

ORDINANCE NO. 23, 1953

An Ordinance of the City of Bloomington, Indiana, concerning the construction of extensions and additions to the waterworks system owned and operated by said City, authorizing the issuance of revenue bonds to provide for the cost thereof and the refinancing of an outstanding obligation heretofore incurred on account of the improvement of said waterworks system, and matters connected therewith.

WHEREAS, the City of Bloomington is the owner of and operates an unencumbered waterworks furnishing the public water supply to said City and its inhabitants; and

WHEREAS, the Board of Public Works and Safety, having the management of said waterworks, has determined, and the Council now finds, that said waterworks is in need of certain extensions and additions, consisting chiefly of additional low head pumps at the Bean Blossom pumping station and auxiliary supply main from the pumping station to the filtration plant, additions to the filtration plant, installation of re-inforcing mains and improvement of distribution system at various locations throughout the City, and construction of a water storage reservoir, as more particularly set out in the report dated July 1, 1953, of Consoer, Townsend & Associates, the City's consulting engineers, and in the resolution adopted by the Board of Public Works and Safety determining to proceed with said improvement; that said extensions and additions are required in order to protect properly the health, well-being and property of the City and its inhabitants; and

WHEREAS, the Radio Corporation of America has heretofore advanced to the City the sum of Sixty-six Thousand Four Hundred Sixty-four Dollars and Forty-seven Cents (\$66,464.47) which has been applied on the cost of construction of a water main required to serve the area in which the plant of said corporation is located, and the City has agreed to refinance said loan without interest, out of the proceeds of bonds issued to finance the cost of additional extensions and additions to the City's waterworks system; and

WHEREAS, the Board of Public Works and Safety has determined that the cost of the proposed extensions and additions, over and above the amount which will be available therefor out of the revenues of the City's waterworks, will be not less than One Million Five Hundred Thousand Dollars (\$1,500,000.00), including the amount required to refinance said loan and to pay all incidental expenses necessary to be incurred in connection with said project and the issuance of bonds on account thereof, and has represented to the Council, and the Council now finds, that, subject to the approval of the Public Service Commission, funds for said project may be provided by the issuance and sale of revenue bonds payable solely out of the revenues of said waterworks and not constituting a general obligation of the City; that under the provisions of Ordinance No. 9, 1950 and Ordinance No. 3, 1951, such revenue bonds may be issued provided the same are made junior and subordinate in all respects to the outstanding bonds designated as "Waterworks Refunding Revenue Bonds, "issued under date of December 1, 1950, and bonds designated as "Waterworks Revenue Bonds of 1951, " issued under date of October 1, 1951, and that the revenues of the City's waterworks are sufficient to provide for the operation and maintenance thereof, depreciation, and the servicing of said outstanding revenue bonds and the revenue bonds authorized by this ordinance; and that it would be to the best interests of the City and its citizens to proceed with the proposed additions and extensions to the City's waterworks; now therefore.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON:

Section 1. That the City of Bloomington (hereinafter sometimes referred to as the "City"), being the owner of and engaged in operating unencumbered waterworks supplying the City and its inhabitants with water for public and domestic use, now provide for certain needed extensions and additions to such waterworks and the payment for such extensions and additions and the refinancing of the loan hereinabove mentioned, by the issuance of bonds payable from the revenues and receipts of said waterworks, pursuant to and in the manner prescribed in Chapter 206 of the Acts of 1937, and the acts amendatory thereof and supplemental thereto (sometimes hereinafter referred to as the "Act"). The term "waterworks," "water system" and "systems" wherever used in this ordinance shall be construed to mean and include the existing waterworks owned by the City of Bloomington, and all extensions, additions and improvements thereto and replacements thereof now or subsequently constructed or acquired.

Sec. 2. To the extent that funds are available therefor, said extensions and additions shall include additional low head pumps at the Bean Blossom pumping station and auxiliary supply main from the pumping station to the filtration plant, additions to the filtration plant, installation of reinforcing mains and improvement of distribution system at various locations throughout the City, and construction of a water storage reservoir, as more particularly set out in the report dated July 1, 1953, of Consoer, Townsend & Associates, the City's consulting engineers, and in the resolution adopted by the Board of Public Works and Safety determining to proceed with said improvement. In the event the available funds are insufficient to provide for the construction of all of said extensions and additions, then the available funds shall be allocated to the construction of the extensions and additions in the order determined by the Board of Public Works and Safety. The Board of Public Works and Safety is hereby authorized to proceed with the construction and installation of said extensions and additions, and to enter into all contracts necessary for such purpose in conformity with the provisions of this ordinance and of said Act; provided that the principal and interest of all bonds issued pursuant to the provisions of this ordinance shall be paid solely and exclusively from the revenues of said waterworks system and that no bonds shall be issued or sold until the approval of the Public Service Commission of Indiana shall have been obtained for the issuance of such bonds, and said Commission shall have certified that the income and revenues of the waterworks system, in addition to providing for operation, maintenance and depreciation of said system, are sufficient to pay the interest on and principal of the outstanding bonds payable out of the revenues of the waterworks system and the interest on and principal of the bonds authorized by this ordinance. The Board of Public Works and Safety is hereby authorized to file a proper petition with the Public Service Commission for the purpose of securing the required approval of said Commission.

Sec. 3. The income and revenues of the City's waterworks system shall be set aside into a separate and special fund to be used and applied in the maintenance and operation thereof, in establishing a depreciation account, and to the payment of the interest on and principal of the bonds authorized by Ordinance No. 9, 1950, Ordinance No. 3, 1951, and by this ordinance, and such other bonds as may be legally payable out of the income and revenues of the waterworks, in accordance with their respective priorities and provisions. The proportion of the gross revenues of said waterworks that shall be paid into the several accounts of said special fund, beginning as of the date of issuance of the bonds herein authorized, is hereby fixed and determined as follows:

(a) Operation and Maintenance Account. Forty per cent (40%) of the gross revenues of said waterworks shall be set aside into the Operation and Maintenance Account, and shall be used solely to pay

CAA480

the necessary costs of the reasonable and proper operation and maintenance of the waterworks, including any taxes required to be paid. The funds so set aside for operation and maintenance shall be applied exclusively to that purpose until a surplus shall have been accumulated in said account which will be equal to the cost of maintaining and operating the system during the remainder of the calendar, operating or fiscal year then current, and the cost of maintaining and operating said system during the calendar, operating or fiscal year then next ensuing. Any excess over such surplus may be transferred to the Depreciation Account, or the Bond and Interest Redemption Account hereinafter referred to.

(b) Depreciation Account. Nine and five-tenths per cent (9.5%) of the gross revenues of said waterworks shall be set aside into the Depreciation Account and shall be expended in making good depreciation in the waterworks or in new construction, extensions or additions to the property of the waterworks. Any accumulations in said Depreciation Account not required for immediate use may be invested in direct obligations of the United States Government to the extent permitted by law, and if so invested the income from the investment shall accrue to the Depreciation Account. The funds in said account shall not be used for any purpose other than as herein provided.

(c) Bond and Interest Redemption Account. Fifty and five-tenths per cent (50.5%) of the gross revenues of the waterworks shall, as such revenues are received, be set apart and paid into a special account to be identified as the "Bond and Interest Redemption Account." The funds in said account, to the extent required, shall be used solely for the purpose of: (1) paying the interest on and principal of the Waterworks Refunding Revenue Bonds issued under date of December 1, 1950, pursuant to Ordinance No. 9, 1950, and the Waterworks Revenue Bonds of 1951 issued under date of October 1, 1951, pursuant to Ordinance No. 3, 1951, in accordance with the terms thereof; (2) paying the interest on and principal of the bonds issued pursuant to the provisions of this ordinance in accordance with the terms thereof. If and when a surplus shall be created in said Bond and Interest Redemption Account which shall be in excess of the interest on and principal of the bonds, plus ten per cent (10%), which are payable during the then current calendar, operating or fiscal year, together with the amount of interest on or principal of the bonds which will become due and payable during the calendar, operating or fiscal year then next ensuing, then any excess over such surplus may be transferred to either the Operation and Maintenance Account or the Depreciation Account. In the event any of the bonds payable out of said Bond and Interest Redemption Account shall be subject to redemption prior to maturity, any such excess over such surplus, and any such surplus not required for the payment of interest on or principal of all of the bonds payable from said account during the then next succeeding twelve (12) calendar months, also may be used in the redemption of outstanding bonds at not more than the redemption prices and in accordance with the redemption provisions applicable thereto.

All of the funds of said several accounts shall be deposited in lawful depositories of the City and shall be continuously held and secured as provided by the laws of Indiana relating to the depositing, securing and holding of public funds. In no event shall any of the revenues of said waterworks be transferred or used for any purpose not authorized by this ordinance or reasonably implied by the provisions hereof, so long as there are outstanding any bonds payable out of the income and revenues of the City's waterworks.

Sec. 4. For the purpose of procuring funds with which to pay the cost of construction and installation of the extensions and additions to its waterworks and refinancing said outstanding loan, the City shall issue its revenue bonds under and pursuant to the provisions of this ordinance and said Act, which bonds shall be payable only out of the special Bond and Interest Redemption Account herein provided for, and shall be designated as "Waterworks Refunding and Improvement Bonds of 1954." Said bonds shall be in a

principal amount not exceeding One Million Five Hundred Thousand Dollars (\$1,500,000.00), in the denomination of One Thousand Dollars (\$1,000.00), numbered consecutively from 1 up, dated as of the first day of the month in which said bonds are sold, and shall bear interest at a rate or rates not exceeding four and one-half per cent (4-1/2%) per annum (the exact rate or rates to be determined by bidding), which interest shall be payable semi-annually on January 1 and July 1 of each year, beginning on July 1, 1954, and shall be evidenced by coupons attached to said bonds. Both bonds and interest coupons shall be payable at The Indiana National Bank of Indianapolis, in the City of Indianapolis, Indiana, in lawful money of the United States of America, and said bonds shall mature serially in the amounts and on the dates as follows:

\$ 7,000.00 July 1, 1954		
5,000.00 January 1, 1955	\$ 4,000.00 July 1, 1955	
5,000.00 January 1, 1956	7,000.00 July 1, 1956	
10,000.00 January 1, 1957	11,000.00 July 1, 1957	
11,000.00 January 1, 1958	11,000.00 July 1, 1958	
12,000.00 January 1, 1959	12,000.00 July 1, 1959	
12,000.00 January 1, 1960	12,000.00 July 1, 1960	
12,000.00 January 1, 1961	12,000.00 July 1, 1961	
12,000.00 January 1, 1962	12,000.00 July 1, 1962	
13,000.00 January 1, 1963	13,000.00 July 1, 1963	
13,000.00 January 1, 1964	13,000.00 July 1, 1964	
13,000.00 January 1, 1965	14,000.00 July 1, 1965	
14,000.00 January 1, 1966	14,000.00 July 1, 1966	
14,000.00 January 1, 1967	14,000.00 July 1, 1967	
15,000.00 January 1, 1968	15,000.00 July 1, 1968	
15,000.00 January 1, 1969	15,000.00 July 1, 1969	
16,000.00 January 1, 1970	16,000.00 July 1, 1970	
16,000.00 January 1, 1971	17,000.00 July 1, 1971	
17,000.00 January 1, 1972	17,000.00 July 1, 1972	
17,000.00 January 1, 1973	17,000.00 July 1, 1973	
17,000.00 January 1, 1974	18,000.00 July 1, 1974	
18,000.00 January 1, 1975	19,000.00 July 1, 1975	
19,000.00 January 1, 1976	19,000.00 July 1, 1976	
19,000.00 January 1, 1977	20,000.00 July 1, 1977	
20,000.00 January 1, 1978	21,000.00 July 1, 1978	
21,000.00 January 1, 1979	21,000.00 July 1, 1979	
22,000.00 January 1, 1980	22,000.00 July 1, 1980	
22,000.00 January 1, 1981	23,000.00 July 1, 1981	
23,000.00 January 1, 1982	23,000.00 July 1, 1982	
24,000.00 January 1, 1983	24,000.00 July 1, 1983	
24,000.00 January 1, 1984	25,000.00 July 1, 1984	
25,000.00 January 1, 1985	26,000.00 July 1, 1985	
26,000.00 January 1, 1986	27,000.00 July 1, 1986	
27,000.00 January 1, 1987	28,000.00 July 1, 1987	
28,000.00 January 1, 1988	29,000.00 July 1, 1988	
29,000.00 January 1, 1989	31,000.00 July 1, 1989	
31,000.00 January 1, 1990	31,000.00 July 1, 1990	
32,000.00 January 1, 1991	32,000.00 July 1, 1991	
33,000.00 January 1, 1992	34,000.00 July 1, 1992	
35,000.00 January 1, 1993	37,000.00 July 1, 1993	

The bonds of this issue maturing on July 1, 1960, and thereafter, viz. bonds numbered 108 to 1500 inclusive, shall be redeemable at the option of the City, in whole or in part, in inverse numerical order, on January 1, 1960, or any interest payment date thereafter, at face value, together with the following premiums:

- 6% if redeemed on January 1, 1960, or thereafter on or before July 1, 1967;
- 5% if redeemed on January 1, 1968, or thereafter on or before July 1, 1974;
- 4% if redeemed on January 1, 1975, or thereafter on or before July 1, 1981;
- 3% if redeemed on January 1, 1982, 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 thirty (30)

CAA480

CAA480

This bond is one of an authorized issue of one thousand five hundred (1,500) bonds of the City of Bloomington of like date, denomination, tenor and effect, in the total amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00), numbered consecutively from 1 to 1500 inclusive, issued for the purpose of providing funds to pay the cost of extensions and additions to the municipally owned waterworks of said City and refinance an outstanding obligation incurred on account of said waterworks, pursuant to an ordinance passed by the Common Council of said City on the _____ day of _____, 1953, entitled "An Ordinance of the City of Bloomington, Indiana, concerning the construction of extensions and additions to the waterworks system owned and operated by said City, authorizing the issuance of revenue bonds to provide for the cost thereof and the refinancing of an outstanding obligation heretofore incurred on account of the improvement of said waterworks system, and matters connected therewith," and in strict compliance with the provisions of the governing statutes, particularly Chapter 206 of the Acts of the Indiana General Assembly of the State of Indiana for the year 1937, and all acts amendatory thereof or supplemental thereto.

The principal and interest of this bond and all other bonds of the issue of which it is a part, are equally and ratably secured by and constitute a charge upon fifty and five-tenths per cent (50.5%) of the gross income and revenues of the municipally owned waterworks of the City as the same now exists or may hereafter be improved and extended, which percentage of such income and revenues is to be deposited in a special fund designated as the "Bond and Interest Redemption Account" heretofore duly created; all subject, however, to the prior payment, in accordance with the terms thereof, of the interest on and principal of the revenue bonds payable out of the revenues of the City's waterworks heretofore issued pursuant to Ordinance No. 9, 1950 under date of December 1, 1950, and maturing in semi-annual installments over a period ending on July 1, 1956, and the payment of the interest on and principal of the revenue bonds payable out of the revenues of the City's waterworks heretofore issued pursuant to Ordinance No. 3, 1951 under date of October 1, 1951, and maturing in semi-annual installments over a period ending on July 1, 1993. The City shall not be obligated to pay this bond or the interest thereon except from said special fund, and neither this bond nor the issue of which it is a part shall in any respect constitute a corporate indebtedness of the City within the provisions and limitations of the constitution of the State of Indiana.

The bonds of this issue maturing on July 1, 1960, and thereafter, are redeemable at the option of the City, in whole or in part, in inverse numerical order, on January 1, 1960, or any interest payment date thereafter, at face value, together with the following premiums: six per cent (6%) if redeemed on January 1, 1960, or thereafter on or before July 1, 1967; five per cent (5%) if redeemed on January 1, 1968, or thereafter on or before July 1, 1974; four per cent (4%) if redeemed on January 1, 1975, or thereafter on or before July 1, 1981; three per cent (3%) if redeemed on January 1, 1982, or thereafter prior to maturity; plus in each case accrued interest to the date fixed for redemption; provided notice of such redemption shall be given at least thirty (30) days prior to the date fixed therefor by one publication in a newspaper or financial journal of general circulation published in the City of Indianapolis, Indiana, and a newspaper or financial journal of general circulation published in the City of Chicago, Illinois, and a like notice be sent by mail to the holders of such bonds as are then registered. Interest on the bonds so called for redemption shall cease on the redemption date fixed in said notice, if sufficient funds are available at the place of redemption to redeem the bonds when presented in accordance with the terms thereof. The bonds so redeemed prior to maturity shall be surrendered for cancellation, together with all unmatured interest coupons appurtenant thereto.

The City covenants that it will, to the fullest extent permitted by law, fix, maintain and collect an aggregate of rates and charges for the services rendered by the City's waterworks system which will be sufficient to pay all costs of operation and maintenance of said system, to provide a proper and adequate depreciation account, and to create and maintain the sinking fund required for the payment of the interest on and principal of this issue of bonds and all other bonds payable from the revenues of the City's waterworks system, in accordance with the terms thereof, and that it will in all other respects faithfully comply with all other provisions of the ordinance and statute pursuant to which this bond is issued. In the event the City shall make any default in the payment of the principal of or interest on this bond, the holder hereof shall have all of the rights and remedies provided by the governing statutes, including the right to compel the collection of sufficient rates and charges to provide for the payment of this bond and the interest thereon in accordance with the terms hereof.

This bond may be registered in the name of the owner in the manner and with the effect provided in the ordinance hereinbefore referred to, but unless registered this bond shall pass by delivery only. The registration of this bond shall not affect the negotiability of the interest coupons attached hereto, but said coupons shall continue to pass by delivery merely and shall remain payable to bearer.

It is hereby certified and recited that all acts, conditions and things required to be done or to exist precedent to and in the execution, issuance and delivery of this bond have been done and performed and exist 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 signed in its corporate name by its duly elected, qualified and acting Mayor, its corporate seal to be hereunto affixed and attested by its duly elected, qualified and acting Clerk-Treasurer, and the interest coupons hereto attached to be executed by placing thereon the facsimile signatures of said Mayor and Clerk-Treasurer, all as of the first day of _____, 1954.

CITY OF BLOOMINGTON
By _____
Mayor

Attest:

Clerk-Treasurer

(Interest Coupon)

Coupon No. _____ \$ _____

On _____, 19____,
(unless the bond herein mentioned shall have been called for previous redemption), the City of Bloomington, Indiana, will pay to bearer at the principal office of The Indiana National Bank of Indianapolis, in the City of Indianapolis, Indiana, out of its waterworks Bond and Interest Redemption Account, _____ Dollars, being the interest then due on its waterworks Refunding and Improvement Bond of 1954, dated _____, 1954, 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
_____	_____	_____
_____	_____	_____
_____	_____	_____

CAA480

Sec. 7. The Clerk-Treasurer is hereby authorized and directed to have said bonds and coupons prepared, and the Mayor and Clerk-Treasurer are hereby authorized and directed to execute said bonds and the coupons to be attached thereto in the form and manner hereinbefore provided. The Clerk-Treasurer shall sell said bonds at public sale. Prior to the sale of the bonds, the Clerk-Treasurer shall cause to be published a notice of sale once each week for two weeks in The Star-Courier and the Daily Herald-Telephone, published in the City of Bloomington, and at least one time in a newspaper published in the City of Indianapolis. The Clerk-Treasurer shall be authorized to make such additional publication as may be recommended by the City's bond counsel and approved by the Mayor. The date fixed for the sale shall not be earlier than seven days after the last of said publications. The bond sale notice shall state the time and place of sale, the total amount of 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 shall set out such other information as the Clerk-Treasurer, acting on the advice of the City Attorney and bond counsel, shall deem necessary.

All bids for said bonds shall be sealed and shall be presented to the Clerk-Treasurer at his office. Bidders shall be required to bid for all the bonds and to name the rate or rates of interest which the bonds are to bear, not exceeding four and one-half per cent (4-1/2%) per annum. 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 two or more interest rates 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. Each bid shall be accompanied by a certified or cashier's check payable to the City of Bloomington in the amount of Five Thousand Dollars (5,000.00) as a guarantee of good faith. In the event the successful bidder shall fail or refuse to accept delivery of said bonds in accordance with his bid and the notice of sale, then said check and the proceeds thereof shall be the property of the City as its agreed liquidated damages. The Clerk-Treasurer shall award the bonds to the highest qualified bidder. The highest bidder shall 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 interest accrued to the date of delivery, shall be considered. The Clerk-Treasurer shall have the right to reject any and all bids. In the event no acceptable bid is received at the time fixed in said notice for the sale of said bonds, the Clerk-Treasurer shall be authorized to continue to receive bids from day to day thereafter for a period of not to exceed thirty (30) days without readvertisement; provided, however, that if said sale be continued no bid shall be accepted which is lower than the highest bid received at the time fixed for said sale in the bond sale notice.

Prior to the sale of said bonds the Clerk-Treasurer shall obtain a legal opinion as to the validity of the bonds from Ross McCord Ice & Miller, bond counsel of Indianapolis, acting as bond counsel for the City, and shall furnish such opinion to the purchaser

10

of the bonds. The fee of such bond counsel and all other incidental expenses incurred in connection with the issuance of the bonds authorized by this ordinance shall be paid out of funds derived from the operation of the City's waterworks.

Sec. 8. In the event it shall be hereafter determined that it is not necessary to issue all of the bonds authorized by this ordinance, or the Public Service Commission shall not approve the issuance of said total amount of bonds, the Clerk-Treasurer shall be authorized to sell and deliver a lesser amount of bonds than herein authorized, in which case the bonds not sold or delivered shall be of the last maturity or maturities.

The bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding and special revenue obligations of the City payable out of the income and revenues of the waterworks system of said City according to their tenor and effect, and the proceeds derived from the sale of said bonds shall be and are hereby set aside for the purpose of (1) repaying to the Radio Corporation of America the sum of Sixty-six Thousand Four Hundred Sixty-four Dollars and Forty-seven Cents (\$66,464.47) advanced by said corporation to pay the cost of a water main heretofore constructed, and (2) paying the cost of construction and installation of the aforesaid extensions and additions to said waterworks and the expenses necessarily incurred in connection therewith, including the expenses incurred in connection with the issuance and sale of the bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do all acts and things which may be necessary to carry out the provisions of this ordinance.

Sec. 9. Any accrued interest and any premium received at the time of the delivery of the bonds shall be deposited in the Bond and Interest Redemption Account hereinbefore referred to. The remaining proceeds from the sale of the bonds shall be deposited in a bank or banks which are legally designated and qualified depositories for the funds of the City, in a special account or accounts to be designated as "City of Bloomington, Waterworks Construction Account." Each of such special accounts shall be deposited, secured and held as provided by the laws relating to the depositing, securing and holding of public funds. The funds in such special account or accounts shall be expended only for the purpose of (1) repaying to the Radio Corporation of America the sum of Sixty-six Thousand Four Hundred Sixty-four Dollars and Forty-seven Cents (\$66,464.47) advanced by said corporation to pay the cost of a water main heretofore constructed, and (2) paying the cost of the extensions and additions to said waterworks as herein authorized, the incidental expenses incurred in connection therewith and with the issuance of bonds, and for the payment of interest accruing on the bonds during the period of construction, if required for that purpose. Any balance or balances remaining unexpended in such special account or accounts after the completion of the work, which are not required to meet unpaid obligations incurred in connection with the construction of the work, shall be deposited in the Bond and Interest Redemption Account.

Sec. 10. 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 waterworks and deposited in the special accounts hereinbefore established and all disbursements made therefrom and all transactions relating to said waterworks. There shall be prepared and furnished to the original purchaser of the bonds, so long as it holds any of the bonds, and, upon written request, to any holder of the bonds, not more than ninety (90) days after the close of each annual fiscal period, operating and income statements and balance sheets of the waterworks, in reasonable detail, covering such annual fiscal period, which statement shall be certified by the Clerk-Treasurer or the Auditor of the waterworks. Copies of all such statements and reports shall at all times be kept on file in the office of the Clerk-Treasurer. Any holder of the bonds shall have the right at all reasonable times to inspect the waterworks and the records, accounts and data of the City relating thereto.

CA480

Sec. 11. The City shall, to the fullest extent permitted by law, establish, maintain and collect reasonable and just rates and charges for the services and facilities afforded by said waterworks which will provide revenues at least sufficient to pay the reasonable and proper cost of the maintenance and operation of the waterworks, to provide a proper and reasonable depreciation account, and to pay the principal of and interest on all bonds payable from the revenues of the waterworks as the same become due, and provide a surplus or margin of ten per cent (10%) of the principal and interest due each year, which shall be cumulative. So long as any of the bonds herein authorized are outstanding, none of the facilities and services afforded by said waterworks shall be furnished without a reasonable and just charge being made therefor. The reasonable value of any facility or service rendered to the City, or to any department, agency or instrumentality thereof, including the use of water for hydrants for fire protection or for any other purpose, shall be charged against the City and shall be paid for as the charges accrue, and the revenues so received shall be deemed to be revenues derived from the operation of the waterworks and shall be used and accounted for in the same manner as other revenues derived from the operation of the waterworks; provided, however, that the payment of such charges against the City may be omitted, to the extent permitted by law, so long as the revenues derived from the operation of the waterworks are sufficient to pay the cost of operation, to maintain the waterworks in good operating condition, to provide for a proper depreciation fund, and for the payment of the principal and interest of all outstanding bonds payable from the income and revenues of the waterworks.

Sec. 12. For the purpose of further safeguarding the interests of the holders of the bonds, it is specifically provided as follows:

(a) All construction contracts shall be let to responsible contractors who shall be required to furnish construction bonds in an amount equal to one hundred per cent (100%) of the amount of such contracts, to insure the completion of such contracts in accordance with their terms, and such contractors shall be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts.

(b) The extensions and additions shall be contracted for and constructed to the approval of Consoer, Townsend & Associates, consulting engineers of Chicago, Illinois, now employed by the City, or such other consulting engineers as may hereafter be employed by the City, with the approval of the purchaser of the bonds. All estimates for work done and material furnished shall first be checked by the consulting engineers before being approved by the City.

(c) The City shall, at all times, maintain said waterworks 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 the waterworks of a kind and in an amount such as is usually carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business in the State of Indiana, and any insurance proceeds collected shall be used in replacing the property destroyed or damaged, or if not needed for that purpose shall be placed in the Depreciation Account.

(e) So long as any of the bonds herein authorized are outstanding, the City shall not mortgage, pledge or otherwise encumber its waterworks or any part thereof, and shall not sell, lease or otherwise dispose of any portion thereof except such equipment which may become worn out or obsolete, and shall be replaced; nor shall the City execute or issue any additional bonds

or other obligations pledging any portion of the revenues of said waterworks unless the same be made subordinate and junior in all respects to the bonds heretofore issued and the bonds herein authorized, or unless all of the bonds herein authorized are redeemed and cancelled coincidentally with the delivery of such additional bonds or other obligations.

(f) The provisions of this ordinance shall be construed to create a trust in the proceeds derived from the sale of the bonds herein authorized, for the uses and purposes herein set forth, and so long as any of said bonds are outstanding, the provisions of this ordinance shall also be construed to create a trust in the fixed proportion of the revenues of the waterworks herein directed to be set apart and paid into the Bond and Interest Redemption Account for the uses and purposes of said account as in this ordinance set forth.

(g) The provisions of this ordinance shall constitute a contract by and between the City of Bloomington and the holders of the bonds herein authorized, all of the terms of which shall be enforceable in law or in equity, and after the issuance of the bonds this ordinance shall not be repealed or amended in any respect which will adversely affect the rights and interests of the holders of said bonds, nor shall the Common Council of the City adopt any law, ordinance or resolution in any way adversely affecting the rights of such holders so long as any of the bonds or the interest thereon remain unpaid. The holders of the bonds shall have all of the rights, remedies and privileges, either expressly set forth in the provisions of Chapter 206 of the Acts of the Indiana General Assembly for the year 1937, and the acts amendatory thereof and supplemental thereto, or implied therein, including the right to compel the collection of sufficient rates and charges to provide for the payment of the bonds issued hereunder and the interest thereon.

(h) None of the provisions of this ordinance shall be construed as requiring the expenditure of any funds of the City derived from any sources other than the proceeds of said bonds and the revenues derived from the operation of said waterworks system.

Sec. 13. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that none of the provisions of this ordinance shall be so construed as to repeal or modify the provisions of Ordinance No. 9, 1950, or Ordinance No. 3, 1951, so as to affect adversely the rights, interest or priorities of the holders of the outstanding revenue bonds issued pursuant to said ordinances.

Sec. 14. This ordinance shall be in full force and effect from and after its passage.

Passed and adopted by the Common Council of the City of Bloomington on the 27th day of October, 1953.

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 27th day of October, 1953, at the hour of 9:15 o'clock P.M.

S/Esther F. Leavitt
Clerk-Treasurer

This ordinance approved and signed by me on the 27th day of October, 1953, at the hour of 9:15 o'clock P.M.

S/Emmett Kelly
Mayor

CAA480