parity with the bonds herein authorized and payable from the Sewage Works Sinking Fund, for the purpose of completing the project provided for by this ordinance in accordance with the plans and specifications therefor now on file in the office of the Board of Public Works and Safety, in the event the proceeds derived from the sale of the bonds authorized by this ordinance are not sufficient to pay the cost of said project, but only in the event there shall first be submitted to the Common Council a certificate prepared by the consulting engineers employed by the City on the sewage works project, showing the total amount of work completed to date, the total cost thereof, the total amount of work to be completed, and the estimated cost of completion thereof, and said certificate shall be approved by the Common Council and placed on file in the office of the Clerk-Treasurer for public inspection.

(g) The City shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil, or industrial waste is produced, with available sanitary sewers. The City shall, in so far as possible, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this ordinance shall constitute a contract by and between the City of Bloomington and the holders of the revenue bonds herein authorized, and after the issuance of said bonds this

ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the holders of said bonds, nor shall the Common Council or other body of the City adopt any law, ordinance or resolution which in any way adversely affects the rights of such holders so long as any of said bonds or the interest thereon remain unpaid.

(i) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the bonds herein authorized for the uses and purposes herein set forth, and the holders of the bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sewage Works Sinking Fund for the uses and purposes of said fund as in this ordinance set forth. The holders of said bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Act hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event of default in the payment of the principal of or interest on any of the bonds herein authorized for a period of thirty (30) days, or in the event of default in respect to any of the provisions of this ordinance or the governing Act.

Sec. 15. All ordinances and parts of ordinances in conflict herewith are hereby repealed, but none of the provisions of this ordinance shall be construed as adversely affecting the rights of holders

of the first charge Sewage Works Revenue Bonds dated February 1, 1934, hereinbefore referred to.

Sec. 16. This ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

Passed and adopted by the Common Council of the City of Bloomington on the 2<sup>nd</sup> day of August, 1955.

s/ Emmett Kelly  
Presiding Officer

Attest:

s/ Esther F. Leavitt  
Clerk-Treasurer

Presented by me to the Mayor of the City of Bloomington on the 2<sup>nd</sup> day of August, 1955, at the hour of 10 . P. M. (CST).

s/ Esther F. Leavitt  
Clerk-Treasurer

This ordinance approved and signed by me on the 2<sup>nd</sup> day of August, 1955, at the hour of 10 . P. M. (CST).

s/ Emmett Kelly  
Mayor