

ORDINANCE NO. 3, 1951

An Ordinance concerning the construction of extensions and additions to the waterworks owned and operated by the City of Bloomington, Indiana, authorizing the issuance of revenue bonds to provide for the cost thereof, 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 water supply, increased filtration capacity, new transmission main from filtration plant to the distribution system, an additional elevated storage tank and supply main, and additions and extensions to its distribution system, as more particularly set out in the report dated February 6, 1950, of Consoer, Townsend & Associates, consulting engineers; 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 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 Seven Hundred Fifty Thousand Dollars (\$1,750,000.00), including all incidental expenses necessary to be incurred in connection therewith, 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, such revenue bonds may be issued having equal priority with the Waterworks Refunding Revenue Bonds, in the amount of One Hundred Twenty-eight Thousand Dollars (\$128,000.00), issued pursuant to the provisions of said Ordinance No. 9, 1950; 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 from the revenues and receipts of said waterworks, pursuant to and in the manner prescribed in Chapter 155 of the Acts of 1929, and all 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 the acquisition and clearing of land for the new reservoir and construction of access roads, construction of the dam and spill-way, pumping station and pipeline for conveyance of water to filtration plant, extensions and improvements to the filtration plant, second

transmission main from the filtration plant to the distribution system, new stand-pipe and supply main, and extensions and additions to the distribution system, as more particularly set out in the report made by Consoer, Townsend & Associates, consulting engineers, under date of February 6, 1950. 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 herein stated. 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, subject, however, to the approval of the Public Service Commission for the making of said extensions and additions and the issuance of the required amount of revenue bonds, and that the principal and interest of the bonds issued on account of such extensions and additions shall be paid solely and exclusively from the revenues of said waterworks system and shall not constitute a general obligation of the City. 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. As provided in Ordinance No. 9, 1950, adopted October 27, 1950, 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 said Ordinance No. 9, 1950 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 provisions. The proportion of the gross revenue of said waterworks that shall be paid into the several accounts of said special fund is hereby fixed and determined as follows:

(a) Operation and Maintenance Account. Fifty-four per cent (54%) of the gross revenues of said waterworks shall be set aside into the Operation and Maintenance Account, and shall be used to pay 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. Eleven per cent (11%) 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. Thirty-five per cent (35%) 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 shall be used solely for the purpose of paying the interest on and principal of the bonds issued pursuant to or in accordance with or permitted by the provisions of this ordinance, to the extent required for that purpose. 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, 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 Revenue Bonds of 1951." Said bonds shall be in a principal amount not exceeding One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000.00), 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 three and one-fourth per cent (3-1/4%) 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 January 1, 1952, 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:

\$13,000.00 January 1, 1957	\$13,000.00 July 1, 1957
13,000.00 January 1, 1958	13,000.00 July 1, 1958
13,000.00 January 1, 1959	13,000.00 July 1, 1959
14,000.00 January 1, 1960	14,000.00 July 1, 1960
14,000.00 January 1, 1961	14,000.00 July 1, 1961
15,000.00 January 1, 1962	15,000.00 July 1, 1962
15,000.00 January 1, 1963	15,000.00 July 1, 1963
16,000.00 January 1, 1964	16,000.00 July 1, 1964
16,000.00 January 1, 1965	16,000.00 July 1, 1965
17,000.00 January 1, 1966	17,000.00 July 1, 1966
17,000.00 January 1, 1967	17,000.00 July 1, 1967
18,000.00 January 1, 1968	18,000.00 July 1, 1968
18,000.00 January 1, 1969	18,000.00 July 1, 1969
19,000.00 January 1, 1970	19,000.00 July 1, 1970
19,000.00 January 1, 1971	19,000.00 July 1, 1971
20,000.00 January 1, 1972	20,000.00 July 1, 1972
21,000.00 January 1, 1973	21,000.00 July 1, 1973
22,000.00 January 1, 1974	22,000.00 July 1, 1974
22,000.00 January 1, 1975	22,000.00 July 1, 1975
23,000.00 January 1, 1976	23,000.00 July 1, 1976
24,000.00 January 1, 1977	24,000.00 July 1, 1977
24,000.00 January 1, 1978	24,000.00 July 1, 1978
25,000.00 January 1, 1979	25,000.00 July 1, 1979
26,000.00 January 1, 1980	26,000.00 July 1, 1980
27,000.00 January 1, 1981	27,000.00 July 1, 1981
28,000.00 January 1, 1982	28,000.00 July 1, 1982
29,000.00 January 1, 1983	29,000.00 July 1, 1983
30,000.00 January 1, 1984	30,000.00 July 1, 1984

\$31,000.00 January 1, 1985	\$31,000.00 July 1, 1985
32,000.00 January 1, 1986	32,000.00 July 1, 1986
33,000.00 January 1, 1987	33,000.00 July 1, 1987
34,000.00 January 1, 1988	34,000.00 July 1, 1988
35,000.00 January 1, 1989	35,000.00 July 1, 1989
36,000.00 January 1, 1990	36,000.00 July 1, 1990
38,000.00 January 1, 1991	38,000.00 July 1, 1991
39,000.00 January 1, 1992	39,000.00 July 1, 1992
39,000.00 January 1, 1993	39,000.00 July 1, 1993

The bonds of this issue maturing on July 1, 1960, and thereafter, 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 on or before July 1, 1988;
- 2% if redeemed on January 1, 1989, 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) days prior to the date fixed for redemption at least one time 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 shall be sent by mail to the holders of such bonds as are then registered. The notice shall specify the date and place of redemption and the serial numbers of the bonds called for redemption. Interest on the bonds so called for redemption shall cease on the date fixed in said notice, if funds are available at the place of redemption to redeem the bonds when presented.

Sec. 5. 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 the City to each of said bonds. The interest coupons attached to said bonds shall be executed by placing thereon the facsimile signature of the Clerk-Treasurer, and said official, by the signing of said bonds, shall adopt as and for his proper signature his facsimile signature appearing on said coupons. In case any officer whose signature appears on the bonds and coupons shall cease to be such officer before the delivery of such bonds, his signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Said bonds shall be negotiable by delivery unless registered. Upon presentation of the bonds at the office of the Clerk-Treasurer in the City of Bloomington, said Clerk-Treasurer shall register said bonds without charge or expense to the holder, as to the principal thereof. Such registry shall be noted on the bond, after which no transfer thereof will be valid unless made by the registered owner in person or by his attorney duly authorized and similarly noted on the bond, but said bond may be discharged from registry by being in like manner retransferred to bearer, after which it shall be transferable by delivery but may be again 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 only and shall remain payable to bearer.

Sec. 6. The form and tenor of said bonds, the interest coupons to be attached thereto, and the form of registry endorsement thereon shall be substantially as follows, to-wit:

UNITED STATES OF AMERICA
State of Indiana County of Monroe

No. _____ \$1,000.00

CITY OF BLOOMINGTON
WATERWORKS REVENUE BOND OF 1951

The City of Bloomington, in Monroe County, State of Indiana, for value received, hereby promises to pay to the bearer, or if this bond be registered then to the registered holder hereof, solely out of the special revenue fund herein-after referred to, the principal amount of

ONE THOUSAND DOLLARS

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 semi-annually on the first days of January and July of each year, beginning January 1, 1952, but only upon presentation and surrender of the annexed interest 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 principal office of The Indiana National Bank of Indianapolis, in the City of Indianapolis, Indiana.

This bond is one of an authorized issue of one thousand seven hundred fifty (1,750) bonds of the City of Bloomington of like date, denomination, tenor and effect, in the total amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000.00), numbered consecutively from 1 to 1750 inclusive, issued for the purpose of providing funds to pay the cost of extensions and additions to the municipally owned waterworks of said City, pursuant to an ordinance passed by the Common Council of said City on the ____ day of July, 1951, entitled "An Ordinance concerning the construction of extensions and additions to the waterworks owned and operated by the City of Bloomington, Indiana, authorizing the issuance of revenue bonds to provide for the cost thereof, and matters connected therewith," and in strict compliance with the provisions of the governing statutes, particularly Chapter 155 of the Acts of the Indiana General Assembly of the State of Indiana for the year 1929, and all acts amendatory thereof or supplemental thereto. The bonds of this issue are of equal priority, in respect to the payment of both interest and principal, with the Waterworks Refunding Revenue Bonds, in the amount of One Hundred Twenty-eight Thousand Dollars (\$128,000.00), issued under date of December 1, 1950.

The principal and interest of this bond and all other bonds of equal priority therewith are equally and ratably secured by and constitute a first charge upon thirty-five per cent (35%) of the gross income and revenues of the City's waterworks system, as the same now exists or may hereafter be improved and extended, to the extent required for that purpose, which percentage of such income and revenues is to be deposited in a special fund to be known as the "Bond and Interest Redemption Account" created by Ordinance No. 9, 1950, and continued in effect by the ordinance hereinbefore referred to. 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 percent (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 on or before July 1, 1988; two per cent (2%) if redeemed on January 1, 1989, 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 of equal priority thereto, 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 _____, 1951.

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 Revenue Bond of 1951, dated _____, 1951, No. _____.

CITY OF BLOOMINGTON
By _____ (Facsimile)
Mayor

(Facsimile)
Clerk-Treasurer

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. 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 three and one-fourth per cent (3-1/4%) 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 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 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 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.

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 Reception 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 interest 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 155 of the Acts of the Indiana General Assembly for the year 1929, and all 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.

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 10th day of July, 1951.

/s/ Thos. L. Lemon

Presiding Officer

Attest:

/s/ Carl O. Stewart

Clerk-Treasurer

Presented by me to the Mayor of the City of Bloomington on the 10th day of July, 1951, at the hour of 9:10 o'clock P. M.

/s/ Carl O. Stewart

Clerk-Treasurer

This ordinance approved and signed by me on the 10th day of July, 1951, at the hour of 9:10 o'clock P. M.

/s/ Thos. L. Lemon

Mayor