

ORDINANCE OF THE CITY OF BLOOMINGTON
COUNTY OF MONROE, STATE OF INDIANA
No. 10, 1952

An Ordinance Concerning the Construction of a twelve (12") inch Water Main, commencing at the terminal point of an existing twelve (12") inch Water Main on Maxwell Lane and extending to the grounds of the Radio Corporation of America, over a course to be designated by the City Engineer, and authorizing the City Water Utility to borrow funds for said purpose on an interim basis proposed by the Radio Corporation of America.

WHEREAS, the City of Bloomington, Indiana, is the owner of, and operates a Water Works, furnishing the public water supply to said City, and to all users within said City, both corporate and residential, and the inhabitants thereof, and

WHEREAS, there is now in process of construction a Water Reservoir, initiated in the Year 1951, scheduled to be completed on April 1st, 1953, which said improvement when completed will provide an adequate source of water supply to the users of the City of Bloomington for many years as a result of the impounding of an additional five (5,000,000,000) billion gallons of water, and

WHEREAS, a part of the planned improvement included a grid system providing additional water mains within the City of Bloomington in order to supply users in the Southwest part of the City of Bloomington, and in other areas, and

WHEREAS, that part of the contemplated program was deleted in 1951 for lack of sufficient funds and pending the completion of the proposed Reservoir, and

WHEREAS, it now appears that all major obstacles that might have retarded the construction of the Reservoir have been satisfactorily solved and that said Reservoir will be completed on schedule as proposed, and

WHEREAS, four (4) of the five (5) major contracts, including the installation of an auxilliary main, the construction of a low head dam and pumping station, the clearing of the Water Reservoir area, and the construction and elevation of roads in the vicinity of the Water Reservoir area have all been substantially completed and the only part of the program heretofore contracted for to-wit: the construction of the Dam and Spillway is approximately Seventy-five (75%) per cent completed, and in process, and

WHEREAS, the City of Bloomington has been advised by its consulting engineers that said Program will be completed in its entirety on or before the first day of April, 1953, and

WHEREAS, The Radio Corporation of America contemplates an addition and extension of its present physical plant, which will provide employment to many persons, both men and women, residents within the City and within the immediate environs of the City of Bloomington, and

WHEREAS, the relationship between the City of Bloomington and The Radio Corporation of America has been cordial and satisfactory, and it is believed that it is desirable for the City to facilitate and promote this relationship for the benefit of all of the citizens of said City, and

WHEREAS, as a precedent to the construction of additional Plant facilities, The Radio Corporation of America finds that the additional water supply is necessary and desirable in order to provide water for the operation of the Plant, for the health of its employees, and to prevent fire hazards, and

WHEREAS, the proposed water main will not only serve the Radio Corporation of America, but will serve all residents of the City along the route, and for many blocks on either side of the proposed route, and

WHEREAS, the City of Bloomington is now without sufficient capital in its Water Utility Funds to pay for the proposed improvement and after careful study of said problem and consultation with officers of the Radio Corporation of America, the following Loan Agreement was proposed which provides that the Radio Corporation of America will lend to the City Water Utility a sum sufficient to pay for the material, labor and supervision of the construction of a Water Main heretofore found necessary, without interest, provided that said loan will be repaid within two (2) years, and

WHEREAS, The Board of Public Works and Safety of the City of Bloomington has made a detailed study of said problem and recommends the construction of the twelve (12") inch Water Line proposed, and

WHEREAS, pursuant thereto a proposed Loan Agreement between the City of Bloomington and the Radio Corporation of America has been submitted, which reads as follows:

LOAN AGREEMENT

This agreement, executed in duplicate this _____ day of _____, 1952, by virtue of authority of a resolution of the Board of Public Works and Safety and by ordinance of the Common Council of the City of Bloomington, Indiana, by and between said City, hereinafter referred to as CITY and Radio Corporation of America, a corporation organized and operating under the laws of the State of Delaware but domiciled and authorized to do business in the State of Indiana in the manner provided by the laws of Indiana relating to foreign corporations, hereinafter referred to as CORPORATION, WITNESSETH:

WHEREAS, City is owner and operator of the municipal utility known as Bloomington Water Works which serves the public of Bloomington, Indiana as sole supplier of water for domestic, commercial and industrial uses including Corporation which operates a manufacturing plant within the corporate limits of city and which relies upon City's water supply and service as its sole source of water for drinking, sanitary, fire protection and manufacturing uses, and

WHEREAS, the entire southwestern portion of said city, both residential, business and industrial, including Corporation, is served solely by a single six (6) inch water main, which by reason of increasing population and additional demands, has become inadequate and insufficient as to pressure to furnish adequate and reasonably satisfactory service to patrons, including Corporation, to such an extent that Corporation receives no credit in its fire insurance rate for the existence of said existing water main and is forced at great expense to store water in a storage tank for the purpose of servicing its automatic fire sprinkler system within its plant, and

WHEREAS, Corporation has requested City to correct said defective pressure and service but said request has been refused only because City has no funds available for said purpose, which in the opinion of City's City Engineer, requires the construction of a new water main of twelve (12) inch cast iron pipe at a cost not to exceed the City Engineer's written estimate thereof dated November 10, 1952, and

WHEREAS, Corporation has offered to lend to the City the above required sum of money for the purpose above set out, upon terms, conditions and security all as hereinafter provided for,

NOW THEREFORE BE IT AGREED BY THE PARTIES, as follows:

(1) Corporation promises and agrees to advance and lend to City the total sum of money necessary to construct said new water line but not to exceed the amount of said engineer's estimated cost, for the period of not more than two (2) years from the date of this agreement and full and complete advancement of the proceeds of this loan or until the earlier acquisition of funds acquired by the creation of the junior revenue bonds, as and in the manner hereinafter set out. And Corporation shall make available and pay promptly to City portions of its said loan as City's requirements accrue from time to time as the work progresses to make payment for water pipe and to meet possible estimates due on the job as they occur, until the entire amount of said loan is paid over to said City or so much thereof as is necessary to complete said project should said cost be less than said engineer's estimate.

(2) City promises and agrees to repay said loan on or before two (2) years from and after the receipt of the final advancement without interest. Provided however, that City asserts that it contemplates and hereby obligates itself to do all lawful acts, as soon hereafter as is reasonably possible, to create, issue and sell publicly an issue of junior revenue bonds for the purpose of raising funds to accomplish certain betterments and improvements in connection with its new water supply system now nearing completion and also a sum sufficient to liquidate and repay in full said loan made to it by corporation. And City further promises and agrees so to repay said loan to Corporation out of the first available proceeds from the sale of said proposed bonds.

(3) In consideration of said loan of money and for the other considerations expressed in this agreement, City promises and agrees wholly at its own expense to correct said defective water service and pressure provided by said existing six (6) inch water main by replacing the same with a new cast iron pipe line twelve (12) inches in diameter and constructed to the point where said existing pipe line enters Corporation's property on South Rogers Street in said City, and to commence said project and complete the same as rapidly as is reasonably possible.

(4) It is expressly agreed and understood that the new proposed water revenue bonds shall, by their recital terms, be junior, inferior and subordinate to any water revenue bonds now outstanding in the hands of the public, and nothing contained in this agreement shall be construed as abridging or limiting the rights or security of the holders of said presently outstanding bonds which shall always be prior, senior and superior to any such proposed junior bonds to be issued and sold in the future, and this loan agreement itself shall also be subject to, junior and inferior in all respects to said presently outstanding bonds.

(5) It is further expressly agreed and understood by the parties that this loan agreement shall not be of any legal force and effect until and unless it be authorized by appropriate action of City's Board of Public Works and Safety and Common Council and signed by its Mayor, attested by the signature of its Clerk-Treasurer. And this agreement shall not be of any force and effect unless and until the same is presented for approval by appropriate petition to the Public Service Commission of Indiana and an order made by that body approving the same and authorizing the City to act as prayed for in said petition.

(6) This agreement shall be binding upon and for the benefit of the assigns and successors in title of each of the respective parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands by their respective officers and caused their respective corporate seals to be affixed the day and year first written above.

CITY OF BLOOMINGTON, INDIANA
By Es/ Emmett Kelly
Emmett Kelly, Mayor

ATTEST:

/s/ Esther F. Leavitt
 Esther F. Leavitt, Clerk-Treasurer

CITY

RADIO CORPORATION OF AMERICA
 By John S. Carter /s/
 John S. Carter, Vice President

ATTEST:

 Assistant Secretary

CORPORATION

NOW, THEREFORE, BE IT ORDAINED BY
 THE COMMON COUNCIL OF THE CITY OF
 BLOOMINGTON:

Section 1. That the Mayor of the City of Bloomington, Indiana, be, and he is hereby authorized, empowered and directed to sign and execute said Loan Agreement for and on behalf of the City of Bloomington.

Section 2. The Board of Public Works and Safety of the City of Bloomington, in behalf of the Water Utility of said City, is hereby authorized and directed to commence and complete the construction of said water main upon receiving the approval of the Public Service Commission of the State of Indiana.

Section 3. That the City of Bloomington shall be obligated and bound to repay the Radio Corporation of America in full within two (2) years, without interest, the amount of money borrowed on the conditions and terms specified in said Loan Agreement.

Section 4. 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, Indiana, on the 4th day of November, 1952.

/s/ Emmett Kelly
 Emmett Kelly, Presiding Officer

ATTEST:

 Esther F. Leavitt, Clerk-Treasurer

Presented by me to the Mayor of the City of Bloomington, Indiana on the 4th day of November, 1952, at the hour of 8:20 o'clock P.M.

/s/ Esther F. Leavitt
 Esther F. Leavitt, Clerk-Treasurer

This Ordinance approved and signed by me on the 4th day of November, 1952, at the hour of 8:20 o'clock P.M.

/s/ Emmett Kelly
 Emmett Kelly, Mayor