



CITY OF BLOOMINGTON COMMON COUNCIL

AGENDA AND NOTICE:
REGULAR SESSION
Wednesday | 6:30 PM
17 September 2025

*Council Chambers (#115), Showers Building, 401 N. Morton Street
The meeting may also be accessed at the following link:*

<https://bloomington.zoom.us/j/87868604832?pwd=7a8bJhpYfba0itp3DdAvZOWahXcBfV.1>

1. **ROLL CALL**
2. **AGENDA SUMMATION**
3. **MINUTES FOR APPROVAL**
February 19, 2025 – Regular Session
4. **REPORTS** *(A maximum of twenty minutes is set aside for each part of this section).*
 - A. Councilmembers
 - B. The Mayor and City Offices
Report from Bloomington Housing Authority
 - C. Council Committees
 - D. Public*
5. **APPOINTMENTS TO BOARDS AND COMMISSIONS**
None
6. **LEGISLATION FOR FIRST READINGS**
 - A. Ordinance 2025-35 – To Amend Title 9 of The Bloomington Municipal Code Entitled “Water” (Rate Adjustment)
 - B. Ordinance 2025-36 – An Ordinance Authorizing The Acquisition, Construction and Installation by The City Of Bloomington, Indiana, of Certain Extensions And Improvements to The City’s Waterworks Utility, The Issuance and Sale of Revenue Bonds to Provide Funds for The Payment of The Costs Thereof, and The Collection, Segregation and Distribution of The Revenues of Such Waterworks Utility and Other Related Matters
 - C. Appropriation Ordinance 2025-08 – To Transfer Funds from The General Fund To The Fiber Connectivity Fund And Specially Appropriate Funds Not Otherwise Budgeted

*Members of the public may speak on matters of community concern not listed on the agenda at one of the two public comment opportunities. Individuals may speak at one of these periods, but not both. Speakers are allowed up to three minutes.

Auxiliary aids are available upon request with adequate notice. To request an accommodation or for inquiries about accessibility, please call (812) 349-3409 or e-mail council@bloomington.in.gov.

Posted: September 12, 2025

- D. Appropriation Ordinance 2025-09 – To Specially Appropriate from The General Fund Expenditures Not Otherwise Appropriated

7. LEGISLATION FOR SECOND READINGS AND RESOLUTIONS

- A. Ordinance 2025-33 – To Establish The Fiber Connectivity Fund For Digital Opportunity Initiatives
- B. Ordinance 2025-34 – To Establish A Fund for The Proceeds of The Surety Bond Secured for Work on Fiber Optics Network For The City of Bloomington, Monroe County, Indiana
- C. Resolution 2025-16 – Requesting The Food and Beverage Tax Advisory Commission to Make A Recommendation for Expenditure of Food and Beverage Tax Revenues
- D. Resolution 2025-15 – To Establish Expectations and Procedures for Councilmember Liaisons to Boards and Commissions

8. ADDITIONAL PUBLIC COMMENT * *A maximum of twenty-five minutes is set aside for this section.*

9. COUNCIL SCHEDULE

10. ADJOURNMENT

Bloomington City Council meetings can be watched on the following websites:

- Community Action Television Services (CATS) – <https://catvstv.net>
- YouTube – <https://youtube.com/@citybloomington>

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Posted: September 12, 2025

Bloomington Common Council-Regular Session Minutes
Council Chambers, City Hall, 401 N. Morton Street, Bloomington, Indiana
Wednesday, February 19, 2025, 6:30pm

1. CALL TO ORDER [6:30pm]

Council President Stosberg called the meeting to order.

2. ROLL CALL (*Indicates participation via Zoom) [6:32pm]

Councilmembers present:

Isak Nti Asare	At-Large
Courtney Daily	District 5, Council Parliamentarian
Matt Flaherty (absent)	At-Large
Isabel Piedmont-Smith	District 1, Council Vice President
Dave Rollo	District 4
Kate Rosenbarger (arrived 6:32pm)	District 2
Andy Ruff (arrived 6:33pm)	At-Large
Hopi Stosberg	District 3, Council President
Sydney Zulich	District 6

City staff, officials, and guests present:

Nicole Bolden	City Clerk
Lisa Lehner	Council Attorney
Ash Kulak	Deputy Council Attorney
Jennifer Crossley	Deputy Clerk of Communications and Outreach

3. AGENDA SUMMATION [6:33pm]

Piedmont-Smith noted that it was Japanese American Day of Remembrance and gave a brief historical overview of the Japanese concentration camps. She said that President Donald Trump was intending to revive the Alien Enemies Act of 1798 which was the law that paved the way for Japanese-Americans incarceration during World War II. Stosberg summarized the agenda.

4. APPROVAL OF MINUTES [6:35pm]

Daily moved and Piedmont-Smith seconded to approve the minutes from October 01, 2024, and October 30, 2024. The motion was approved by voice vote.

5. REPORTS [6:36pm]

5.1. Councilmembers:

Asare commented on upcoming payment in lieu projects that were for low income, Section 8 housing. The goal was to use the funds to improve the properties. There would also be upcoming legislation regarding the Trades District, and things like alley vacations and plats.

Rollo discussed council’s role in traffic and street modifications which were under the purview of the city engineer. He spoke about the closure of Kirkwood Avenue.

Piedmont-Smith spoke about Resolution 2024-25 which instructed that the Plan Commission revise the Unified Development Ordinance (UDO) to add single room occupancy as a residential use. It was adopted on November 20, 2024 with a ninety day timeline, however, Planning and Transportation staff had advised that it was cost effective to combine that public notice with other notices for amendments to the UDO.

Piedmont-Smith moved and Asare seconded that council grant an extension of time allowing another ninety days so that the Plan Commission should submit to the council within ninety days of today. The motion was approved by voice vote.

Piedmont-Smith expressed disdain for President Trump for destroying the United States democratic republic and betraying allies around the world by violating the constitution. He was usurping powers held by the legislative branch, and Piedmont-Smith gave various examples. She urged everyone to continue to speak up and speak out.

Stosberg summarized a revised job description for the Council Attorney which needed to be approved.

Stosberg moved and Daily seconded to approve the job description for the Council Administrator/Attorney as presented in the packet.

There was council discussion on drafting a letter describing priorities for the Council Attorney and benefits of having a discussion on council's expectations for that position. Clerk Nicole Bolden noted a potential issue with granting the council attorney and council president the authority, in conjunction with HR, to discipline and terminate employees. That was a significant change. Council could use executive sessions to discuss personnel issues. There was additional discussion on possible actions.

Stosberg extended the time for reports until 7:10pm with no objections from the council.

The motion to approve the job description for the Council Administrator/Attorney as presented in the packet was approved by voice vote.

Stosberg reported from the Plan Commission and noted that the plan for the Monroe County Convention Center passed. There was discussion on updates to the Unified Development Ordinance. Anna Killion-Hanson, Director of Housing and Neighborhood Development department had given a presentation. There would be legal research done on the authorities given to council and the city engineer for Title 15 changes.

5.2. Mayor and City Offices:

Jessica McClellan, City Controller, reported on the Community Revitalization Enhancement District (CRED) funds. She gave a brief history and stated that \$9.8 million was spent by Economic and Sustainable Development department, Engineering, Planning, Street, and Parking. The remaining balance was \$7.5 million, in the General Fund, and could be used for any legal reason within the city. There was discussion on how to spend that remaining balance, the original purpose of the CRED, and its history.

5.3. Council Committees:

There were no council committee reports.

5.4. Public:

Steve Volan commented on CRED and highlighted its history, council districts, and uses such as a downtown public transit circulator.

Greg Alexander spoke about bicycle and pedestrian safety and concerns, and vehicles not obeying traffic laws which was dangerous to bicyclists.

6. APPOINTMENTS TO BOARDS AND COMMISSIONS [6:57pm]

6.1. Zulich moved and Stosberg seconded to make appoint Nicole Browne to seat C-1 on Fire Merit Commission. She summarized the state legislation that created the Fire Merit Commission and Police Merit

Commission and noted that the Police Department opted not to have a merit commission. The motion was approved by voice vote.

6.2. Zulich moved and Rollo seconded to reappoint Tara Dunderdale to seat C-1 and Justin Vasel to seat C-2 on the Commission on Sustainability. The motion was approved by voice vote.

6.3. Stosberg created the Fiscal Committee and for 2025, appointed Piedmont-Smith (Chair), Asare, Rollo, and Stosberg.

6.4. Stosberg noted the Budget Task Force that would work with the administration and included Asare and Zulich.

Kulak clarified that if the Budget Task Force was created by the council president, then it fell under the requirements of the Open Door Law (ODL). There was discussion on previous task forces and their compliance with ODL. What the governing body did was what determined compliance with ODL. The purpose of the Budget Task Force was to reduce overhead and workload, like notices, for staff. Bolden reminded council that the clerk's office handled public notices, memorandums, and attendance tracking. Additional discussion resulted in moving forward with the Budget Task Force.

7. LEGISLATION FOR FIRST READING [7:14pm]

7.1. Appropriation Ordinance 2025-02

To Additionally Appropriate From the Opioid Settlement Funds for the Downtown Outreach Grant Program

Daily moved and Piedmont-Smith seconded that Appropriation Ordinance 2025-02 be introduced and read by title and synopsis only. The motion was approved by voice vote. Bolden read the legislation by title and synopsis. Stosberg referred the legislation for a second reading at the March 05, 2025, meeting and noted that meeting would serve as the public hearing for the legislation.

7.2. Ordinance 2025-08

An Ordinance Re-establishing Cumulative Capital Development Fund

Daily moved and Piedmont-Smith seconded that Ordinance 2025-08 be introduced and read by title and synopsis only. The motion was approved by voice vote. Bolden read the legislation by title and synopsis. Stosberg referred the legislation for a second reading at the March 05, 2025, meeting.

8. LEGISLATION FOR SECOND READING AND RESOLUTIONS [7:16pm]

8.1. Ordinance 2025-05

To Amend the Following Titles of the Bloomington Municipal Code Regarding Resident Boards and Commissions: Title 2.12 "Boards, Commissions and Councils", Title 2.19 "Housing and Neighborhood Development", Title 2.23 "Community and Family Resources Department", and Title 2.20 "Bloomington Board of Park Commissioners"

Daily moved and Piedmont-Smith seconded that Ordinance 2025-05 be introduced and read by title and synopsis only. The motion was approved by voice vote. Bolden read the legislation by title and synopsis.

Daily moved and Piedmont-Smith seconded to adopt Ordinance 2025-05. Piedmont-Smith presented the legislation and provided highlights of the proposed changes.

Stosberg moved and Rollo seconded to adopt Amendment 01 to Ordinance 2025-05.

Stosberg passed the gavel to Piedmont-Smith then gave details on Amendment 01.

Amendment 01 Synopsis: This amendment, sponsored by Cm. Stosberg, would make additional minor changes to Title 2.12 and Title 2.23 governing several City commissions. The changes include grammatical corrections, updated references to the Bloomington/Monroe County Human Rights Commission, more simplified reporting requirements, clearer language, and a Monroe County residency requirement for Commissions on the status of children and youth and the status of women.

Deputy Clerk Jennifer Crossley commented in support of Amendment 01.

There was brief council discussion on residency requirements.

The motion to adopt Amendment 01 to Ordinance 2025-05 received a roll call vote of Ayes: 8, Nays: 0, Abstain: 0.

Piedmont-Smith passed the gavel back to Stosberg.

Asare moved and Zulich seconded to adopt Amendment 02 to Ordinance 2025-05. Asare presented Amendment 02.

There was discussion on how to verify that an applicant's primary place of employment was within the city limits or Monroe County.

There was no public comment.

There was discussion in favor of, and in opposition to, Amendment 02. Bolden noted that Amendment 02 proposed new duties to be under the purview of clerk staff, such as verifying employment, and reminded council to include her office in discussions pertaining to altering code or clerk staff duties.

The motion received a roll call vote of Ayes: 3 (Daily, Zulich, Asare), Nays: 5 (Ruff, Rollo, Piedmont-Smith, Stosberg, Rosenbarger), Abstain: 0. FAILED

Council discussed how the proposed changes were identified, and if the boards and commissions had been consulted. Piedmont-Smith clarified that staff liaisons had been consulted, who then consulted with the board or commission. She described specific examples.

Christopher Emge, Greater Bloomington Chamber of Commerce, spoke in favor of Ordinance 2025-05.

Dr. Justin Vasel, Chair, Commission on Sustainability, appreciated the collaboration of the Council Committee on Council Processes with the commission. The commission supported the legislation.

Steve Volan said boards and commissions should be consulted if there were proposed changes. He was grateful that Amendment 02 did not pass.

Jami Sholl spoke about living in the county and the city and supported one or two seats for county residents.

There was council comments on the proposed changes, the consulting of boards and commissions, and that more research was needed on whether or not to include county residents. It was noted that local kindergarten-high school students used information from boards and commissions.

The motion to adopt Ordinance 2025-05 as amended received a roll call vote of Ayes: 8, Nays: 0, Abstain: 0.

8.2. Resolution 2025-02

To Update the Established Interview Standing Committees

Daily moved and Piedmont-Smith seconded that Resolution 2025-02 be introduced and read by title and synopsis only. The motion was approved by voice vote. Bolden read the legislation by title and synopsis.

Meeting Date: February 19, 2025

Daily moved and Piedmont-Smith seconded to adopt Resolution 2025-02.

Stosberg passed the gavel to Piedmont-Smith and then Stosberg summarized the legislation.

There was no public comment.

The motion received a roll call vote of Ayes: 8, Nays: 0, Abstain: 0.

9. ADDITIONAL PUBLIC COMMENT [8:37pm]

Christopher Emge commented on the Plan Commission, developments, and land use.

10. COUNCIL SCHEDULE [8:40pm]

Stosberg reviewed the upcoming council schedule and potential changes that might arise.

11. ADJOURMENT [8:44pm]

Stosberg adjourned the meeting.

APPROVED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

APPROVE:

ATTEST:

Hopi Stosberg, COUNCIL PRESIDENT

City Clerk Nicole Bolden

Clerk’s Note: The above minutes summarize the motions passed and issues discussed rather than providing a verbatim account of every word spoken.

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MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Kari Bennett, Council Deputy Administrator/Deputy Attorney

Date: September 12, 2025

Re: Ordinance 25-35 – To Amend Title 9 of the Bloomington Municipal Code Entitled “Water” (Rate Adjustment)

Synopsis

This ordinance amends the rates and charges in Title 9 of the Bloomington Municipal Code, entitled “Water,” to reflect increased costs of supplying water and services to customers, and to make debt service payments on bond financing for required capital improvements.

Relevant Materials

- Ordinance 25-35
- Memo from Christopher J. Wheeler, Assistant City Attorney
- Redline version of Ordinance 25-35 showing current and proposed rates and charges within Municipal Code
- City of Bloomington Utilities presentation on Ordinance 25-35
- Revenue Requirements Report from Crowe LLP
- Rate Survey of Cities and Towns in Indiana with over 25,000 Population

Summary

Ordinance 25-35 amends Title 9 of the Bloomington Municipal Code by increasing various rates and charges associated with the city’s water utility. The rates support a 30.5% increase in revenues of water utility. The revenue increase is based on a revenue requirements study, which is provided in the revenue requirements report prepared by Crowe LLP. The revenues will be used to fund City of Bloomington Utilities’ water utility operations and maintenance and capital improvement plan. In addition to funding improvements to the Monroe Water Treatment Plant and distribution system, the revenue would pay for the water utility portion of a new service center and maintenance buildings for City of Bloomington Utilities.

The Utilities Service Board recommended adoption of Ordinance 25-35 to the Council at its September 8, 2025 meeting.

The last time the Council adopted an ordinance to increase water rates and charges was on March 17, 2021.



State law provides that the rates and charges made by a municipality for utility service must be nondiscriminatory, reasonable, and just.¹ The phrase “reasonable and just rates and charges for services” has a specific definition in state law, and means rates and charges that produce sufficient revenue to:

1. pay all the legal and other necessary expenses incident to the operation of the utility, including;
 - a. maintenance costs;
 - b. operating charges;
 - c. upkeep;
 - d. repairs;
 - e. depreciation;
 - f. interest charges on bonds or other obligations, including leases; and
 - g. costs associated with the acquisition of utility property under IC 8-1.5-2;
2. provide a sinking fund for the liquidation of bonds or other obligations, including leases;
3. provide a debt service reserve for bonds or other obligations, including leases, in an amount established by the municipality, not to exceed the maximum annual debt service on the bonds or obligations or the maximum annual lease rentals;
4. provide adequate money for working capital;
5. provide adequate money for making extensions and replacements to the extent not provided for through depreciation in subdivision (1); and
6. provide money for the payment of any taxes that may be assessed against the utility.

State law also provides that the rates and charges should produce an income sufficient to maintain the utility property in a sound physical and financial condition to render adequate and efficient service. Rates and charges too low to meet these requirements are unlawful.

Ordinance 25-35 states that the Council, based upon the facts detailed in the ordinance and supporting materials, finds that the rates should be increased to produce sufficient revenues to meet the requirements of state law. The ordinance states that the Council finds the proposed rates and charges nondiscriminatory, reasonable, and just. The rate increases were established based on a cost of service study conducted by Stantec that determined the cost to serve each type of customer (residential, commercial, industrial, etc.). There are two components to the rates: a fixed monthly charge based on the size of the meter and a variable charge based on the amount of water used by customer type.

During second reading of the ordinance, staff from City of Bloomington Utilities, Crowe LLP and Stantec will present an overview of Capital Improvement Plan, the revenue requirements report and the cost of service study.

The ordinance provides that the existing rates and charges of the water utility will remain in effect until the new rates fixed by Ordinance 25-35 are approved by order of the Indiana

¹ Indiana Code 8-1.5-3-8.



City of Bloomington Indiana

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Utility Regulatory Commission (“IURC”). If the Council adopts Ordinance 25-35, City of Bloomington Utilities will file the rate case with the IURC. The IURC would then have up to 300 days to rule on the proposal. The memo provided by Assistant City Attorney Wheeler notes that the IURC is not expected to issue a ruling until approximately August 2026.

Contact

Katherine Zaiger, Utilities Director, katherine.zaiger@bloomington.in.gov, 812-339-1444

Chris Wheeler, Assistant City Attorney, wheelech@bloomington.in.gov, 812-349-3426

ORDINANCE 2025-35
TO AMEND TITLE 9
OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED “WATER”
(Rate Adjustment)

WHEREAS, the City of Bloomington, Indiana (“City”) owns and operates a waterworks system, through its Utilities Service Board, pursuant to IC 8-1.5-2 and IC 8-1.5-3, as amended (“Act”), which waterworks system is subject to the jurisdiction of the Indiana Utility Regulatory Commission (“Commission”); and,

WHEREAS, the current rates and charges of the waterworks system of the City were established by Order of the Commission under Cause No. 45533 effective the 1st Day of August, 2022; and,

WHEREAS, the City, through its Utilities Service Board, recommends necessary construction of additions and improvements to the waterworks, including maintaining and improving water quality, replacement and rehabilitation of water mains, tanks, booster stations and hydrants; and,

WHEREAS, the City, through its Utilities Service Board, determined that it will be necessary to finance said additions and improvements through the issuance of bonds and, if necessary, bond anticipation notes; and,

WHEREAS, the City, through its Utilities Service Board, engaged Crowe LLP to analyze the revenue requirements of the waterworks system pursuant to the provisions of the Act; and,

WHEREAS, Crowe LLP studied the revenue requirements of the waterworks system pursuant to the provisions of the Act and determined that the waterworks system annual operating revenues from water service do not produce sufficient revenues to meet the requirements of the Act and that said revenues need to be increased to provide income sufficient to pay the debt service on the proposed financing of the additions and improvements to the waterworks and otherwise provide for the revenue requirements set forth in the Act, specifically IC 8-1.5-3-8; and,

WHEREAS, the City, through its Utility Service Board, engaged Stantec MTC Financial Management (“Stantec”), to prepare a cost of service study to determine the costs of providing service to each class of customers and to assist in the design of water rates for customers; and,

WHEREAS, the City, through its Utilities Service Board, upon consideration of the studies prepared by Crowe LLP and Stantec, recommends that the Common Council approve an increase in the rates and charges of the waterworks with a 30.5% increase in the revenues; and,

WHEREAS, based upon the aforementioned studies, and the recommendations of the Utility Service Board, the Common Council of the City finds that the rates and charges of the waterworks system of the City should be increased as set forth herein to take effect at such time as may be determined in an upcoming proceeding before the Indiana Utility Regulatory Commission; and,

WHEREAS, the Common Council of the City finds that the rates and charges set forth herein are nondiscriminatory, reasonable and just and are based upon the cost of providing service to the customers of the waterworks system of the City, while giving due consideration to the concept of gradualism to minimize rate shock to customers.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. Section 9.08.010 of the City Code of Bloomington (“Code”), entitled “Monthly rates generally” is hereby amended and restated as follows:

9.08.010 Monthly rates generally.

The following rates and charges are established for the use of and service rendered by the water utility of the city. The schedule of rates and charges for the use of the water utility as set forth in this chapter reflects the rates and charges of the water utility as adopted by ordinance of the common council of the city and may not necessarily reflect the actual rates and charges of the water utility, which are subject to the approval of the Indiana Utility Regulatory commission (“commission”). The actual rates and charges of the water utility as approved by the commission are set forth in the most recent tariff of the water utility on file with the commission and the clerk of the city and open for public inspection. Appropriate Indiana Sales Tax will also apply to billings for customers that are not tax-exempt. Each customer will pay a monthly charge according to the following schedule:

Monthly Usage Charge Applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University – Master Metered, Indiana University – Non-Master Metered, and Irrigation Classes.

Category	Rates Per 1,000 gallons
Residential	\$5.31
Industrial General (commercial, governmental, interdepartmental, industrial)	5.83
Indiana University – Master Metered	4.76
Indiana University – Non-Master Metered	5.83
Irrigation	10.92

Monthly Service Charge, in Addition to Monthly Usage for the Customer Categories Listed Above.

Meter Size	Charge
5/8”	\$8.16
¾”	9.58
1”	12.41
1 ½”	19.50
2”	28.01
3”	47.87
4”	76.23
6”	147.14
8”	232.23
10”	331.50

Monthly Surcharges for Fire Protection Service for the customer categories listed above excluding Indiana University – Master Metered.

Meter Size	Charge	
	Inside City	Outside City
5/8”	\$1.93	\$2.64
¾”	2.90	3.96
1”	4.83	6.60
1 ½”	9.65	13.20

2"	15.44	21.12
3"	28.95	39.60
4"	48.25	66.00
6"	96.50	132.00
8"	154.40	211.20
10"	221.95	303.60

The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be as follows: \$1,480.00.

SECTION 2. Section 9.08.020 of the Code, entitled “Contract sales for resale” is hereby amended and restated as follows:

9.08.020 Contract sales for resale.

The rate for contract sales for resale shall be \$4.49 per one thousand gallons.

Monthly Service Charge in Addition to Monthly Usage Charge.

Meter Size	Charge
5/8"	\$8.16
3/4"	9.58
1"	12.41
1½"	19.50
2"	28.01
3"	47.87
4"	76.23
6"	147.14
8"	232.23
10"	331.50

SECTION 3. Section 9.08.040 of the Code, entitled “Private fire connections per connection” is hereby amended and restated as follows:

9.08.040 Private fire connections per connection.

	Charge	
Line Size	Monthly	Annually
4” and under	\$15.83	\$189.96
6”	35.84	430.08
8”	70.36	844.32
10”	122.29	1,467.48
12”	194.25	2,331.00

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that the existing rates and charges of the waterworks system of the City shall remain in full force and effect until the rates and charges fixed by this ordinance shall be approved by order of the Commission and the tariff reflecting said approved rates and charges shall have been filed with and approved by the Commission.

SECTION 5. In the event the rates and charges of the waterworks system approved by the Commission shall differ from the rates and charges set forth herein, the Common Council hereby approves said rates and charges as adjusted by the Commission without further action of the Common Council. The rates and charges of the waterworks system of the City as reflected in the tariff filed with and approved by the Commission shall be filed with the Clerk of the City and be open for public inspection.

SECTION 6. If any section, sentence, or provision of this ordinance or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not affect any of the other parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION 7. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City and approval of the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

HOPI STOSBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

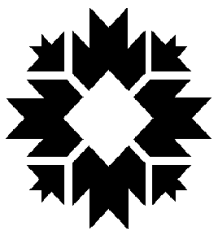
NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2025.

KERRY THOMSON, Mayor
City of Bloomington

SYNOPSIS

This ordinance amends the rates and charges in Title 9 of the Bloomington Municipal Code, entitled “Water”, to reflect increased costs of supplying water and services to customers, and to make debt service payments on bond financing for required capital improvements.



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: City of Bloomington Common Council Members
FROM: Christopher J. Wheeler, Assistant City Attorney
RE: Proposed Ordinance 2025-35
DATE: September 10, 2025

The City of Bloomington, Indiana (“City”) owns and operates a waterworks utility through its Utilities Department (“CBU”), by and through its Utilities Service Board (“USB”), pursuant to IC 8-1.5-2 and IC 8-1.5-3, as amended. The waterworks utility is subject to the jurisdiction of the Indiana Utility Regulatory Commission (“IURC”). CBU, by and through the USB is seeking a rate adjustment to its waterworks utility. Ordinance 2025-35 (“Rate Ordinance”) is before the Common Council for approval as a necessary step before CBU can file a water rate adjustment case with IURC.

Ordinance 2025-35 authorizes a 30.5% increase in the revenues of the waterworks. This increase applies only to the water portion of customers’ bills. Both the City Administration and the Utilities Service Board support this adjustment. Upon approval by the Common Council of this rate case, CBU will then file its water rate case with the IURC. The IURC has up to and including three hundred (300) days to rule on the case. These proposed rates will not take effect until the IURC has conducted a full hearing on this water rate case and issued its decision. The IURC is not likely to issue such a ruling until approximately August of 2026.

This rate adjustment is based upon a cost of service study conducted by Stantec MTC Financial Management and a complete analysis of the revenue requirements of the waterworks system conducted by Crowe LLP. This rate adjustment gives due consideration to the concept of gradualism to minimize rate shock to its customers while producing revenues sufficient to meet the waterworks utility’s on-going operation and maintenance expenses, make present debt service payments and other on-going obligations, while also permitting the City to make capital improvements to the waterworks system and cover the debt service payments and other costs associated with making those improvements.

If you have any questions regarding this proposed ordinance, please feel free to contact me by calling City Legal at 812.349.3549 or e-mailing me at wheelech@bloomington.in.gov.

ORDINANCE 2025-35
TO AMEND TITLE 9
OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED “WATER”
(Rate Adjustment)

REDLINE OF CURRENT CODE

WHEREAS, the City of Bloomington, Indiana (“City”) owns and operates a waterworks system, through its Utilities Service Board, pursuant to IC 8-1.5-2 and IC 8-1.5-3, as amended (“Act”), which waterworks system is subject to the jurisdiction of the Indiana Utility Regulatory Commission (“Commission”); and,

WHEREAS, the current rates and charges of the waterworks system of the City were established by Order of the Commission under Cause No. 45533 effective the 1st Day of August, 2022; and,

WHEREAS, the City, through its Utilities Service Board, recommends necessary construction of additions and improvements to the waterworks, including maintaining and improving water quality, replacement and rehabilitation of water mains, tanks, booster stations and hydrants; and,

WHEREAS, the City, through its Utilities Service Board, determined that it will be necessary to finance said additions and improvements through the issuance of bonds and, if necessary, bond anticipation notes; and,

WHEREAS, the City, through its Utilities Service Board, engaged Crowe LLP to analyze the revenue requirements of the waterworks system pursuant to the provisions of the Act; and,

WHEREAS, Crowe LLP studied the revenue requirements of the waterworks system pursuant to the provisions of the Act and determined that the waterworks system annual operating revenues from water service do not produce sufficient revenues to meet the requirements of the Act and that said revenues need to be increased to provide income sufficient to pay the debt service on the proposed financing of the additions and improvements to the waterworks and otherwise provide for the revenue requirements set forth in the Act, specifically IC 8-1.5-3-8; and,

WHEREAS, the City, through its Utility Service Board, engaged Stantec MTC Financial Management (“Stantec”), to prepare a cost of service study to determine the costs of providing service to each class of customers and to assist in the design of water rates for customers; and,

WHEREAS, the City, through its Utilities Service Board, upon consideration of the studies prepared by Crowe LLP and Stantec, recommends that the Common Council approve an increase in the rates and charges of the waterworks with a 30.5% increase in the revenues; and,

WHEREAS, based upon the aforementioned studies, and the recommendations of the Utility Service Board, the Common Council of the City finds that the rates and charges of the waterworks system of the City should be increased as set forth herein to take effect at such time as may be determined in an upcoming proceeding before the Commission; and,

WHEREAS, the Common Council of the City finds that the rates and charges set forth herein are nondiscriminatory, reasonable and just and are based upon the cost of providing service to the customers of the waterworks system of the City, while giving due consideration to the concept of gradualism to minimize rate shock to customers.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. Section 9.08.010 of the City of Bloomington Municipal Code (“Code”), titled “Monthly rates generally” is hereby amended and restated as follows:

9.08.010 Monthly rates generally.

The following rates and charges are established for the use of and service rendered by the water utility of the city. The schedule of rates and charges for the use of the water utility as set forth in this chapter reflects the rates and charges of the water utility as adopted by ordinance of the common council of the city and may not necessarily reflect the actual rates and charges of the water utility, which are subject to the approval of the Indiana Utility Regulatory Commission (“commission”). The actual rates and charges of the water utility as approved by the commission are set forth in the most recent tariff of the water utility on file with the commission and the clerk of the city and open for public inspection. Appropriate Indiana Sales Tax will also apply to billings for customers that are not tax-exempt. Each customer will pay a monthly charge according to the following schedule:

Monthly Usage Charge Applicable to Residential, Commercial, Governmental, Interdepartmental, Industrial, Indiana University – Master Metered, Indiana University – Non-Master Metered, and Irrigation Classes.

Category	Rates Per 1,000 gallons
Residential	\$3.98 <u>\$5.31</u>
Commercial, Governmental, Interdepartmental	3.50
Industrial <u>General (commercial, governmental, interdepartmental, industrial)</u>	3.24 <u>5.83</u>
Indiana University – Master Metered	2.63 <u>4.76</u>
Indiana University – Non-Master Metered	3.50 <u>5.83</u>
Irrigation	4.06 <u>10.92</u>

Monthly Service Charge, in Addition to Monthly Usage for the Customer Categories Listed Above.

Meter Size	Charge
5/8”	\$6.10 <u>\$8.16</u>
3/4”	7.80 <u>9.58</u>
1”	10.51 <u>12.41</u>
1 1/2”	19.87 <u>19.50</u>
2”	27.49 <u>28.01</u>
3”	60.09 <u>47.87</u>
4”	98.80 <u>76.23</u>
6”	195.61 <u>147.14</u>
8”	292.42 <u>232.23</u>
10”	389.22 <u>331.50</u>

Monthly Surcharges for Fire Protection Service for the customer categories listed above excluding Indiana University – Master Metered.

Meter Size	Charge	
	Inside City	Outside City
5/8”	\$2.05 <u>\$1.93</u>	\$3.42 <u>\$2.64</u>
3/4”	3.05 <u>2.90</u>	5.15 <u>3.96</u>
1”	5.10 <u>4.83</u>	8.58 <u>6.60</u>

1 ½"	10.21 <u>9.65</u>	17.13 <u>13.20</u>
2"	16.33 <u>15.44</u>	27.44 <u>21.12</u>
3"	35.73 <u>28.95</u>	60.02 <u>39.60</u>
4"	61.24 <u>48.25</u>	102.85 <u>66.00</u>
6"	127.63 <u>96.50</u>	214.28 <u>132.00</u>
8"	183.78 <u>154.40</u>	308.55 <u>211.20</u>
10"	296.03 <u>221.95</u>	497.13 <u>303.60</u>

The monthly Fire Protection Charge for Indiana University – Master Metered accounts as a group shall be ~~\$1,463.00~~ \$1,480.00.

SECTION II. Section 9.08.020 of the Code, titled “Contract sales for resale” is hereby amended and restated as follows:

9.08.020 Contract sales for resale.

The rate for contract sales for resale shall be ~~\$2.65~~ \$4.49 per one thousand gallons.

Monthly Service Charge in Addition to Monthly Usage Charge.

Meter Size	Charge
5/8"	\$6.10 <u>\$8.16</u>
¾"	7.80 <u>9.58</u>
1"	10.51 <u>12.41</u>
1½"	19.87 <u>19.50</u>
2"	27.49 <u>28.01</u>
3"	60.09 <u>47.87</u>
4"	98.80 <u>76.23</u>
6"	195.61 <u>147.14</u>
8"	292.42 <u>232.23</u>
10"	389.22 <u>331.50</u>

SECTION III. Section 9.08.040 of the Code, titled “Private fire connections per connection” is hereby amended and restated as follows:

9.08.040 Private fire connections per connection.

Line Size	Charge	
	Monthly	Annually
4” and under	\$10.29 <u>\$15.83</u>	\$123.48 <u>\$189.96</u>
6”	28.60 <u>35.84</u>	343.20 <u>430.08</u>
8”	58.60 <u>70.36</u>	703.20 <u>844.32</u>
10”	102.65 <u>122.29</u>	1,231.80 <u>1,467.48</u>
12”	161.84 <u>194.25</u>	1,942.08 <u>2,331.00</u>

SECTION IV. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that the existing rates and charges of the waterworks system of the City shall remain in full force and effect until the rates and charges fixed by this ordinance shall be approved by order of the Commission and the tariff reflecting said approved rates and charges shall have been filed with and approved by the Commission.

SECTION V. In the event the rates and charges of the waterworks system approved by the Commission shall differ from the rates and charges set forth herein, the Common Council hereby approves said rates and charges as adjusted by the Commission without further action of the Common Council. The rates and charges of the waterworks system of the City as reflected in the tariff filed with and approved by the Commission shall be filed with the Clerk of the City and be open for public inspection.

SECTION VI. If any section, sentence, or provision of this ordinance or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not

affect any of the other parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION VII. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City and approval of the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

HOPI STOSBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2025.

KERRY THOMSON, Mayor
City of Bloomington

SYNOPSIS

This ordinance amends the rates and charges in Title 9 of the Bloomington Municipal Code, entitled “Water”, to reflect increased costs of supplying water and services to customers, and to make debt service payments on bond financing for required capital improvements.

ORDINANCE 2025-35

TO AMEND TITLE 9 OF THE BLOOMINGTON MUNICIPAL CODE ENTITLED “WATER”





Smart decisions. Lasting value.™

Bloomington Municipal Water Utility

Revenue Requirements
Report

September 17, 2025

Report Methodology

Historical Financial Review

- 2022-2024 Analysis
- Balance Sheets, Income Statements, Debt Service and Leases

Development of Test Year

- Adjustments to 2024 financials for fixed, known, and measurable changes

Revenue Requirements

- Operation and Maintenance Expenses and Taxes
- Debt and Lease Payments
- Extensions and Replacements

Key Considerations

Capital Improvement Plan up to \$54.5 million over two bond issuances (2026 and 2028)

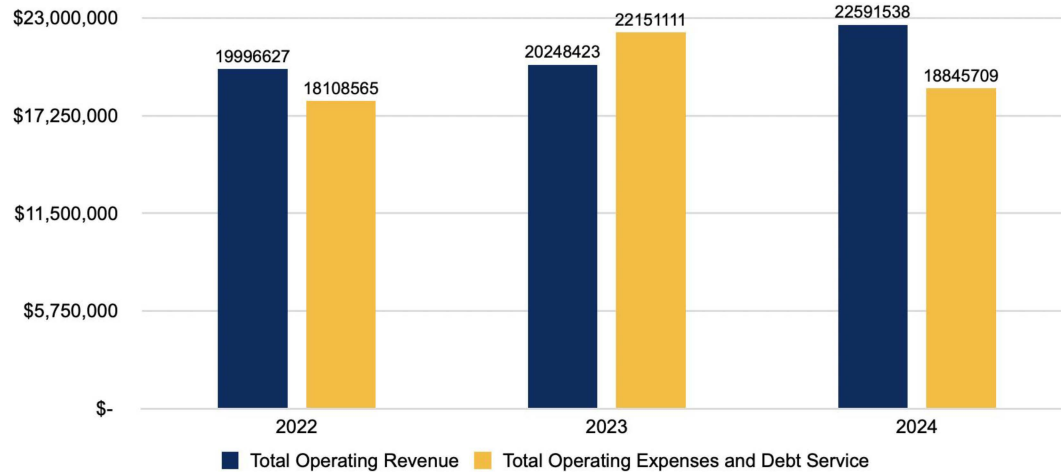
- Water Treatment Plant Projects
- Water Distribution System Projects
- Annual Watermain Replacement Projects
- Water Portion of the New Service Center

Capital Improvement Plan \$28.4M of Projects to be funded by annual Extensions and Replacements

- Water Treatment Plant Projects
- Storage Tank Inspections, and Fire Hydrant Maintenance and Capacity Testing
- Average Annual Extensions and Replacements at \$7.1M annually 2026 to 2028

Income Statement Highlights

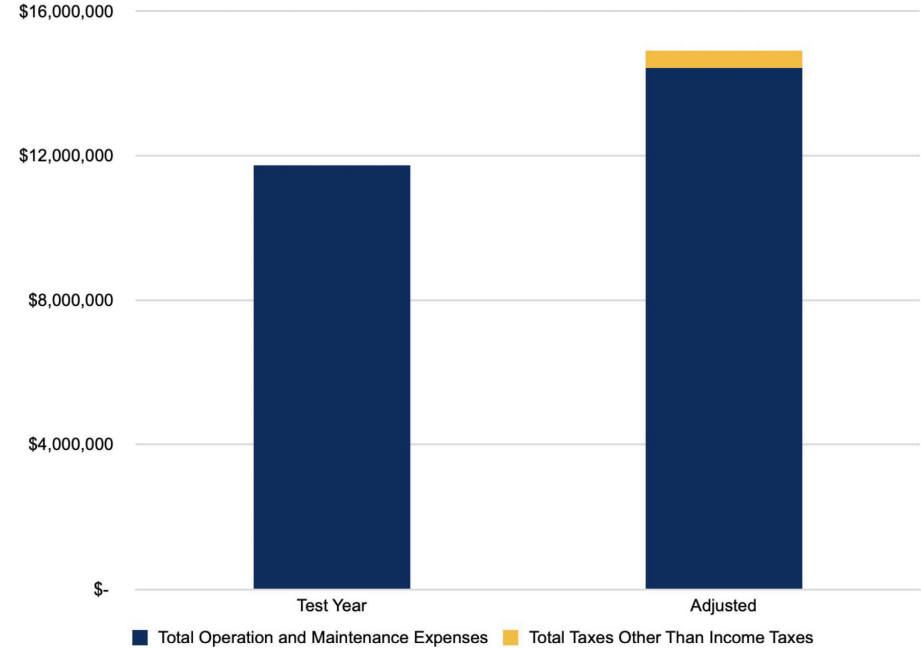
Bloomington Municipal Water
Utility Revenue Requirements
Report



Amount Available for Extensions and Replacements from Rates

<u>Year</u>	<u>Amount</u>
2022	\$1,888,062
2023	\$(1,902,688)
2024	\$3,745,829

Current and Adjusted Operating Expenses and Taxes



Bloomington Municipal Water
Utility Revenue Requirements
Report

Adjust Salaries and Wages for
2025 budgeted amounts (based
on first six months of 2025)

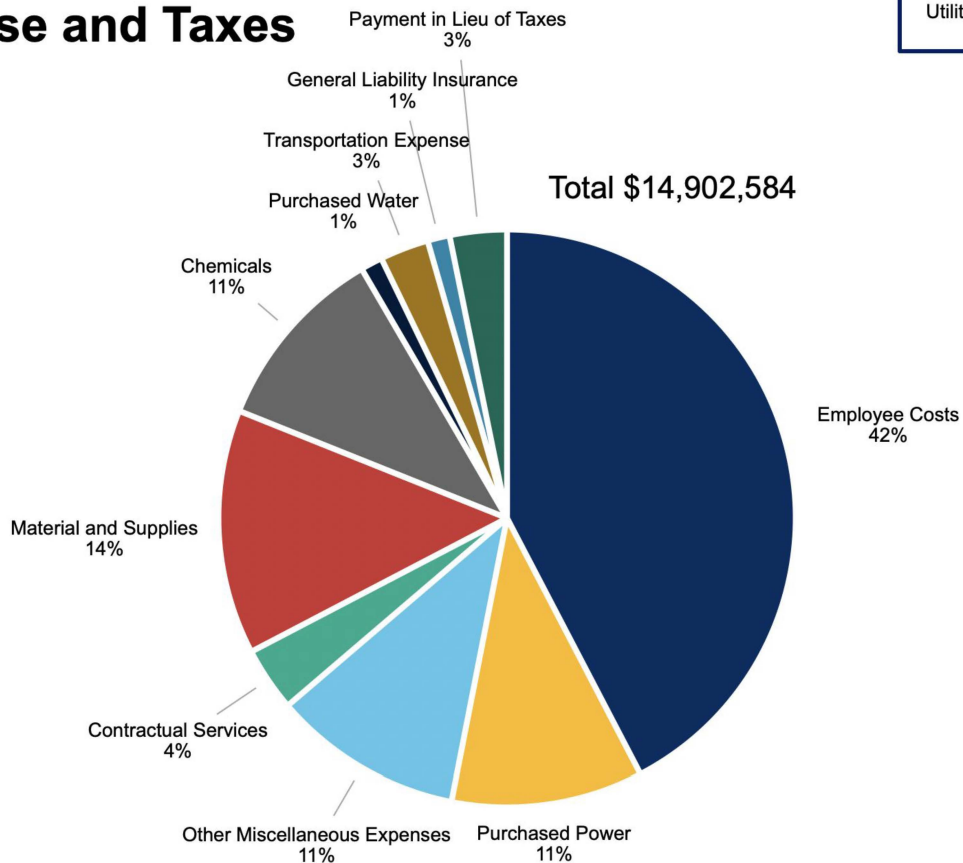
Adjust Salaries and Wages and
related employee costs for open
positions to be filled

Adjustments for the Water
Utility's portion of the Shared
Services Contract and for the
PILOT payment

Other adjustments to
normalize Test Year

Adjusted Operation and Maintenance Expense and Taxes

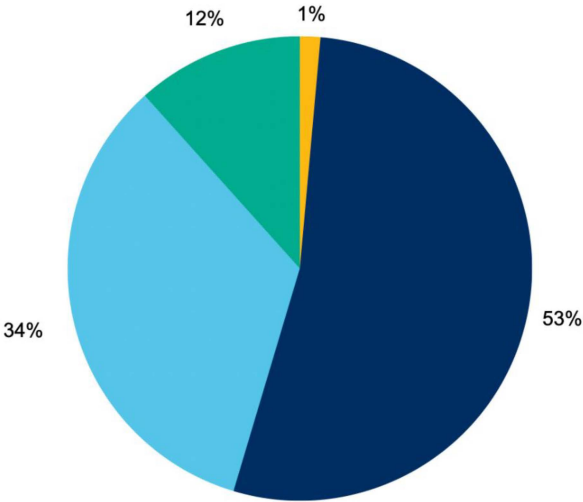
Bloomington Municipal Water
Utility Revenue Requirements
Report



Capital Improvement Plan (2025-2029)

Bloomington Municipal Water
Utility Revenue Requirements
Report

Total Estimated Funding
\$84 Million

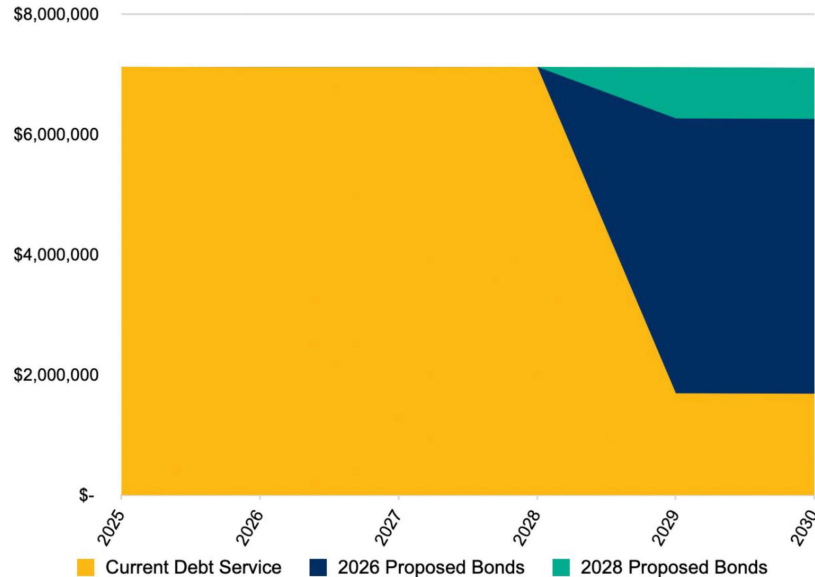


- Projects to be Funded by Operation and Maintenance
- Projects to be Funded by 2026 Bonds
- Projects to be Funded from Cash (Extensions and Replacements)
- Projects to be Funded by 2028 Bonds

Edit Chart Data

Current and Proposed Annual Debt Service

Bloomington Municipal Water
Utility Revenue Requirements
Report



Bond Issuances

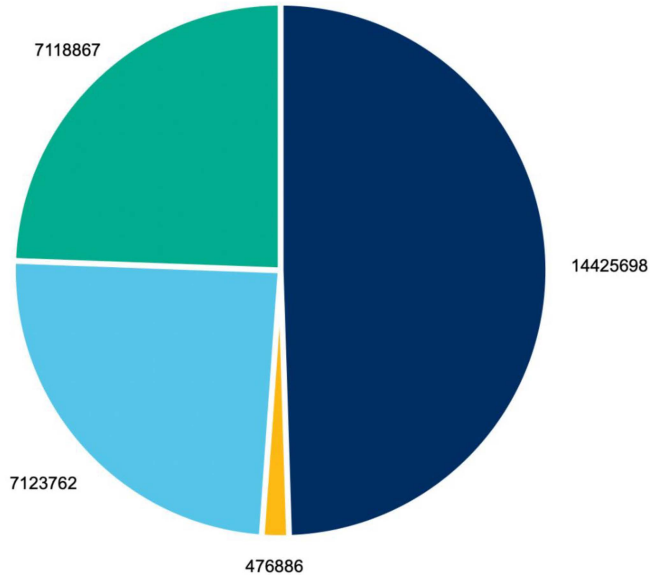
Yield of 5.00%

Series 2026 and
2028 have 20-year
repayment
schedules

Capitalized Interest
to delay first debt
payment until 2029

Debt service
structure remains at
a total of \$7.120
million in annual
debt service

Total Revenue Requirements



- Operation and Maintenance Expenses
- Taxes Other Than Income Taxes
- Combined Annual Debt Service
- Extensions and Replacements

Total Revenue Requirements of
\$29,145,213

Adjusted Operating Revenues of
\$22,591,538

Deficit of \$6,553,675,

Percentage revenue increase of
30.5% required

(Rates will be determined by
Cost of Service Study)



Thank You

Jennifer Wilson
317.269.6696
jennifer.wilson@crowe.com

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Cost Allocation & Rate Design

City of Bloomington, Indiana



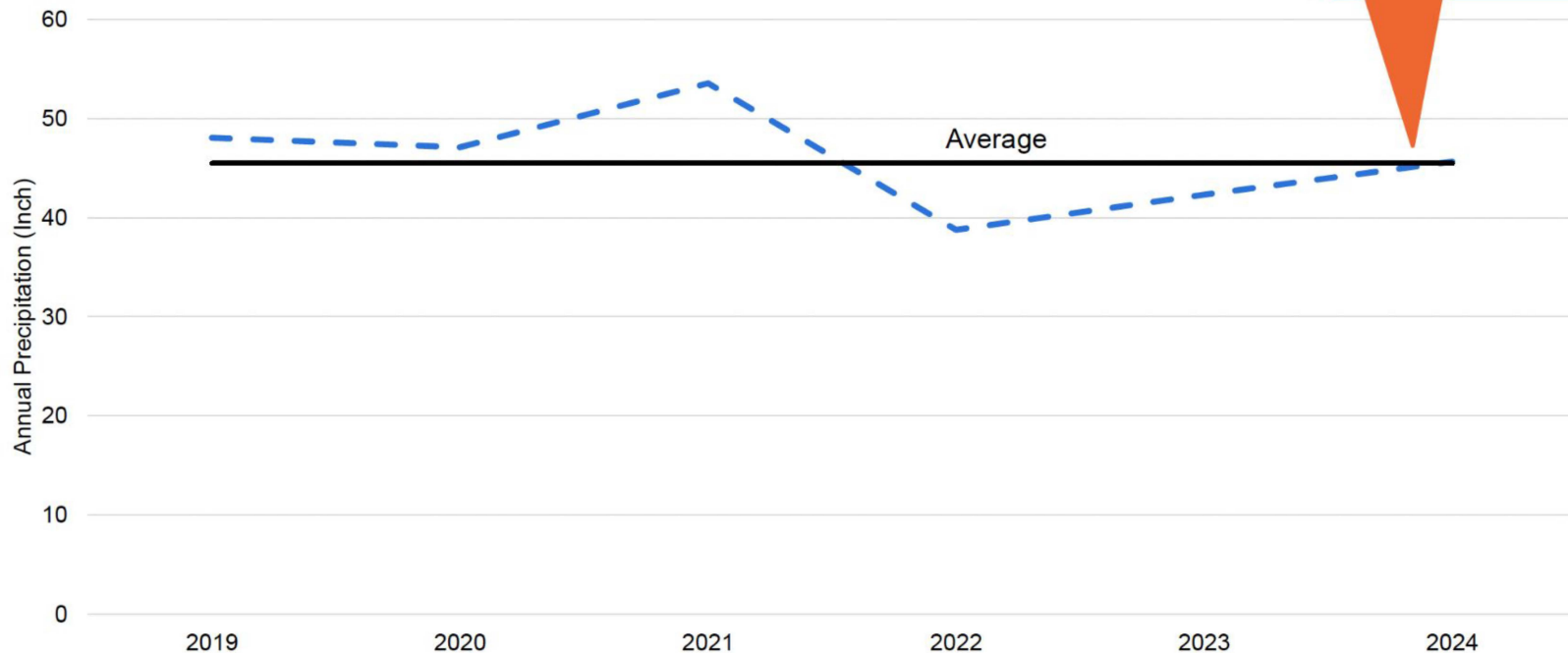


1

Test Year



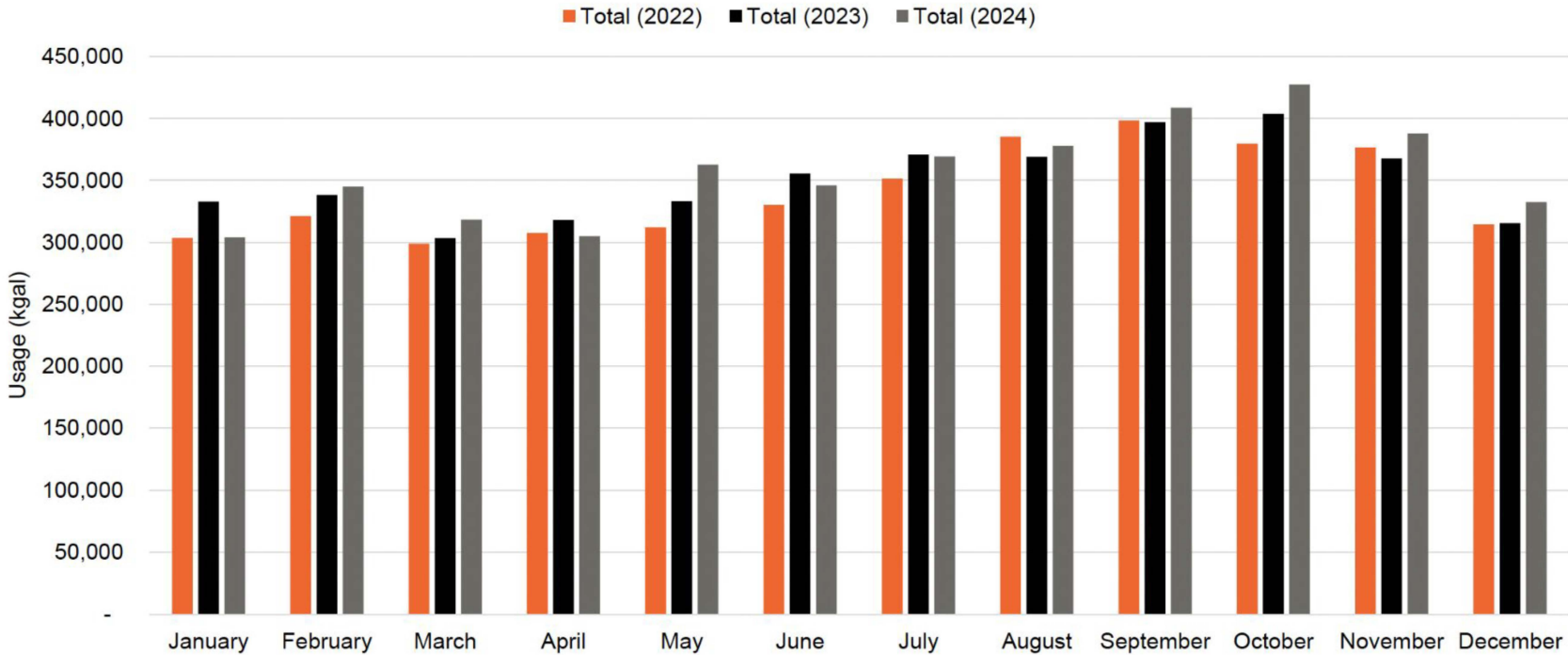
Historical Annual Rainfall Trends



Source: NOAA Weather data for Bloomington, IN

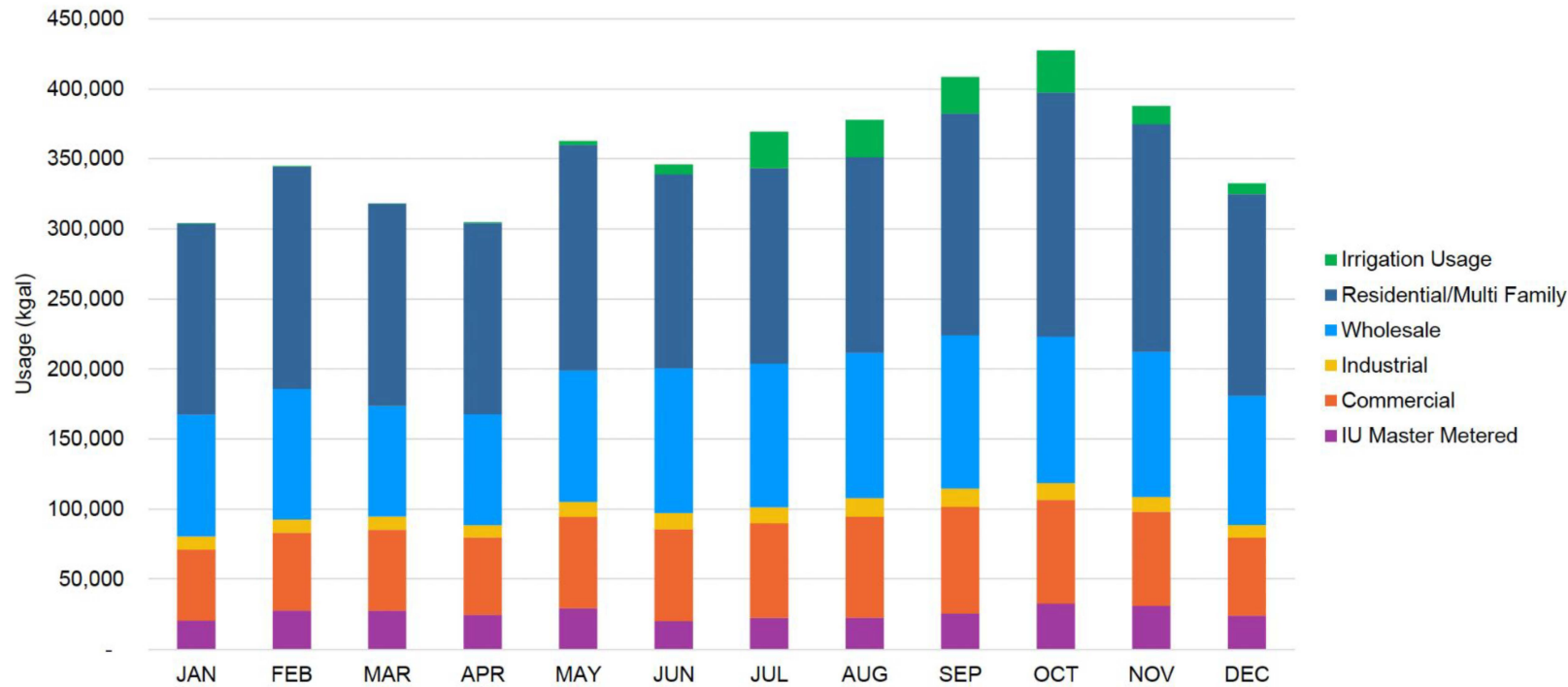


Billed Monthly Water Usage by Year



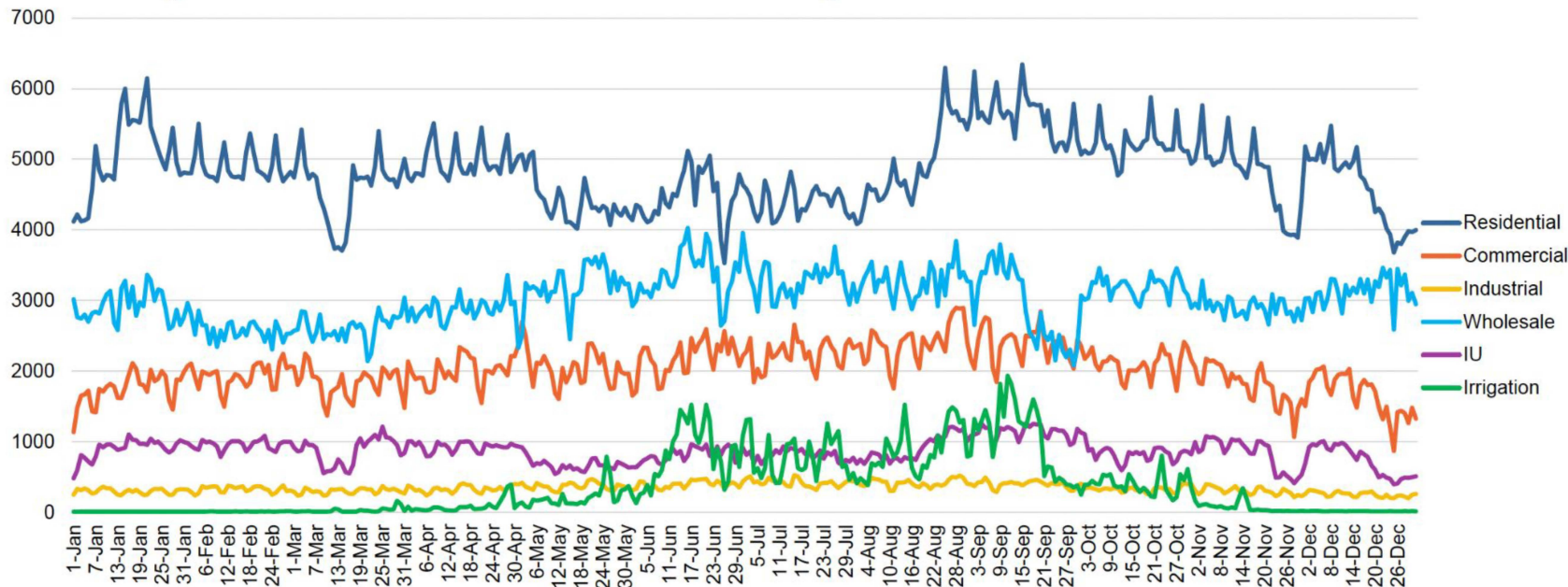


2024 Billed Monthly Water Use by Class



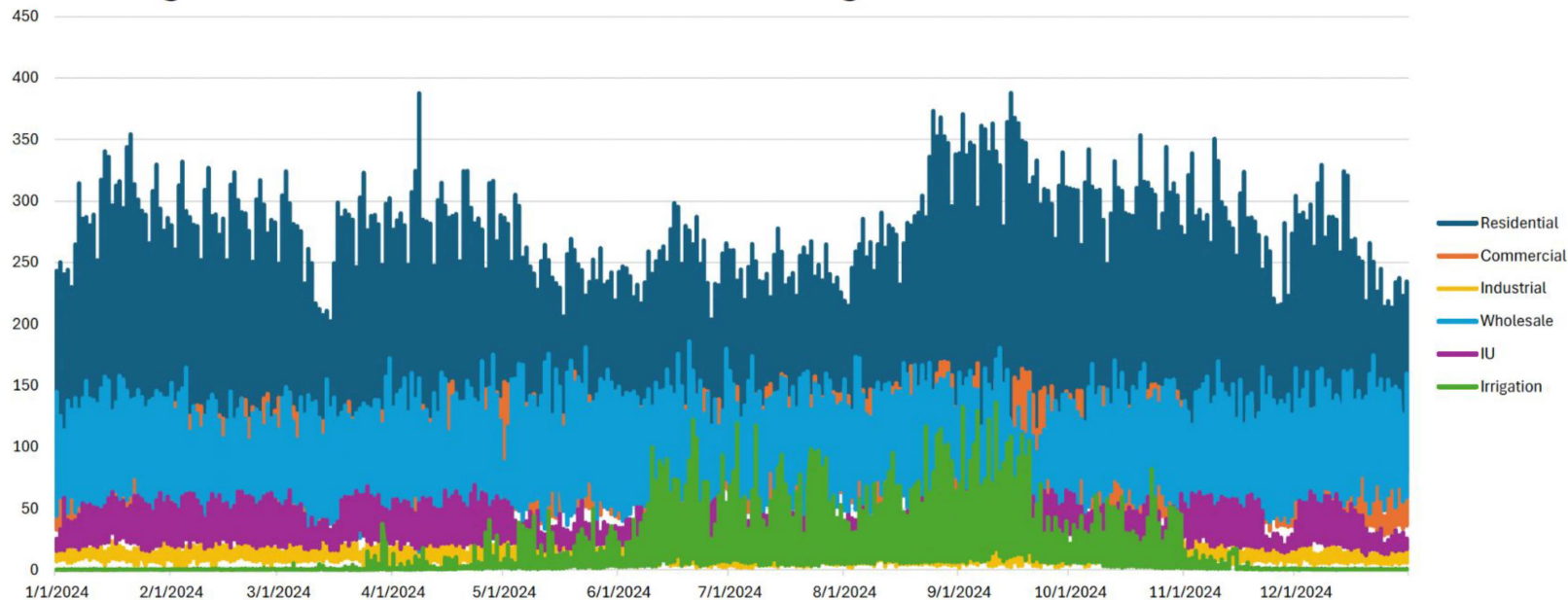


Daily Customer AMI Data by Class



9.7 million data points from the Automated Meter Infrastructure
Data were used for 2024 on a **daily** basis

Hourly Customer AMI Data by Class



233.3 million data points from the Automated Meter Infrastructure Data were used for 2024 on an **hourly** basis



Peaking Factor Comparison

Max Day

Revenue Class	Rate Case	Current Revenue Classes	Consolidated Revenue Classes
Residential/Multifamily	1.91	1.31	1.31
Commercial	1.51	1.43	1.43
Industrial	1.86	1.53	
Wholesale	2.02	1.33	1.33
Indiana University (IU) Master Metered	1.85	1.46	1.46
Irrigation	4.11	5.29	5.29

Peak Hour

Revenue Class	Rate Case	Current Revenue Classes	Consolidated Revenue Classes
Residential/Multifamily	3.05	1.93	1.93
Commercial	2.27	2.02	1.98
Industrial	2.79	3.09	
Wholesale	2.54	1.98	1.98
Indiana University (IU) Master Metered	2.90	2.07	2.07
Irrigation	7.04	12.66	12.66

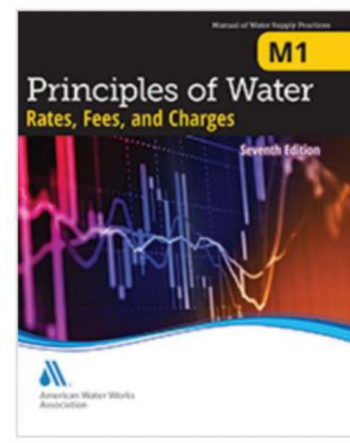
Peak day and peak hour factors presented are non-coincident and may occur during different periods.



Cost Allocation

Objectives of Cost of Service Analysis

- The total cost of service is the annual revenue requirement of the utility for the Test Year as defined by Crowe
- Used 2024 billing units as basis for analysis
- Leveraged Automated Metering Infrastructure (AMI) to develop data-driven peaking factors.
- Applied base extra capacity methodology for cost allocation
- Aligned with AWWA Industry guidance to reflect functional system use across varying customer classes.



**American Water Works
Association (AWWA)
Manual M-1**

Goal: Determine the **cost to serve** each class and collect revenue from each class consistent with the cost of providing service.

Cost of Service Approach

Step 1 Revenue Requirements

Operation &
Maintenance
Expenses

Debt Service

Taxes

Extensions &
Replacements

Step 2 Functionalize Costs

Source of Supply

Treatment/Pumping

Dist. Storage

Dist. Mains

Transmission

Meters

Services

Customer Serv.

Hydrants

Billing

Step 3 Allocate Functions to Demand Characteristics

Base/Avg. Day

Max Day

Max Hour

Customer

Step 4 Distribute Costs to Customer Classes

Residential

General Service*

Wholesale

IU Master Metered

Irrigation*

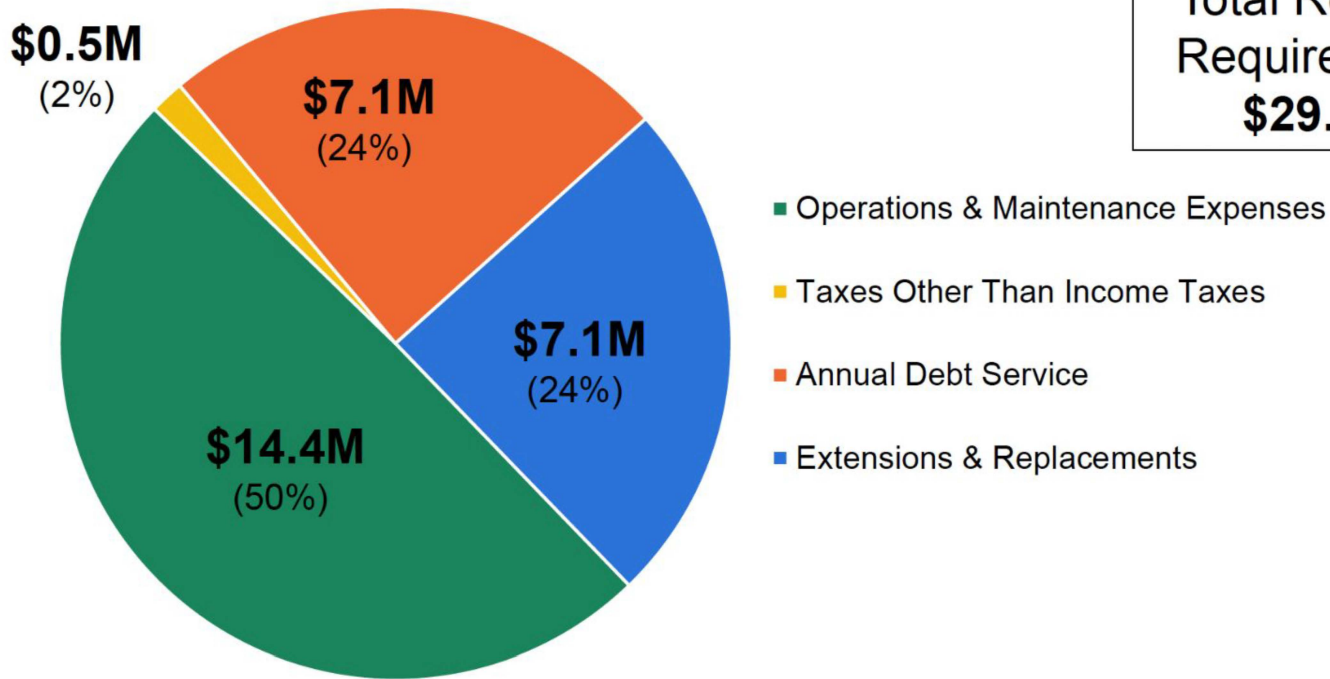
Fire Prot. - Public

Fire Prot. - Private

**Includes Indiana University (IU)*



Step 1: Pro Forma Revenue Requirements



Total Revenue Requirements:
\$29.1M*

**Total revenue requirements include required rate revenue adjustment of 30.5%*

Step 2: Functionalization of Costs

Expense Department	Pro Forma	Functional Allocation Method	Description
Source of Supply	\$1,035,763	Source of Supply	Assigned 100% to Source of Supply
Treatment ¹	\$4,001,746	Treatment/Pumping	Assigned 100% to Pumping/Treatment
Transmission & Distribution ²	\$624,075	Treatment/Pumping	Booster portion assigned direct to Pumping/Treatment
Customer Account	\$947,665	Customer Services	Assigned between Meters, Customer Services and Billing from YE Actuals
Administrative and General	\$4,310,467	Administrative	Weighted across all functions of O&M Expenses
System Pumping	\$203,375	Treatment/Pumping	Assigned 100% to Pumping/Treatment
Hydrants	\$73,891	Hydrants	Assigned 100% to Hydrants
Transmission Mains City	\$1,517,056	Transmission Mains	Assigned 100% to Transmission Mains
Distribution Storage	\$391,113	Distribution Storage	Assigned 100% to Distribution Storage
Distribution Mains	\$1,060,929	Distribution Mains	Assigned 100% to Distribution Mains
Services	\$54,499	Services	Assigned 100% to Services
Meters	\$205,121	Meters	Assigned 100% to Meters
PILOT	\$476,886	Fixed Assets	Assigned across all functions based on Fixed Assets (FY24)
Annual Debt Service	\$7,123,762	Fixed Assets	Assigned across all functions based on Fixed Assets (FY24)
Extensions and Replacements	\$7,118,867	5-Yr CIP	Assigned across all functions based on 5-Yr CIP (FY25-29)
Total Revenue Requirement	\$29,145,214		

¹ Includes power and chemicals allocated to supply

² Represents Booster portion only of T&D



Step 2: Revenue Requirements by Function

Supply

- \$4.1M
- 14%

Treatment /Pumping

- \$10.1M
- 35%

Distribution Mains

- \$3.3M
- 11%

Distribution Storage

- \$1.9M
- 6%

Transmission

- \$6.1M
- 21%

Billing

- \$1.4M
- 5%

Meters

- \$1.8M
- 6%

Services

- \$0.1M
- 0.5%

Customer Service

- \$0.3M
- 1%

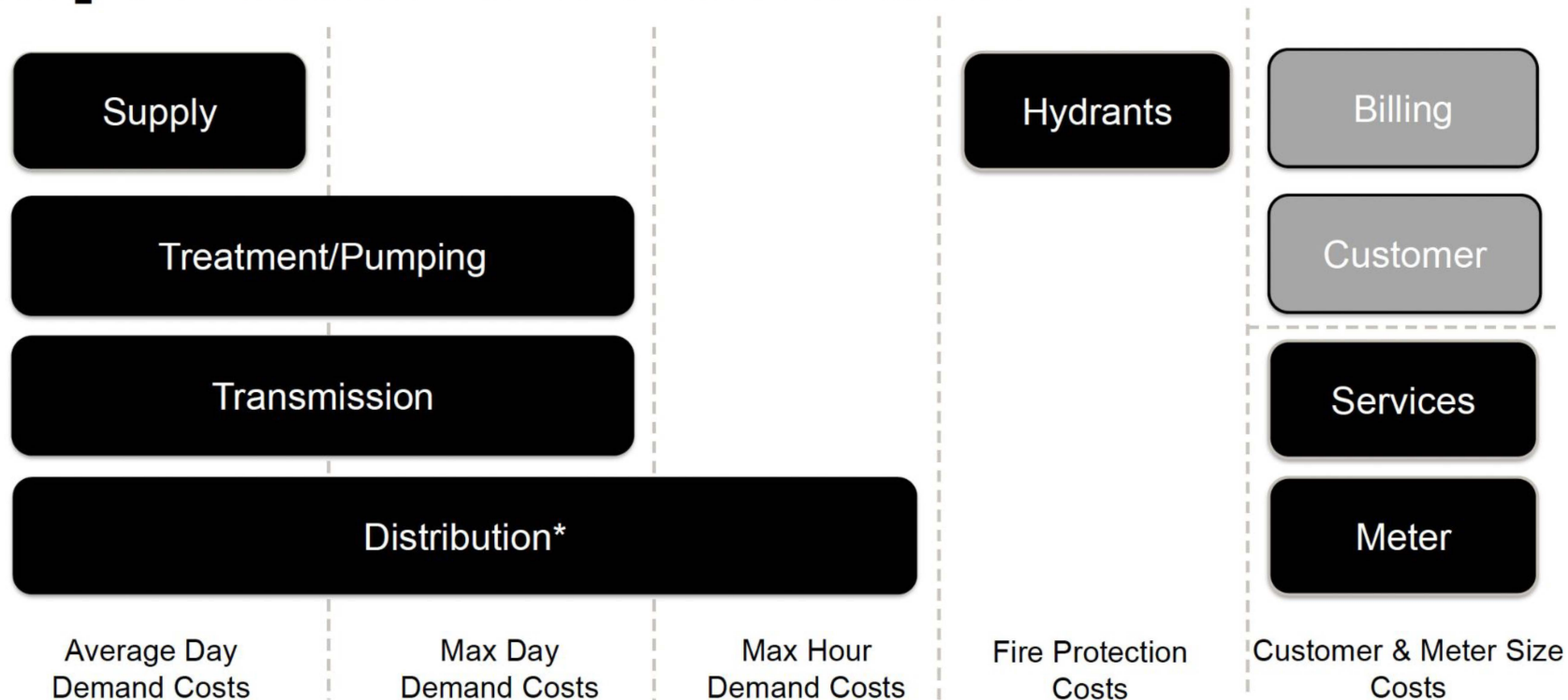
Hydrant Costs

- \$0.1M
- 0.5%

Total Revenue Requirements: \$29.1M



Step 3: Allocate Functionalized Costs



* Distribution storage allocated to average day demand and max hour only



Step 3: Allocate Functionalized Costs

	Base Capacity - Avg Day	Extra Capacity - Max Day	Extra Capacity - Max Hour	Fire Protection	Customers
Supply	100%				
Treatment/Pumping	76%	24%			
Transmission	76%	24%			
Distribution Mains	59%	19%	22%		
Distribution Storage	59%		41%		
Hydrants				100%	
Meters					100%
Services					100%
Cust. Serv.					100%
Billing					100%

AVERAGE DAY	MAX DAY	MAX HOUR
14.59	19.30	24.60



Step 3: Allocate Functionalized Costs

	Base Capacity - Avg Day	Extra Capacity - Max Day	Extra Capacity - Max Hour	Fire Protection	Customers	Total
Supply	\$4,091,500	\$0	\$0	\$0	\$0	\$4,091,500
Treatment/Pumping	\$7,622,027	\$2,461,724	\$0	\$0	\$0	\$10,083,751
Transmission	\$4,628,515	\$1,494,894	\$0	\$0	\$0	\$6,123,409
Distribution Mains	\$1,935,454	\$625,103	\$703,687	\$0	\$0	\$3,264,244
Distribution Storage	\$1,112,579	\$0	\$763,844	\$0	\$0	\$1,876,423
Hydrants	\$0	\$0	\$0	\$134,879	\$0	\$134,879
Meters	\$0	\$0	\$0	\$0	\$1,777,975	\$1,777,975
Services	\$0	\$0	\$0	\$0	\$82,855	\$82,855
Cust. Serv.	\$0	\$0	\$0	\$0	\$330,754	\$330,754
Billing	\$0	\$0	\$0	\$0	\$1,379,425	\$1,379,425
Total	\$19,390,075	\$4,581,722	\$1,467,531	\$134,879	\$3,571,008	\$29,145,215



Fire Flow Extra Capacity Analysis

Fire Type	Estimated Max Fires/Day	Estimated Duration (min)	Estimated Gallons/Minute (gpm)	Max Day Demand (MGD)	Max Hour Demand (MGD)
Residential	3	120	1,500	0.5	2.2
Total Fire (MGD)				0.5	2.2
Extra Capacity					1.6
Non-Residential	1	180	3,500	0.6	5.0
Total Fire (MGD)				0.6	5.0
Extra Capacity					4.4
Total Fire Incidents	4			1.2	7.2
Extra-Capacity Max Day (MGD)				1.2	7.2
Extra Capacity Max Hour (MGD)					6.0

Informed by review of City fire department calls for service data.

Allocation of Fire Costs Between Public & Private

	Number of Services	Demand Factor *	Equivalent Service Unit (ESU)	Percentage Allocation
Number of Hydrants - Public (Inside City)	2,214	111.31	246,442	
Number of Hydrants - Public (Outside City)	1,023	111.31	113,871	
Total Public Hydrants	3,237		360,313	83.7%
Number of Hydrants - Private				
4" and Under	233	38.32	8,941	
6"	319	111.31	35,480	
8"	84	237.21	19,846	
10"	4	426.58	1,706	
12"	6	689.04	4,134	
Total Private Hydrants	646		70,108	16.3%
Total	3,883		430,422	

**Demand factors based on nominal size of connection raised to the 2.63 power per AWWA*



Step 4: Units of Service by Customer Class

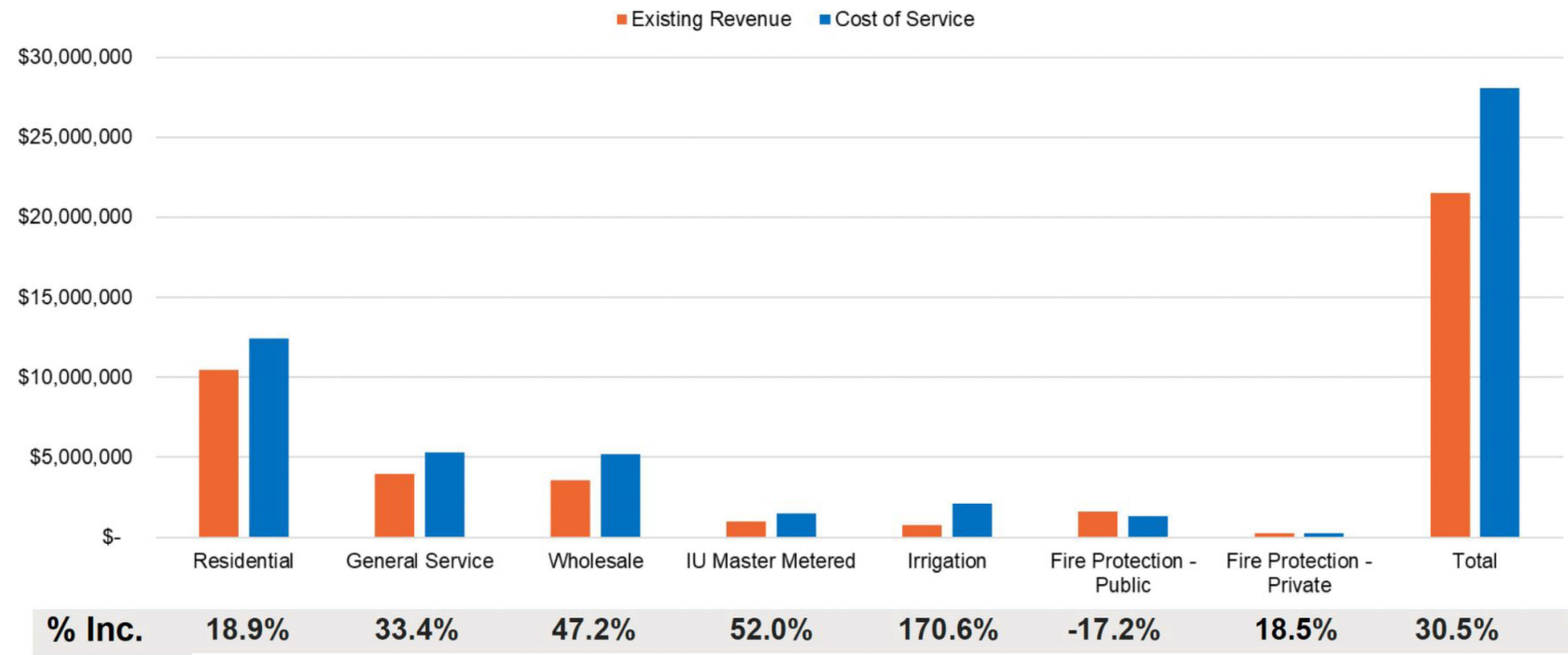
	Extra Capacity			Customer			
	Avg Day (kgal)	Max Day (kgal)	Max Hour (kgal)	Bills	Meter Cost	Equivalent Meters	Customers
Residential	1,793,639	564,274	1,108,429	287,820	10,060,070	42,462	23,985
General Service*	888,865	382,433	492,049	26,660	1,761,605	8,842	2,222
Wholesale	1,151,808	375,905	754,352	348	156,458	900	29
IU Master Metered	309,399	142,938	187,317	192	134,101	983	16
Irrigation	140,885	603817	1,038,502	6,271	313,312	1,487	523
Fire Protection – Public	-	357,491	2,199,944	-	-	-	-
Fire Protection – Private	-	69,559	428,056	646	-	-	646
Total	4,284,596	2,496,417	6,208,649	321,291	12,425,545	54,673	27,420

**Includes Indiana University (IU)*



Cost of Service Summary

30.5% Overall Increase



Unadjusted, and does not include any caps or limitations on rate increases



3

Rate Design



Current Monthly Water Fixed & Usage Charges

Fixed Charges

Meter Size (Inches)	Current Rates
5/8"	\$6.50
3/4"	\$7.93
1"	\$10.68
1 1/2"	\$22.12
2"	\$29.70
3"	\$61.06
4"	\$100.40
6"	\$198.78
8"	\$297.17
10"	\$395.53

Usage Charges

Water Rates	Current Rates (\$/1,000 gal)
Residential	\$4.38
Commercial, Govt., Interd.	\$3.98
Industrial	\$3.71
Wholesale	\$3.03
Indiana University - Master	\$2.99 (Master) \$3.98 (Other IU)
Irrigation	\$4.92

Rates presented are as of 1/1/2024, and do not include fire protection charges



Current Monthly Fire Protection Rates

Public Fire Protection

Meter Size (Inches)	Current Rates (Inside)	Current Rates (Outside)
5/8"	\$2.20	\$3.67
3/4"	\$3.28	\$5.52
1"	\$5.48	\$9.21
1 1/2"	\$10.95	\$18.38
2"	\$17.52	\$29.44
3"	\$38.34	\$64.40
4"	\$65.70	\$110.34
6"	\$136.93	\$229.90
8"	\$197.17	\$331.00
10"	\$317.64	\$533.40

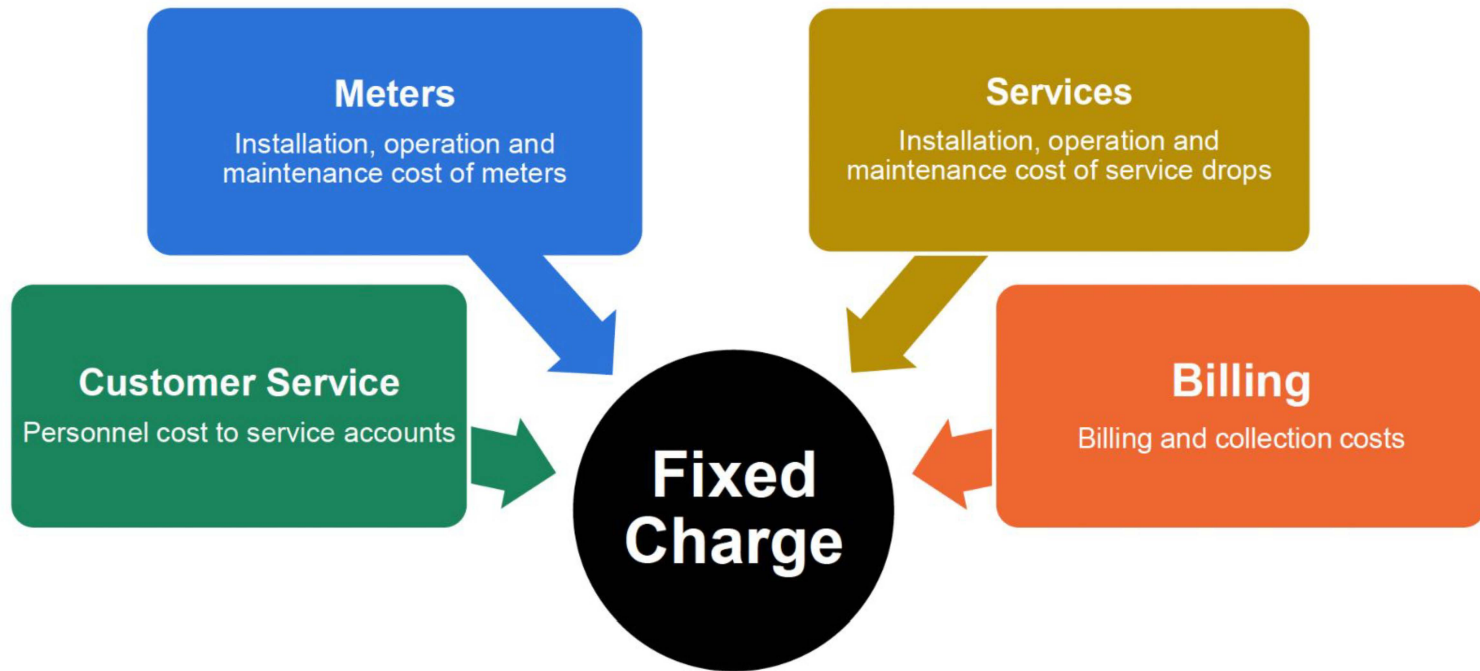
Private Fire Protection (Fire Lines)

Connection Size (Inches)	Current Rates
4" or Less	\$11.04
6"	\$30.69
8"	\$62.88
10"	\$110.15
12"	\$173.65

Rates presented are as of 1/1/2024, and represents inside rates



Fixed Charge Components





Fixed Water Charge Development

Fixed Charge Components	Cost of Service	Scaled by Meter Size (Y/N)	Flat	Scaled
Meters	\$1,777,975	☒	-	\$1,777,975
Services	\$82,855	☒	-	\$82,855
Customer Services	\$330,754	☐	\$330,754	-
Billing	\$1,379,425	☐	\$1,379,425	-
Total	\$3,571,008		\$1,710,179	\$1,860,830

	Flat	Scaled
Fixed Charge Cost	\$1,710,179	\$1,860,830
Unit Basis	321,291	54,673
Unit Cost	\$5.32	\$2.84

Current fixed charges generate ~\$3.2M



Fixed Water Charges

Meter Size	Flat Component	Scaled Component	Total Fixed Charge
5/8"	\$5.32	\$2.84	\$8.16
3/4"	\$5.32	\$4.25	\$9.58
1"	\$5.32	\$7.09	\$12.41
1.5"	\$5.32	\$14.18	\$19.50
2"	\$5.32	\$22.69	\$28.01
3"	\$5.32	\$42.54	\$47.87
4"	\$5.32	\$70.91	\$76.23
6"	\$5.32	\$141.81	\$147.14
8"	\$5.32	\$226.90	\$232.23
10"	\$5.32	\$326.17	\$331.50

<i>Current Fixed Charge</i>	<i>\$ Change</i>	<i>% Change</i>
\$6.50	\$1.66	25.5%
\$7.93	\$1.65	20.8%
\$10.68	\$1.73	16.2%
\$22.12	(\$2.62)	(11.8%)
\$29.70	(\$1.69)	(5.7%)
\$61.06	(\$13.19)	(21.6%)
\$100.40	(\$24.18)	(24.1%)
\$198.78	(\$51.66)	(26.0%)
\$297.17	(\$64.96)	(21.9%)
\$395.53	(\$64.06)	(16.2%)

Public Fire Protection Rate Development

Fire Protection Costs	Cost of Service	% Alloc.
Public Fire Protection	\$1,328,061	83%
Private Fire Protection	\$271,921	17%
Total Fire Protection	\$1,599,982	100%

Public (Inside vs. Outside)	Cost of Service	% Alloc.
Inside City	\$924,726	70%
Outside City	\$403,335	30%
Total Public Fire Protection	\$1,328,061	100%

- Public and Private allocation based on equivalent service units between Public & Private hydrants provided by City

- Allocation to inside and outside based on:
 - Direct hydrant costs based on number of inside and outside hydrants
 - Public Fire protection costs based on In-Ft of Distribution Mains between inside and outside

	Public (Inside)	Public (Outside)
Fire Protection Cost	\$924,726	\$403,335
Unit Basis (ERUs)	39,935	12,754
Unit Cost	\$1.93	\$2.64

Public Fire Protection Rates

Inside City

Meter Size	Public Fire Protection	Current Charge	\$ Change	% Change
5/8	\$1.93	\$2.20	(\$0.27)	(12.3%)
3/4	\$2.90	\$3.28	(\$0.39)	(11.7%)
1	\$4.83	\$5.48	(\$0.66)	(12.0%)
1.5	\$9.65	\$10.95	(\$1.30)	(11.9%)
2	\$15.44	\$17.52	(\$2.08)	(11.9%)
3	\$28.95	\$38.34	(\$9.39)	(24.5%)
4	\$48.25	\$65.71	(\$17.46)	(26.6%)
6	\$96.50	\$136.94	(\$40.44)	(29.5%)
8	\$154.40	\$197.19	(\$42.79)	(21.7%)
10	\$221.95	\$317.67	(\$95.72)	(30.1%)

Outside City

Meter Size	Public Fire Protection	Current Charge	\$ Change	% Change
5/8	\$2.64	\$3.67	(\$1.03)	(28.1%)
3/4	\$3.96	\$5.52	(\$1.56)	(28.3%)
1	\$6.60	\$9.21	(\$2.61)	(28.3%)
1.5	\$13.20	\$18.38	(\$5.18)	(28.2%)
2	\$21.12	\$29.44	(\$8.32)	(28.3%)
3	\$39.60	\$64.40	(\$24.80)	(38.5%)
4	\$66.00	\$110.34	(\$44.35)	(40.2%)
6	\$132.00	\$229.90	(\$97.92)	(42.6%)
8	\$211.20	\$331.00	(\$119.87)	(36.2%)
10	\$303.60	\$533.40	(\$229.82)	(43.1%)

Private Fire Protection Rate Development

	Private	Billing
Private Fire	\$230,675	\$41,247
Unit Basis	70,108	7,749
Unit Cost	\$3.29	\$5.32

Meter Size	Monthly Rate	Billing Component	Total Monthly Charge
4" or Less	\$10.51	\$5.32	\$15.83
6"	\$30.52	\$5.32	\$35.84
8"	\$65.04	\$5.32	\$70.36
10"	\$116.96	\$5.32	\$122.29
12"	\$188.93	\$5.32	\$194.25

Current Charge	\$ Change	% Change
\$11.04	\$4.79	43.4%
\$30.69	\$5.15	16.8%
\$62.88	\$7.47	11.9%
\$110.15	\$12.15	11.0%
\$173.65	\$20.59	11.9%

Capped Usage Rates by Customer Class

	Residential	General Service	Wholesale	IU Master Metered	Irrigation	Fire Protection - Public	Fire Protection - Private	Total
Fixed Revenue	\$2,977,229	\$442,835	\$32,484	\$34,479	\$83,982	\$1,328,061	\$271,921	\$5,170,990
Volumetric Revenue	\$9,531,622	\$5,180,139	\$5,174,006	\$1,472,010	\$1,538,802	\$-	\$ -	\$22,896,579
Total Cost of Service Revenue	\$12,508,851	\$5,622,974	\$5,206,490	\$1,506,489	\$1,622,784	\$1,328,061	\$271,921	\$28,067,569
Billable Units	1,793,639	888,865	1,151,808	309,399	140,885	-	-	4,284,596
Volumetric Unit Rate	\$5.31	\$5.83	\$4.49	\$4.76	\$10.92	-	-	
Current Rate	\$4.38	\$3.98, \$3.71	\$3.03	\$2.99	\$4.92	-	-	
\$ Change	\$0.93	\$1.85, \$2.12	\$1.46	\$1.77	\$6.00			
% Change	21.3%	39.8%, 46.4%	48.3%	59.1%	122.0%			



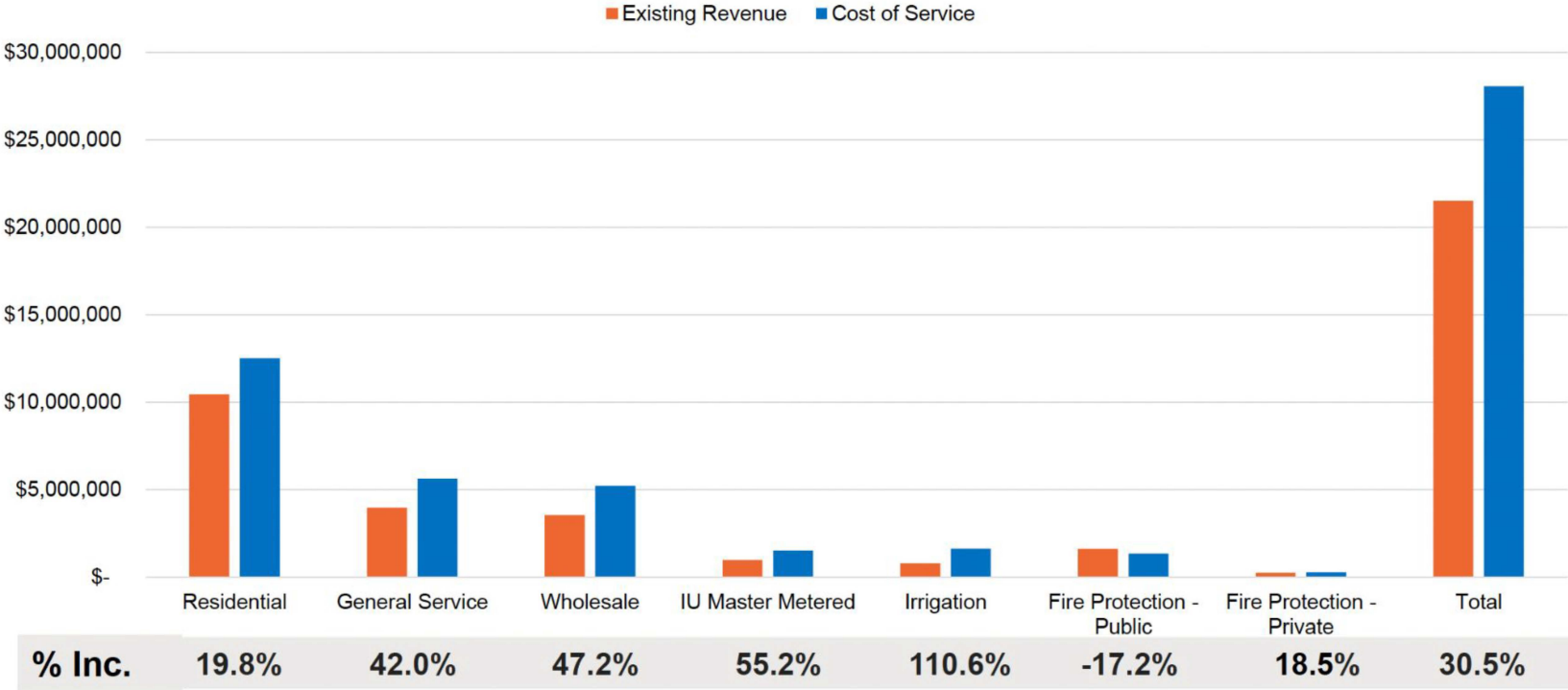
Capped at 4x*

**Cap at no more than 4x identified overall increase of 30.5%. If not capped, rate would be \$14.20 or 188.6% inc.*



Proposed Rates Summary

30.5% Overall Increase



Reflects cap on level of volumetric increase for irrigation service.



Summary of Monthly Water Fixed & Usage Charges

Fixed Charges

Meter Size (Inches)	Current Rates	Proposed Rates
5/8"	\$6.50	\$8.16
3/4"	\$7.93	\$9.58
1"	\$10.68	\$12.41
1 1/2"	\$22.12	\$19.50
2"	\$29.70	\$28.01
3"	\$61.06	\$47.87
4"	\$100.40	\$76.23
6"	\$198.78	\$147.14
8"	\$297.17	\$232.23
10"	\$395.53	\$331.50

Usage Charges

Water Rates	Current Rates (\$/1,000 gal)	Proposed Rates (\$/1,000 gal)
Residential	\$4.38	\$5.31
General Service	\$3.98, \$3.71	\$5.83
Wholesale	\$3.03	\$4.49
Indiana University - Master	\$2.99 (Master) \$3.98 (Other IU)	\$4.76 (Master) \$5.83 (Other IU)
Irrigation	\$4.92	\$10.92

Current Rates presented are as of 1/1/2024



Summary of Monthly Fire Protection Rates

Public Fire Protection

Meter Size (Inches)	Current Rates (Inside)	Proposed Rates (Inside)	Current Rates (Outside)	Proposed Rates (Outside)
5/8"	\$2.20	\$1.93	\$3.67	\$2.64
3/4"	\$3.28	\$2.90	\$5.52	\$3.96
1"	\$5.48	\$4.83	\$9.21	\$6.60
1 1/2"	\$10.95	\$9.65	\$18.38	\$13.20
2"	\$17.52	\$15.44	\$29.44	\$21.12
3"	\$38.34	\$28.95	\$64.40	\$39.60
4"	\$65.70	\$48.25	\$110.34	\$66.00
6"	\$136.93	\$96.50	\$229.90	\$132.00
8"	\$197.17	\$154.40	\$331.00	\$211.20
10"	\$317.64	\$221.95	\$533.40	\$303.60

Private Fire Protection (Fire Lines)

Connection Size (Inches)	Current Rates	Proposed Rates
4" or Less	\$11.04	\$15.83
6"	\$30.69	\$35.84
8"	\$62.88	\$70.36
10"	\$110.15	\$122.29
12"	\$173.65	\$194.25

Current Rates presented are as of 1/1/2024

4

Bill Impacts



Monthly Bill Impacts (Residential, 5/8" Meter)

Usage (kgal)	Total Current Bill*	Total Proposed Bill*	\$ Change	% Change
0	\$8.70	\$10.09	\$1.39	16.0%
1	\$13.08	\$15.40	\$2.32	17.8%
2	\$17.46	\$20.72	\$3.26	18.7%
3	\$21.84	\$26.03	\$4.19	19.2%
4	\$26.22	\$31.35	\$5.13	19.5%
5	\$30.60	\$36.66	\$6.06	19.8%
10	\$52.50	\$63.23	\$10.73	20.4%
15	\$74.40	\$89.80	\$15.40	20.7%
20	\$96.30	\$116.37	\$20.07	20.8%
25	\$118.20	\$142.94	\$24.74	20.9%
30	\$140.10	\$169.51	\$29.41	21.0%
50	\$227.70	\$275.80	\$48.10	21.1%

* Includes inside city public fire protection charge



Monthly Bill Impacts (General Service)

		Usage (kgal)	Total Current Bill*	Total Proposed Bill*	\$ Change	% Change
3/4" Meter	Small	1	\$14.92	\$18.30	\$3.38	22.7%
	Medium	5	\$29.76	\$41.61	\$11.85	39.8%
	Large	10	\$48.31	\$70.75	\$22.44	46.5%
1" Meter	Small	15	\$71.81	\$104.66	\$32.85	45.7%
	Medium	20	\$90.36	\$133.79	\$43.43	48.1%
	Large	25	\$108.91	\$162.93	\$54.02	49.6%

* Includes inside city public fire protection charge



Monthly Bill Impacts (Wholesale, 4" Meter)

Usage (kgal)	Total Current Bill	Total Proposed Bill	\$ Change	% Change
200	\$706.41	\$974.64	\$268.23	38.0%
400	\$1,312.41	\$1,873.06	\$560.65	42.7%
600	\$1,918.41	\$2,771.47	\$853.06	44.5%
800	\$2,524.41	\$3,669.89	\$1,145.48	45.4%
1,200	\$3,736.41	\$5,466.72	\$1,730.31	46.3%
3,000	\$9,190.41	\$13,552.45	\$4,362.04	47.5%
6,000	\$18,280.41	\$27,028.67	\$8,748.26	47.9%
10,000	\$30,400.41	\$44,996.96	\$14,596.55	48.0%



Monthly Bill Impacts (IU Master Metered, 6" Meter)

Usage (kgal)	Total Current Bill	Total Proposed Bill	\$ Change	% Change
200	\$796.80	\$1,098.67	\$301.87	37.9%
400	\$1,394.80	\$2,050.19	\$655.39	47.0%
600	\$1,992.80	\$3,001.72	\$1,008.92	50.6%
800	\$2,590.80	\$3,953.25	\$1,362.45	52.6%
1,200	\$3,786.80	\$5,856.31	\$2,069.51	54.7%
3,000	\$9,168.80	\$14,420.07	\$5,251.27	57.3%
6,000	\$18,138.80	\$28,692.99	\$10,554.19	58.2%
10,000	\$30,098.80	\$47,723.56	\$17,624.76	58.6%



Monthly Bill Impacts (Irrigation, 3/4" Meter)

Usage (kgal)	Total Current Bill	Total Proposed Bill	\$ Change	% Change
5	\$32.53	\$64.19	\$31.66	97.3%
10	\$57.13	\$118.80	\$61.67	107.9%
20	\$106.33	\$228.03	\$121.70	114.5%
30	\$155.53	\$337.25	\$181.72	116.8%
40	\$204.73	\$446.47	\$241.74	118.1%
50	\$253.93	\$555.70	\$301.77	118.8%
100	\$499.93	\$1,101.82	\$601.89	120.4%

Thank you

Questions & Answers?



BEFORE

Account Number

Customer Name

KATHERINE ZAIGER

BILL SUMMARY

Previous Bill	\$66.32
Adjustments	\$0.00
Payments - Thank You	(\$66.32)
Past Due Balance	\$0.00
Current Charges	\$71.01
Total Due	\$71.01
Amount Due if Paid after 08/29/2025	\$75.62

BILL DETAIL

Service	Rate per 1,000 gal.	Usage (1,000 gal.)	Cost
WATER			
Usage (DOM)	\$4.38	3	\$13.14
Water Service			\$7.93
Fire Protection			\$3.28
Sales Tax			\$1.71
WASTEWATER			
Usage	\$9.49	2	\$18.98
Wastewater Service			\$9.72
STORMWATER			
Stormwater Charge			\$7.50
SANITATION			
Small Cart	\$8.75	1	\$8.75
TOTAL CURRENT CHARGES			\$71.01

AFTER

Account Number

Customer Name

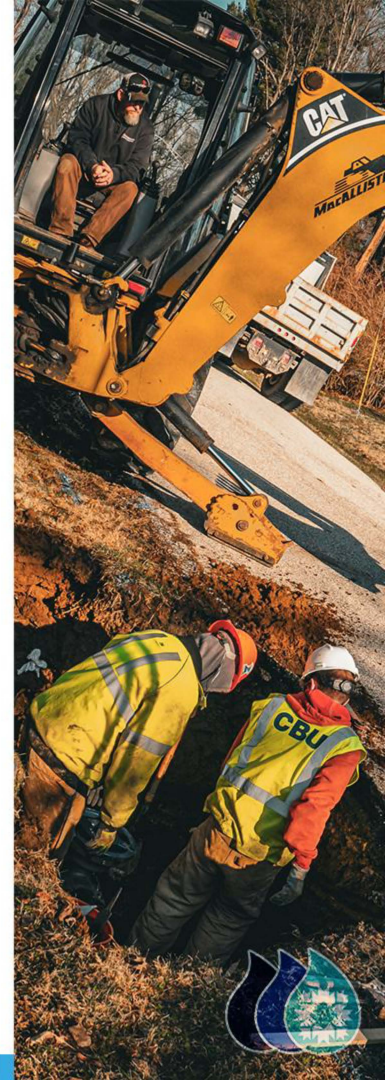
KATHERINE ZAIGER

BILL SUMMARY

Previous Bill	\$66.32
Adjustments	\$0.00
Payments - Thank You	(\$66.32)
Past Due Balance	\$0.00
Current Charges	\$71.01
Total Due	\$75.35
Amount Due if Paid after 08/29/2025	\$80.62

BILL DETAIL

Service	Rate per 1,000 gal.	Usage (1,000 gal.)	Cost
WATER			
Usage (DOM)	\$5.31	3	\$15.93
Water Service			\$9.58
Fire Protection			\$2.90
Sales Tax			\$1.99
WASTEWATER			
Usage	\$9.49	2	\$18.98
Wastewater Service			\$9.72
STORMWATER			
Stormwater Charge			\$7.50
SANITATION			
Small Cart	\$8.75	1	\$8.75
TOTAL CURRENT CHARGES			\$75.35



COMBINED WATER AND SEWER RATE SURVEY
 Cities and Towns in Indiana with over 25,000 Population

Rank	City/Town	2020 Census	County	Combined Charge (1)
1	Hobart	29,752	Lake	\$ 151.06 (2)
2	Crown Point	33,899	Lake	150.67 (2)
3	Greenwood	63,830	Johnson	145.67
4	Evansville	117,298	Vanderburgh	140.84 (2)
5	Jeffersonville	49,447	Clark	139.61
6	Franklin	25,313	Johnson	137.26
7	Richmond	35,720	Wayne	134.38
8	Terre Haute	58,389	Vigo	132.67
9	Muncie	65,194	Delaware	132.26 (2)
10	Noblesville	69,604	Hamilton	125.76
11	Portage	37,926	Porter	125.48 (2)
12	New Albany	37,841	Floyd	123.78
13	West Lafayette	44,595	Tippecanoe	120.15 (2)
14	Kokomo	59,604	Howard	115.38
15	Gary			
16	Lawrence			
17	Merrillville			
18	Goshen			
19	Zionsville			
20	Fort Wayne	263,886	Allen	99.33
21	Mishawaka	51,063	St. Joseph	99.12
22	Indianapolis	887,642	Marion	98.66
23	Vanderburgh	34,151	Porter	94.41 (2)
	Bloomington (2026)	79,168	Monroe	93.81
24	Bloomington	79,168	Monroe	87.77
25	Carmel	99,757	Hamilton	86.06 (2)
26	Elkhart	53,923	Elkhart	85.01 (2)
27	Westfield	46,410	Hamilton	83.30
28	South Bend	103,453	St. Joseph	80.17
29	Marion	28,310	Grant	79.03 (2)
30	Fishers	98,977	Hamilton	76.84
31	Columbus	50,474	Bartholomew	73.35 (2)
32	Brownsburg	28,973	Hendricks	72.93 (2)
33	Anderson	54,788	Madison	70.64 (2)
34	East Chicago	26,370	Lake	65.81 (2)
35	Michigan City	32,075	La Porte	60.42
36	Lafayette	70,783	Tippecanoe	60.31
37	Schererville	29,646	Lake	58.07 (2)
38	Plainfield	34,625	Hendricks	54.09
39	Hammond	77,879	Lake	34.60

	Bloomington (2026)	79,168	Monroe	93.81
24	Bloomington	79,168	Monroe	87.77



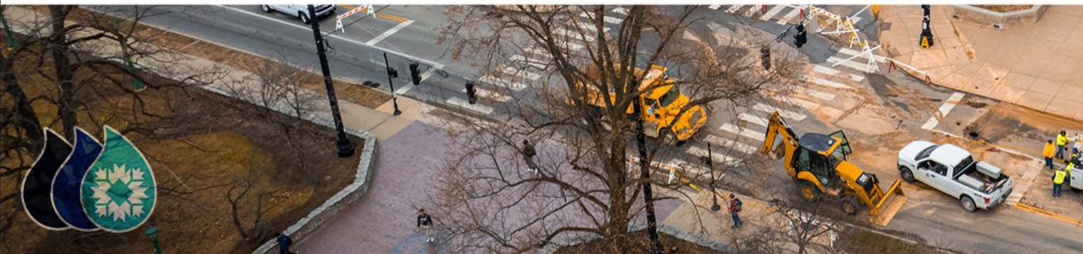
WATER RATE SURVEY

Cities and Towns in Indiana with over 25,000 Population

Rank	City/Town	2020 Census	County	Effective Date	Water Charge (1)
1	Franklin	25,313	Johnson	2024	\$ 72.48
2	Gary	69,093	Lake	2024	72.48
3	Greenwood	63,830	Johnson	2024	72.48
4	Hobart	29,752	Lake	2024	72.48
5	Jeffersonville	49,447	Clark	2024	72.48
6	Kokomo	59,604	Howard	2024	72.48
7	Merrillville	36,444	Lake	2025	72.48
8	Muncie	65,194	Delaware	2024	72.48
9	New Albany	37,841	Floyd	2025	72.48
			Hamilton	2024	72.48
			Porter	2024	72.48
			Wayne	2024	72.48
			Vigo	2025	72.48
			Tippecanoe	2024	72.48
			Lake	2025	67.12 (2)
			Vanderburgh	2025	55.54 (2)
			Marion	2019	51.28
			Hamilton	2025	42.84
			Marion	2025	42.84
			Boone	2025	42.84
			Hamilton	2025	42.43 (2)
			Elkhart	2025	39.67
			Porter	2025	39.37 (2)
			St. Joseph	2023	38.04
			Lake	2024	36.76 (2)
	Bloomington (2026)	79,168	Monroe	2026	36.64
26	Westfield	46,410	Hamilton	2024	35.53
27	Fort Wayne	263,886	Allen	2023	33.23
28	Marion	28,310	Grant	2025	32.31 (2)
29	Schererville	29,646	Lake	2025	31.34
30	Bloomington	79,168	Monroe	2024	30.60
31	Brownsburg	28,973	Hendricks	2022	29.06 (2)
32	Anderson	54,788	Madison	2016	27.47 (2)
33	Michigan City	32,075	La Porte	2015	26.65
34	Elkhart	53,923	Elkhart	2025	23.86 (2)
35	South Bend	103,453	St. Joseph	2024	23.23
36	Columbus	50,474	Bartholomew	2024	22.00 (2)
37	Lafayette	70,783	Tippecanoe	2019	17.81
38	Plainfield	34,625	Hendricks	2009	17.69
39	Hammond	77,879	Lake	2023	14.65

(1) Residential 5/8" meter monthly billing for 6.68 CCF or 5,000 Gallons.

(2) Rate increase pending.



CAPITAL IMPROVEMENT PLAN



CIP WATER TREATMENT PLANT PROJECTS

Total:
\$30,785,000.00

Electrical Upgrades

Includes Phases 1 & 2
along with SCADA
and instrumentation upgrades.

This project will update
obsolete systems,
increase resiliency, and
provide enhanced
cybersecurity at the
plant.

\$9,084,000.00

Sedimentation Basin Rehabilitations

Restores critical water
clarification equipment,
improving the efficiency
of early treatment
processes. This project
will enhance CBU's ability
to remove organic and
inorganic materials from
the raw water drawn from
Lake Monroe, helping to
address seasonal taste
and odor issues.

\$8,332,000.00

Chemical Building Improvements and Feed Line Replacement

Addresses treatment
reliability and staff safety
along with restoring a
safe and sustainable
fluoride delivery system.

\$6,011,000.00

High-Service Pump Rebuilds & Variable Frequency Drives

High Service pump
rebuilds will provide
redundancy and increase
resiliency in the treatment
process. The addition of
variable frequency drives
will help prevent service
interruptions by
preventing wear on the
pipes at the plant and
throughout our system.

\$4,620,000.00

CIP WATER TREATMENT PLANT PROJECTS

Total: *(cont.)*
\$30,785,000.00

Miscellaneous Maintenance Projects

Completion of an asset management system that will allow for improved maintenance assessment and replacement practices, improving longevity of critical equipment at the plant.

\$1,300,000.00

Treatment Plant Water Handling & Delivery Updates

Addition of air quality monitoring to improve worker safety, maintenance to address leaks in the pipe gallery, and replacement of a backwash header valve actuator. This will also provide funds for IDEM required tank inspections and maintenance.

\$772,000.00

Bypass Pumping Improvements

This resiliency project will establish a contingency for lake withdrawals should the main intake tower suffer a mechanical failure, ensuring continued water production.

\$524,000.00

Residuals Projects

Backwash pump replacement will improve efficiency and consistency of filter cleaning at the Monroe Plant, helping to maintain water quality and reliable treatment capacity.

\$142,000.00

CIP DISTRIBUTION SYSTEM MAINTENANCE

Total:
\$34,470,000.00

Booster Station and Storage Tank Rehabilitations and Upgrades

Upgrades to Booster stations and tanks will help to ensure consistent water pressure and flow throughout the system. Addition of emergency generators will improve preparedness and reliability during natural disasters, electrical grid issues, or other emergencies.

\$14,620,000.00

Water Main Projects, Maintenance, Testing, and Replacement

Replacing aging water mains and servicing valves proactively is more cost-effective than emergency repairs, leads to fewer service disruptions for our ratepayers, and is safer for our crews. Hydrant maintenance and testing ensures water is available when it's needed most by emergency personnel.

\$19,850,000.00



CIP WINSTON THOMAS SERVICE CENTER

**Total Water Funding:
\$18,750,000.00**

CBU has outgrown the current facility in regards to personnel, equipment, and adequate inventory storage. A purpose-built service center improves logistics for field crews, allowing faster deployment and better emergency response. It also allows for stronger protection of capital assets, such as specialized service vehicles, which are currently being stored in the elements. Building a service center that meets the utility's needs moving forward is an investment that will save resources over time. By investing now, CBU is setting up for operational excellence, fiscal responsibility, and community resilience.



Revenue Requirements Report

Bloomington Municipal Water Utility

July 9, 2025



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Purpose of the Report

Crowe LLP (“Crowe” or “we”) has performed a study and analysis of the operating and financial reports, budgets, and other data pertaining to Bloomington Municipal Water Utility (“Utility”). The results of our analysis are contained in this Revenue Requirements Report (“Report”).

The purpose of this Report is to estimate the Utility’s on-going revenue requirements for operation and maintenance expenses, current and proposed debt service payments, and make capital improvements to the Utility’s system. This Report is based on data for the twelve months ended December 31, 2024 (“Test Year”). The historical information used in this Report was taken from the books and records of the Utility and was adjusted as necessary for fixed, known, and measurable items as disclosed in the schedules of this Report.

In the course of preparing this Report, we have not conducted an audit of any financial or supplemental data used in the accompanying exhibits and schedules. We have made certain projections that may vary from actual results because events and circumstances frequently do not occur as estimated and such variances may be material. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

If you have any questions regarding this Report, please call Jennifer Wilson at (317) 269-6696.

Financial Statements

Balance Sheets as of December 31, 2024, 2023, and 2022

ASSETS AND OTHER DEBITS	2024	2023	2022
<u>Utility Plant</u>			
Utility Plant in Service	\$ 166,297,682	\$ 158,221,772	\$ 156,686,285
Less: Accumulated Depreciation	(73,937,748)	(70,084,791)	(66,774,658)
Net Utility Plant in Service	92,359,934	88,136,981	89,911,627
Add: Construction Work in Progress	1,854,147	6,909,031	2,055,876
Net Utility Plant	94,214,081	95,046,012	91,967,503
<u>Restricted Assets</u>			
Sinking Fund	1,545	35	9,739
Hydrant Meter Fund	60,750	50,750	54,900
Cash with Fiscal Agent	536,985	3,541,736	3,545,372
Debt Service Reserve Fund	6,224,966	5,962,450	5,736,979
Construction Fund	2,746,583	4,165,859	10,115,914
Total Restricted Assets	9,570,829	13,720,830	19,462,904
<u>Current and Accrued Assets</u>			
Operation and Maintenance Fund	6,420,124	5,471,671	5,751,894
Accounts Receivable - Net	1,935,776	1,703,299	1,047,529
Materials and Supplies	1,128,080	582,993	858,161
Total Current and Accrued Assets	9,483,980	7,757,963	7,657,584
<u>Deferred Debits</u>			
Unamortized Bond Discount	-	-	674,194
Unamortized Bond Issuance Costs	-	-	35,875
Deferred Pension and OPEB Outflow	832,601	732,933	-
Deferred Loss on Advance Refunding	548,368	788,134	-
Total Deferred Debits	1,380,969	1,521,067	710,069
Total Assets and Other Debits	\$ 114,649,859	\$ 118,045,872	\$ 119,798,060

Source: Utility Trial Balances.

Balance Sheets as of December 31, 2024, 2023, and 2022 (Continued)

LIABILITIES AND OTHER CREDITS	2024	2023	2022
<u>Equity Capital</u>			
Unappropriated Retained Earnings	\$ 51,707,264	\$ 51,693,278	\$ 48,189,870
Current Year Earnings	5,766,226	13,988	3,926,142
Total Equity Capital	<u>57,473,490</u>	<u>51,707,266</u>	<u>52,116,012</u>
<u>Long Term Debt</u>			
Amended 2006 Bonds	711,600	1,039,400	1,358,500
Revenue Bonds of 2017	3,240,000	3,435,000	3,625,000
Refunding Revenue Bonds of 2020	18,340,000	22,550,000	26,690,000
Revenue Bonds of 2022	14,885,000	15,430,000	15,430,000
Long Term Lease	1,890,000	2,272,000	2,644,000
Total Long Term Debt	<u>39,066,600</u>	<u>44,726,400</u>	<u>49,747,500</u>
<u>Current and Accrued Liabilities</u>			
Accounts Payable	770,865	1,806,960	673,787
Revenue Bonds - Current	-	2,331,900	2,297,500
Interest Payable	690,824	745,429	-
Accounts Payable to Associated Company	6,872	6,549	7,714
Compensated Absences Payable	183,827	153,390	149,065
Customer Deposits	60,750	50,750	54,900
Unearned Revenue	67,404	79,374	74,952
Accrued Taxes	(776)	31,602	31,891
Accrued Payroll	110,329	79,638	58,012
Total Current and Accrued Liabilities	<u>1,890,095</u>	<u>5,285,592</u>	<u>3,347,821</u>
<u>Deferred Credits</u>			
Unamortized Bond Premium	1,519,218	1,686,001	2,000,152
Advances for Construction	97,131	97,131	109,957
Other Deferred Liabilities (Pension and OPEB)	2,126,707	2,066,864	-
Total Deferred Credits	<u>3,743,056</u>	<u>3,849,996</u>	<u>2,110,109</u>
<u>Contributions in Aid</u>			
Contributions in Aid of Construction	<u>12,476,618</u>	<u>12,476,618</u>	<u>12,476,618</u>
Total Liabilities and Other Credits	<u>\$ 114,649,859</u>	<u>\$ 118,045,872</u>	<u>\$ 119,798,060</u>

Source: Utility Trial Balances.

Combined Outstanding Debt

Year	Amended 2006 Bonds	2017 Bonds	2020B Refunding Bonds	2022 Bonds	Total	ESG Solar Lease	2017 AMI Lease	Total Leases and Bonds
2025	\$ 376,743	\$ 299,244	\$ 4,603,413	\$ 1,312,125	\$ 6,591,525	\$ 79,683	\$ 456,196	\$ 7,127,404
2026	378,382	303,169	4,595,355	1,308,125	6,585,031	79,683	456,392	7,121,106
2027		301,794	4,976,140	1,307,750	6,585,684	79,683	456,146	7,121,513
2028		300,344	4,976,858	1,310,750	6,587,952	79,683	457,390	7,125,025
2029		303,669		1,312,125	1,615,794	79,683		1,695,477
2030		301,769		1,306,750	1,608,519	79,683		1,688,202
2031		304,644		1,309,750	1,614,394	79,683		1,694,077
2032		306,907		1,310,750	1,617,657	79,683		1,697,340
2033		308,859		1,309,750	1,618,609	79,683		1,698,292
2034		310,500		1,306,750	1,617,250	79,683		1,696,933
2035		311,569		1,311,625	1,623,194	79,683		1,702,877
2036		312,306		1,309,125	1,621,431	79,683		1,701,114
2037		315,038		1,309,250	1,624,288	79,683		1,703,971
2038				1,311,750	1,311,750			1,311,750
2039				1,311,625	1,311,625			1,311,625
2040				1,313,625	1,313,625			1,313,625
2041				1,312,625	1,312,625			1,312,625
Totals	<u>\$ 755,125</u>	<u>\$3,979,812</u>	<u>\$ 19,151,766</u>	<u>\$22,274,250</u>	<u>\$46,160,953</u>	<u>\$1,035,879</u>	<u>\$1,826,124</u>	<u>\$49,022,956</u>
Combined Average Annual Debt Service (2025-2028)					<u>\$ 6,587,548</u>			
Combined Average Annual Debt Service and Lease Payment (2025-2028)								<u>\$ 7,123,762</u>

Note: The 2/25/25 2017 AMI Lease Payment has been excluded from the combined debt analysis.

Amended Waterworks Revenue Bonds of 2006, Series A-1 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25	\$ 170,900	4.83 %	\$ 17,185	\$ 188,085	
1/1/26	175,600	4.83	13,058	188,658	\$ 376,743
7/1/26	180,200	4.83	8,817	189,017	
1/1/27	184,900	4.83	4,465	189,365	378,382
Totals	<u>\$ 711,600</u>		<u>\$ 43,525</u>	<u>\$ 755,125</u>	

Note: The 2006 A-1 Bonds were issued through the Indiana Bond Bank. The amortization schedule was amended March 26, 2015, and resulted in a reduction in the overall payments of approximately \$480,000.

Source: Bond Specimen for the Amended 2006 Series A Bonds, as recalculated by Crowe.

Waterworks Revenue Bonds of 2017 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25	\$ 100,000	3.00 %	\$ 50,372	\$ 150,372	
1/1/26	100,000	3.00	48,872	148,872	\$ 299,244
7/1/26	105,000	3.00	47,372	152,372	
1/1/27	105,000	3.00	45,797	150,797	303,169
7/1/27	110,000	3.00	44,222	154,222	
1/1/28	105,000	3.00	42,572	147,572	301,794
7/1/28	110,000	3.00	40,997	150,997	
1/1/29	110,000	3.00	39,347	149,347	300,344
7/1/29	115,000	3.00	37,697	152,697	
1/1/30	115,000	3.00	35,972	150,972	303,669
7/1/30	115,000	3.00	34,247	149,247	
1/1/31	120,000	3.00	32,522	152,522	301,769
7/1/31	120,000	3.00	30,722	150,722	
1/1/32	125,000	3.13	28,922	153,922	304,644
7/1/32	130,000	3.13	26,969	156,969	
1/1/33	125,000	3.13	24,938	149,938	306,907
7/1/33	135,000	3.13	22,984	157,984	
1/1/34	130,000	3.13	20,875	150,875	308,859
7/1/34	140,000	3.13	18,844	158,844	
1/1/35	135,000	3.25	16,656	151,656	310,500
7/1/35	145,000	3.25	14,463	159,463	
1/1/36	140,000	3.25	12,106	152,106	311,569
7/1/36	145,000	3.25	9,831	154,831	
1/1/37	150,000	3.25	7,475	157,475	312,306
7/1/37	310,000	3.25	5,038	315,038	315,038
Totals	<u>\$3,240,000</u>		<u>\$ 739,812</u>	<u>\$ 3,979,812</u>	

Source: Waterworks Revenue Bonds of 2017 Final Official Statement, as recalculated by Crowe.

Waterworks Refunding Revenue Bonds of 2020, Series B Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25	\$ 2,130,000	1.70 %	\$ 170,759	\$ 2,300,759	
1/1/26	2,150,000	1.70	152,654	2,302,654	\$4,603,413
7/1/26	2,165,000	1.70	134,379	2,299,379	
1/1/27	2,180,000	1.95	115,976	2,295,976	4,595,355
7/1/27	2,390,000	1.95	94,721	2,484,721	
1/1/28	2,420,000	1.95	71,419	2,491,419	4,976,140
7/1/28	2,440,000	1.95	47,824	2,487,824	
1/1/29	2,465,000	1.95	24,034	2,489,034	4,976,858
Totals	<u>\$ 18,340,000</u>		<u>\$ 811,766</u>	<u>\$ 19,151,766</u>	

Source: Waterworks Refunding Revenue Bonds of 2020, Series B Amortization Schedule provided by the Utility, as recalculated by Crowe.

Waterworks Revenue Bonds of 2022 Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/25	\$ 285,000	5.00 %	\$ 372,125	\$ 657,125	
1/1/26	290,000	5.00	365,000	655,000	\$ 1,312,125
7/1/26	295,000	5.00	357,750	652,750	
1/1/27	305,000	5.00	350,375	655,375	1,308,125
7/1/27	310,000	5.00	342,750	652,750	
1/1/28	320,000	5.00	335,000	655,000	1,307,750
7/1/28	330,000	5.00	327,000	657,000	
1/1/29	335,000	5.00	318,750	653,750	1,310,750
7/1/29	345,000	5.00	310,375	655,375	
1/1/30	355,000	5.00	301,750	656,750	1,312,125
7/1/30	360,000	5.00	292,875	652,875	
1/1/31	370,000	5.00	283,875	653,875	1,306,750
7/1/31	380,000	5.00	274,625	654,625	
1/1/32	390,000	5.00	265,125	655,125	1,309,750
7/1/32	400,000	5.00	255,375	655,375	
1/1/33	410,000	5.00	245,375	655,375	1,310,750
7/1/33	420,000	5.00	235,125	655,125	
1/1/34	430,000	5.00	224,625	654,625	1,309,750
7/1/34	440,000	5.00	213,875	653,875	
1/1/35	450,000	5.00	202,875	652,875	1,306,750
7/1/35	465,000	5.00	191,625	656,625	
1/1/36	475,000	5.00	180,000	655,000	1,311,625
7/1/36	485,000	5.00	168,125	653,125	
1/1/37	500,000	5.00	156,000	656,000	1,309,125
7/1/37	510,000	5.00	143,500	653,500	
1/1/38	525,000	5.00	130,750	655,750	1,309,250
7/1/38	540,000	5.00	117,625	657,625	
1/1/39	550,000	5.00	104,125	654,125	1,311,750
7/1/39	565,000	5.00	90,375	655,375	
1/1/40	580,000	5.00	76,250	656,250	1,311,625
7/1/40	595,000	5.00	61,750	656,750	
1/1/41	610,000	5.00	46,875	656,875	1,313,625
7/1/41	625,000	5.00	31,625	656,625	
1/1/42	640,000	5.00	16,000	656,000	1,312,625
Totals	<u>\$ 14,885,000</u>		<u>\$ 7,389,250</u>	<u>\$ 22,274,250</u>	

Source: Waterworks Revenue Bonds of 2022 Final Official Statement, as recalculated by Crowe.

ESG Solar Lease Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Water Portion (1)
6/30/25	\$ 305,088	2.97 %	\$ 142,527	\$ 447,615		
12/30/25	309,618	2.97	137,997	447,615	\$895,230	\$ 79,683
6/30/26	314,216	2.97	133,399	447,615		
12/30/26	318,882	2.97	128,733	447,615	895,230	79,683
6/30/27	323,618	2.97	123,997	447,615		
12/30/27	328,423	2.97	119,192	447,615	895,230	79,683
6/30/28	333,300	2.97	114,315	447,615		
12/30/28	338,250	2.97	109,365	447,615	895,230	79,683
6/30/29	343,273	2.97	104,342	447,615		
12/30/29	348,371	2.97	99,244	447,615	895,230	79,683
6/30/30	353,544	2.97	94,071	447,615		
12/30/30	358,794	2.97	88,821	447,615	895,230	79,683
6/30/31	364,122	2.97	83,493	447,615		
12/30/31	369,529	2.97	78,086	447,615	895,230	79,683
6/30/32	375,017	2.97	72,598	447,615		
12/30/32	380,586	2.97	67,029	447,615	895,230	79,683
6/30/33	386,237	2.97	61,377	447,614		
12/30/33	391,973	2.97	55,642	447,615	895,229	79,683
6/30/34	397,794	2.97	49,821	447,615		
12/30/34	403,701	2.97	43,914	447,615	895,230	79,683
6/30/35	409,696	2.97	37,919	447,615		
12/30/35	415,780	2.97	31,835	447,615	895,230	79,683
6/30/36	421,954	2.97	25,661	447,615		
12/30/36	428,220	2.97	19,395	447,615	895,230	79,683
6/30/37	434,580	2.97	13,035	447,615		
10/30/37	443,227	2.97	4,388	447,615	895,230	79,683
Totals	<u>\$9,597,793</u>		<u>\$2,040,196</u>	<u>\$11,637,989</u>		

(1) The ESG Solar Lease payments are allocated between the Water Utility, the City of Bloomington Sewage Works, the City of Bloomington Redevelopment Commission, and the City of Bloomington Parks & Recreation Department. Per IURC Order, Cause No. 45533 approved December 22, 2021, the Water Utility's portion of the ESG Solar Lease is \$79,683. The ESG Solar Lease payments are not on parity with the outstanding bonds of the Utility.

Source: ESG Solar Lease Payment Schedule, as recalculated by Crowe.

Equipment Lease Purchase for Advance Metering Infrastructure Project Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total	Water Portion (1)
2/15/25	\$ 490,000	3.40 %	\$ 80,325	\$ 570,325	\$ 570,325	\$ 228,130
8/15/25	500,000	3.40	71,995	571,995		
2/15/26	505,000	3.40	63,495	568,495	1,140,490	456,196
8/15/26	520,000	3.40	54,910	574,910		
2/15/27	520,000	3.40	46,070	566,070	1,140,980	456,392
8/15/27	535,000	3.40	37,230	572,230		
2/15/28	540,000	3.40	28,135	568,135	1,140,365	456,146
8/15/28	555,000	3.40	18,955	573,955		
2/15/29	560,000	3.40	9,520	569,520	1,143,475	457,390
Totals	<u>\$ 4,725,000</u>		<u>\$ 410,635</u>	<u>\$ 5,135,635</u>		

(1) The Advance Metering Infrastructure Project lease payments are allocated between the Utility and the City of Bloomington Sewage Works. The Utility's allocated share is forty percent (40%). The Advance Metering Infrastructure Project lease payments are not on parity with the outstanding bonds of the Utility.

Source: Equipment Lease Purchase for Advance Metering Infrastructure Project Agreement, as recalculated by Crowe.

Statements of Income for the Twelve Months Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
<u>Operating Revenues</u>			
Metered Sales Residential	\$4,257,385	\$5,002,752	\$5,008,452
Metered Sales Commercial	2,549,354	2,192,183	2,151,915
Metered Sales Industrial	501,911	370,930	334,261
Sales to Public Authorities	2,213,587	1,841,231	1,968,937
Multiple Family Dwellings	5,425,928	4,526,979	4,422,957
Public Fire Protection	1,002,303	875,598	867,945
Private Fire Protection	1,035,965	898,346	878,531
Irrigation Sales	715,803	570,887	565,100
Sales for Resale	3,811,656	3,088,764	2,819,684
Forfeited Discounts	34,030	24,895	28,714
Connection Charges	238,823	240,263	299,992
Miscellaneous Operating Revenues	804,793	615,595	650,139
Total Operating Revenues	<u>22,591,538</u>	<u>20,248,423</u>	<u>19,996,627</u>
<u>Operating Expenses</u>			
<u>Operation and Maintenance Expenses</u>			
<u>Source of Supply</u>			
Purchased Water	183,053	177,626	179,976
Purchased Power	799,973	724,644	921,179
Materials and Supplies	52,737	56,899	63,733
Total Source of Supply	<u>1,035,763</u>	<u>959,169</u>	<u>1,164,888</u>
<u>Treatment</u>			
Salaries and Wages	1,139,065	1,069,765	997,095
Employee Pensions and Benefits	242,499	431,553	406,737
Purchased Power	253,271	249,540	299,385
Chemicals	1,570,069	1,565,561	1,654,199
Materials and Supplies	286,374	457,481	439,251
Contractual Services - Engineering	-	1,126	-
Contractual Services - Testing	29,150	43,490	56,423
Contractual Services - Other	70,968	37,069	29,800
Transportation Expenses	39,543	38,485	40,779
Miscellaneous Expenses	90,502	42,600	26,013
Total Treatment	<u>3,721,441</u>	<u>3,936,670</u>	<u>3,949,682</u>
<u>Transmission and Distribution</u>			
Salaries and Wages	1,229,641	1,093,057	817,678
Employee Pensions and Benefits	256,728	467,141	415,652
Purchased Power	541,290	538,207	647,908
Materials and Supplies	1,208,457	1,244,516	826,021
Transportation Expenses	214,807	178,921	168,315
Miscellaneous Expenses	82,785	47,241	44,188
Total Transmission and Distribution	<u>3,533,708</u>	<u>3,569,083</u>	<u>2,919,762</u>

Source: Utility Trial Balance.

Statements of Income for Twelve Months Ended December 31, 2024, 2023, and 2022 (Continued)

	2024	2023	2022
Customer Account			
Salaries and Wages	\$ 397,600	\$ 375,882	\$ 381,748
Employee Pensions and Benefits	85,772	213,721	218,769
Materials and Supplies	160,634	221,959	231,640
Transportation Expenses	19,866	17,012	22,390
Bad Debt Expense	84,342	10,137	49,001
Miscellaneous Expenses	171,210	259,378	223,098
Total Customer Account	919,424	1,098,089	1,126,646
Administrative and General			
Salaries and Wages	1,396,324	1,263,909	1,168,827
Employee Pensions and Benefits	262,426	580,393	547,036
Purchased Power	5,770	3,714	7,034
Materials and Supplies	336,095	135,942	108,852
Contractual Services - Engineering	1,750	22,011	2,000
Contractual Services - Accounting	69,274	33,070	124,111
Contractual Services - Legal	10,869	22,509	24,449
Contractual Services - Testing	43,886	101,684	68,265
Contractual Services - Other	146,865	2,192,676	174,009
Transportation Expenses	41,382	43,679	36,376
Insurance - General Liability	184,835	156,087	127,766
Insurance - Other	-	4,000	8,091
Advertising Expense	188	1,553	3,518
Public Water System Fee	27,342	445	414
Miscellaneous Expenses	(15,756)	494,882	222,850
Total Administrative and General	2,511,250	5,056,554	2,623,598
Total Operation and Maintenance Expenses	11,721,586	14,619,565	11,784,576
Depreciation Expense	3,826,974	3,481,519	3,482,819
Taxes Other Than Income Taxes			
Utility Receipts Tax	-	583	105,639
Payment in Lieu of Property Taxes	-	945,322	-
Total Taxes Other Than Income Taxes	-	945,905	105,639
Total Operating Expenses	15,548,560	19,046,989	15,373,034
Net Operating Income	7,042,978	1,201,434	4,623,593

Note: The Contractual Services- Other and the Payment in Lieu of Taxes (PILOT) in the year 2023 were payments to the City of Bloomington for Shared Services and PILOT that accrued over multiple years.

Source: Utility Financial Statements.

Statement of Income for the Twelve Months Ended December 31, 2024, 2023, and 2022 (Continued)

	2024	2023	2022
<u>Other Income</u>			
Interest Income	\$ 730,201	\$ 822,985	\$ 253,422
Miscellaneous Other Income	87,382	28,048	5,054
Total Other Income	<u>817,583</u>	<u>851,033</u>	<u>258,476</u>
<u>Other Expenses</u>			
Interest Expense	2,092,337	2,036,555	773,115
Miscellaneous Other Expenses	1,999	1,924	182,813
Total Other Expenses	<u>2,094,336</u>	<u>2,038,479</u>	<u>955,928</u>
Net Income	<u>\$ 5,766,226</u>	<u>\$ 13,988</u>	<u>\$ 3,926,142</u>

Source: Utility Trial Balance.

Adjustments to the Financial Statements

Adjusted Statement of Income

	December 31, 2024	Adjustment	Pro Forma
<u>Operating Revenues</u>			
Metered Sales Residential	\$ 4,257,385		\$ 4,257,385
Metered Sales Commercial	2,549,354		2,549,354
Metered Sales Industrial	501,911		501,911
Sales to Public Authorities	2,213,587		2,213,587
Multiple Family Dwellings	5,425,928		5,425,928
Public Fire Protection	1,002,303		1,002,303
Private Fire Protection	1,035,965		1,035,965
Irrigation Sales	715,803		715,803
Sales for Resale	3,811,656		3,811,656
Forfeited Discounts	34,030		34,030
Connection Charges	238,823		238,823
Miscellaneous Operating Revenues	804,793		804,793
Total Operating Revenues	<u>22,591,538</u>		<u>22,591,538</u>
<u>Operating Expenses</u>			
<u>Operation and Maintenance Expenses</u>			
<u>Source of Supply</u>			
Purchased Water	183,053		183,053
Purchased Power	799,973		799,973
Materials and Supplies	52,737		52,737
Total Source of Supply	<u>1,035,763</u>		<u>1,035,763</u>
<u>Treatment</u>			
Salaries and Wages	1,139,065	\$ 136,026 (1)	1,322,525
		47,434 (2)	
Employee Pensions and Benefits	242,499	28,548 (3)	289,344
		18,297 (4)	
Purchased Power	253,271		253,271
Chemicals	1,570,069		1,570,069
Materials and Supplies	286,374		286,374
Contractual Services - Testing	29,150		29,150
Contractual Services - Other	70,968		70,968
Transportation Expenses	39,543	50,000 (5)	89,543
Miscellaneous Expenses	90,502		90,502
Total Treatment	<u>3,721,441</u>	<u>280,305</u>	<u>4,001,746</u>

See Detail of Adjustments.

Adjusted Statement of Income (Continued)

	December 31, 2024	Adjustment	Pro Forma
Transmission and Distribution			
Salaries and Wages	\$ 1,229,641	\$ 360,545 (1) 117,620 (2)	\$ 1,707,806
Employee Pensions and Benefits	256,728	34,260 (3) 41,709 (4)	332,697
Purchased Power	541,290		541,290
Materials and Supplies	1,208,457		1,208,457
Transportation Expenses	214,807	42,217 (6)	257,024
Miscellaneous Expenses	82,785		82,785
Total Transmission and Distribution	<u>3,533,708</u>	<u>596,351</u>	<u>4,130,059</u>
Customer Account			
Salaries and Wages	397,600	(988) (1) 48,884 (2)	445,497
Employee Pensions and Benefits	85,772	11,420 (3) 5,441 (4)	102,633
Materials and Supplies	160,634		160,634
Transportation Expenses	19,866		19,866
Bad Debt Expense	84,342	(36,517) (7)	47,825
Miscellaneous Expenses	171,210		171,210
Total Customer Account	<u>919,424</u>	<u>28,241</u>	<u>947,665</u>
Administrative and General			
Salaries and Wages	1,396,324	309,144 (1) 84,254 (2)	1,789,722
Employee Pensions and Benefits	262,426	22,840 (3) 35,603 (4)	320,869
Purchased Power	5,770		5,770
Materials and Supplies	336,095		336,095
Contractual Services - Engineering	1,750		1,750
Contractual Services - Accounting	69,274	(25,636) (8) 197,474 (9) 35,000 (10)	276,112
Contractual Services - Legal	10,869	(26,829) (8) 35,000 (10)	19,040
Contractual Services - Testing	43,886	62,470 (11)	106,356
Contractual Services - Other	146,865	(69,261) (8) 35,000 (10) 836,901 (12)	949,505

See Detail of Adjustments.

Adjusted Statement of Income (Continued)

	December 31, 2024	Adjustment	Pro Forma
Administrative and General (Continued)			
Transportation Expenses	\$ 41,382		\$ 41,382
Insurance - General Liability	184,835		184,835
Advertising Expense	188		188
Public Water System Fee	27,342		27,342
Miscellaneous Expenses	(15,756)	\$ 346,940 (13)	251,501
		(79,683) (14)	
Total Administrative and General	<u>2,511,250</u>	<u>1,799,217</u>	<u>4,310,467</u>
Total Operation and Maintenance Expenses	<u>11,721,586</u>	<u>2,704,113</u>	<u>14,425,699</u>
Depreciation Expense	<u>3,826,974</u>		<u>3,826,974</u>
<u>Taxes Other Than Income Taxes</u>			
Payment in Lieu of Property Taxes	<u>-</u>	<u>476,886</u> (15)	<u>476,886</u>
Total Operating Expenses	<u>15,548,560</u>	<u>3,180,999</u>	<u>18,729,559</u>
Net Operating Income	<u>\$ 7,042,978</u>	<u>\$ (3,180,999)</u>	<u>\$ 3,861,979</u>

See Detail of Adjustments.

Detail of Adjustments

(1)

To adjust "Operation and Maintenance Expenses" for the increased salaries and wages using 2025 pay rates.

<u>Category</u>	<u>Pro Forma</u>	<u>Test Year</u>	<u>Change</u>
Treatment	\$ 1,275,091	\$ 1,139,065	\$ 136,026
Transmission and Distribution	1,590,186	1,229,641	360,545
Customer Account	396,612	397,600	(988)
Administrative and General	1,705,468	1,396,324	309,144
Total	\$ 4,967,357	\$ 4,162,630	\$ 804,727

(2)

To adjust "Operation and Maintenance Expenses" for the salaries and wages for open employee positions to be filled.

<u>Position</u>	<u>Category</u>	<u>Water Portion</u>	
Lab Technician I	Treatment	\$ 1,861	
Water Plant Operator	Treatment	45,573	
Treatment Total			\$ 47,434
Laborer	Transmission and Distribution	17,980	
Laborer	Transmission and Distribution	17,980	
Utilities Specialist I	Transmission and Distribution	19,028	
Specialized Crew Leader	Transmission and Distribution	22,073	
Specialized Crew Leader	Transmission and Distribution	22,073	
Master Motor Equipment Operator	Transmission and Distribution	18,487	
Transmission and Distribution Total			117,620
Assistant Superintendent	Customer Account	30,539	
Meter Technician II	Customer Account	18,346	
Customer Account Total			48,884
Communications Operator	Administrative and General	15,923	
Data Analyst	Administrative and General	27,799	
Asst Director of Env. Programs	Administrative and General	39,498	
Water Specialist	Administrative and General	1,033	
Administrative and General Total			84,254
Adjustment - Increase			\$ 298,192

(3)

To adjust "Operation and Maintenance Expenses" for the insurance costs associated with positions to be filled.

	<u>Number of</u>	<u>Benefit Amount</u>	<u>Increase</u>
	<u>Positions</u>	<u>Per Position</u>	
Treatment	2	\$ 14,274	\$ 28,548
Transmission and Distribution	6	5,710	34,260
Customer Account	2	5,710	11,420
Administrative and General	4	5,710	22,840
Totals	\$ 14	\$ 31,404	\$ 97,068

Detail of Adjustments (Continued)

(4)

To adjust "Operation and Maintenance Expenses" for the increase in FICA related to increased Salaries and Wages.

	Pro Forma Salaries and Wages	Pro Forma FICA	Test Year	Increase
Treatment	\$ 1,322,525	\$ 101,173	\$ 82,876	\$ 18,297
Transmission and Distribution	1,707,806	130,647	88,938	41,709
Customer Account	445,496	34,080	28,639	5,441
Administrative and General	<u>1,789,722</u>	<u>136,914</u>	<u>101,311</u>	<u>35,603</u>
Totals	<u>\$ 5,265,549</u>	<u>\$ 402,814</u>	<u>\$ 301,765</u>	<u>\$ 101,049</u>

(5)

To adjust "Operation and Maintenance Expenses" for the increase in fuel charges for Transportation for Sludge Hauling.

Adjustment - Increase	<u>\$ 50,000</u>
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(6)

To adjust "Operation and Maintenance Expenses" for the increase in fuel charges for Transportation for Lines Services due to increased fuel charges and additional fleet.

Pro Forma Transportation Lines - Transmission and Distribution	\$ 220,000
Less: Test Year	<u>(177,783)</u>
Adjustment - Increase	<u>\$ 42,217</u>

(7)

To adjust "Operation and Maintenance Expenses" for the estimated change in Bad Debt expense to the average annual bad debt for the years 2022 to 2024.

Three Year Average Bad Debt Expense (2022-2024)	\$ 47,825
Less: Test Year	<u>(84,342)</u>
Adjustment - Decrease	<u>\$ (36,517)</u>

Detail of Adjustments (Continued)

(8)

To adjust "Operation and Maintenance Expenses" for non-recurring expenses or multi-year expenses.

<u>Vendor</u>	<u>Expense Classification</u>	
Dentons Bingham Greenebaum	Contractual Legal	\$ (26,829)
Crowe LLP	Contractual Accounting	(25,636)
Stantec	Contractual Engineering	(9,261)
M.E. Simpson	Electro Scan Software	<u>(60,000)</u>
Adjustment - Decrease		<u>\$ (121,726)</u>

(9)

To adjust "Operation and Maintenance Expenses" for the changes in Contract Services Accounting expense in the 2025 Budget.

Pro Forma Contract Service Accounting Expense	\$ 264,500
Less: Test Year	<u>(67,026)</u>
Total	<u>\$ 197,474</u>

(10)

To adjust "Operation and Maintenance Expenses" for to amortize rate case expenses over four years.

<u>Vendor</u>	<u>Expense Classification</u>	
Dentons Bingham Greenebaum	Contractual Legal	\$ 140,000
Crowe LLP	Contractual Accounting	140,000
Stantec	Contractual Other	<u>140,000</u>
Total		420,000
Divide by: Four Years		<u>4</u>
Adjustment - Increase		<u>\$ 105,000</u>

(11)

To adjust "Operation and Maintenance Expenses" for the changes in Contract Services Testing expense in the 2025 Budget.

Pro Forma Contract Service Testing Expense	\$ 102,000
Less: Test Year	<u>(39,530)</u>
Adjustment - Increase	<u>\$ 62,470</u>

Detail of Adjustments (Continued)

(12)	
To adjust "Operation and Maintenance Expenses" for inclusion of the Water Utility's portion of the Shared Services Contract between the City of Bloomington Utilities and the City of Bloomington.	
Adjustment - Increase	<u>\$ 836,901</u>
(13)	
To adjust "Operation and Maintenance Expenses" to the estimated change in Inventory Cycle Count expense to the average annual Inventory Cycle Count expense for the years 2022 to 2024.	
Three Year Average Inventory Cycle Count (2022-2024)	\$ (62,123)
Less: Test Year	<u>409,063</u>
Adjustment - Increase	<u>\$ 346,940</u>
(14)	
To adjust "Operation and Maintenance Expenses" to remove the ESG Solar Lease Payment from Operating Expenses.	
Adjustment - Decrease	<u>\$ (79,683)</u>
(15)	
To adjust "Taxes Other Than Income Taxes" for the pro forma Payment in Lieu of Property Taxes (PILOT)	
Net Utility Plant in Service (UPIS) as of December 31, 2024	\$ 92,359,934
Add: Construction Work in Progress	1,854,147
Less: Outside City Net UPIS	<u>(38,986,941)</u>
Inside City UPIS as of December 31, 2024	55,227,140
Times: Gross Corporate Tax Rate (per \$100 Assessed Valuation)	<u>0.8635</u>
Pro Forma PILOT	476,886
Less: Test Year	<u>-</u>
Adjustment - Increase	<u>\$ 476,886</u>

Capital Improvement Plan

	2025	2026	2027	2028	2029	Total
Monroe WTP - Intake Projects						
Intake Bypass Pumping Improvements				\$ 104,800	\$ 419,200	\$ 524,000
Monroe WTP - Rapid Mix, Splitter Box, Parshall Flume						
Repairs to Splitter box, Rapid mix, and Parshall Flume		\$ 25,000	225,000			250,000
Monroe WTP - Flocculation / Sedimentation Projects						
Sedimentation Basin 1 Rehabilitation, Valve Actuator (2 sludge), and Horizontal Flocculator System Rebuilds - Basin 1		404,100	3,636,900	&		4,041,000
Sedimentation Basin 2 Rehabilitation, Valve Accuator (2 intake, 2 sludge), and Horizontal Flocculator System Rebuilds - Basin		404,100		3,636,900	&	4,041,000
Monroe WTP - Chemical Projects						
Chemical Feed Line Replacement	\$ 4,000,000 *					4,000,000
Alum Equipment Issues	331,000					331,000
Chemical Building Improvements			1,680,000 *			1,680,000
Monroe WTP - Piping and Valve Projects						
Install Permanent Air Monitoring in New Pipe Gallery			50,000 ^			50,000
Repair Finished Water Header Leaks			100,000			100,000
Monroe WTP - Tank Projects						
Finished Water Reservoir Inspection	18,000 ^					18,000
Transfer Pump Station Wetwell Inspection	36,000 ^					36,000
Transfer Pump Station Wetwell Rehabilitation			73,000 ^			73,000
Finished Water Reservoir Repairs			450,000			450,000
Backwash Tank Rehabilitation			45,000 ^			45,000
Monroe WTP - Pump Projects						
<u>High Service Pumps</u>						
Rebuild HSP 3	286,000					286,000
Rebuild HSP 4		\$ 22,100	198,900			221,000
Add VFD to HSP #3 & #4			1,000,000			1,000,000
High Service Pump Area HVAC		27,800	250,200			278,000

Capital Improvement Plan (Continued)

	2025	2026	2027	2028	2029	Total
Monroe WTP - Pump Projects (Continued)						
<u>Transfer Pumps</u>						
Rebuild TPS 1				\$ 216,000		\$ 216,000
Rebuild TPS 5		\$ 215,000				215,000
Add VFD to Transfer Pumps				1,000,000		1,000,000
<u>Low Service Pumps</u>						
Rebuild LSP 1					413,000	413,000
Rebuild LSP 2			413,000			413,000
VFD for LSP 2			578,000			578,000
Monroe WTP - Residuals Projects						
Backwash Holding Basin Pumps and Railing System		142,000				142,000
Monroe WTP - Electrical / Controls Projects						
<u>Electrical Upgrades</u>						
Part 1		2,728,000 *				2,728,000
Part 2		485,600	4,370,400 *			4,856,000
SCADA Upgrades		1,500,000				1,500,000
Monroe WTP - Misc. Projects						
Maintenance Plans - Phase 2 Asset Management		300,000				300,000
Miscellaneous Repair and Replacement	\$ 200,000	200,000	200,000	\$ 200,000	200,000	1,000,000
Water Distribution System Projects						
West Booster Station Rehabilitation	2,250,000 *					2,250,000
South Central Booster Station Rehabilitation		5,400,000 *				5,400,000
Booster Stations - Emergency generator upgrades					250,000	250,000
Storage Tank Inspections	25,000 ^		25,000			50,000

Capital Improvement Plan (Continued)

	2025	2026	2027	2028	2029	Total
Water Distribution System Projects (Continued)						
South & West Storage Tank Engineering & Rehabilitation	\$ 250,000	\$ 2,500,000 *				\$ 2,750,000
SE SW Redbud Storage Tank Engineering & Rehabilitation			250,000	\$ 2,500,000 &		2,750,000
Valve Relocation at 17th Street & Dunn				500,000		500,000
Gentry Booster Station Improvements			45,000	75,000		120,000
Dogwood Booster Station Rehabilitation		50,000				50,000
Improve pressure along Handy Rd - add smaller mains		500,000				500,000
Watermain Projects						
Annual Replacement Projects - Bond Funded		1,500,000 *	1,500,000 *			3,000,000
Annual Replacement Projects - Cash Funded		2,100,000	2,000,000	4,000,000	\$ 4,000,000	12,100,000
Watermain Relocation for Transportation Projects		1,000,000	500,000	500,000	500,000	2,500,000
Fire Hydrant Maint and Capacity testing	\$ 175,000 ^	175,000 ^	200,000 ^	200,000 ^	200,000 ^	950,000
Valve Replacement Program	100,000	300,000	300,000	300,000	300,000	1,300,000
Shared Project with all Bloomington Utilities						
WT New Service Center - Soft Costs	1,750,000 *					1,750,000
WT New Service Center and Maintenance Buildings		17,000,000 *				17,000,000
Total Capital Improvement Plan	9,171,000	33,895,500	17,561,700	13,457,700	9,919,100	84,005,000
Less: Projects to be Funded by Operation and Maintenance (^)	254,000	175,000	368,000	200,000	200,000	1,197,000
Less: Projects to be Funded by Proposed 2026 Bonds (*)	8,000,000	26,628,000	10,050,400			44,678,400
Less: Projects to be Funded by Proposed 2028 Bonds (&)				6,136,900	3,636,900	9,773,800
Extensions and Replacements Funded by Cash	\$ 917,000	\$ 7,092,500	\$ 7,143,300	\$ 7,120,800	\$ 6,082,200	\$28,355,800
Average Annual Extensions and Replacements Funded by Cash 2026-2028						\$ 7,118,867

Proposed Waterworks Revenue Bonds, Series 2026

Estimated Sources and Uses of Funds

Estimated Sources of Funds:

Par Amount of Bonds	\$ 51,930,000
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Total Sources of Funds	<u>\$ 51,930,000</u>
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Estimated Uses of Funds:

Project Fund	\$ 44,678,400
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Capitalized Interest	6,491,250
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Bond Counsel	65,000
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Municipal Advisor	45,000
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Underwriter's Discount	519,300
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IURC Regulatory Fees	129,825
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Additional Proceeds	<u>1,225</u>
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Total Uses of Funds	<u>\$ 51,930,000</u>
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Estimated 2026 Bonds Amortization Schedule

Date	Principal	Coupon	Interest	Capitalized Interest	Period Total	Fiscal Total
1/1/27			\$ 1,298,250	\$ (1,298,250)	-	-
7/1/27			1,298,250	(1,298,250)	-	
1/1/28			1,298,250	(1,298,250)	-	-
7/1/28			1,298,250	(1,298,250)	-	
1/1/29			1,298,250	(1,298,250)	-	-
7/1/29	\$ 1,000,000	5.00 %	1,298,250		\$ 2,298,250	
1/1/30	1,000,000	5.00	1,273,250		2,273,250	\$ 4,571,500
7/1/30	1,045,000	5.00	1,248,250		2,293,250	
1/1/31	1,055,000	5.00	1,222,125		2,277,125	4,570,375
7/1/31	1,100,000	5.00	1,195,750		2,295,750	
1/1/32	1,105,000	5.00	1,168,250		2,273,250	4,569,000
7/1/32	1,160,000	5.00	1,140,625		2,300,625	
1/1/33	1,160,000	5.00	1,111,625		2,271,625	4,572,250
7/1/33	1,215,000	5.00	1,082,625		2,297,625	
1/1/34	1,220,000	5.00	1,052,250		2,272,250	4,569,875
7/1/34	1,280,000	5.00	1,021,750		2,301,750	
1/1/35	1,280,000	5.00	989,750		2,269,750	4,571,500
7/1/35	1,345,000	5.00	957,750		2,302,750	
1/1/36	1,345,000	5.00	924,125		2,269,125	4,571,875
7/1/36	1,415,000	5.00	890,500		2,305,500	
1/1/37	1,410,000	5.00	855,125		2,265,125	4,570,625
7/1/37	1,480,000	5.00	819,875		2,299,875	
1/1/38	1,485,000	5.00	782,875		2,267,875	4,567,750
7/1/38	1,555,000	5.00	745,750		2,300,750	
1/1/39	1,560,000	5.00	706,875		2,266,875	4,567,625
7/1/39	1,635,000	5.00	667,875		2,302,875	
1/1/40	1,640,000	5.00	627,000		2,267,000	4,569,875
7/1/40	1,720,000	5.00	586,000		2,306,000	
1/1/41	1,720,000	5.00	543,000		2,263,000	4,569,000
7/1/41	1,805,000	5.00	500,000		2,305,000	
1/1/42	1,810,000	5.00	454,875		2,264,875	4,569,875
7/1/42	1,900,000	5.00	409,625		2,309,625	
1/1/43	1,900,000	5.00	362,125		2,262,125	4,571,750
7/1/43	1,995,000	5.00	314,625		2,309,625	
1/1/44	1,995,000	5.00	264,750		2,259,750	4,569,375
7/1/44	2,095,000	5.00	214,875		2,309,875	
1/1/45	2,095,000	5.00	162,500		2,257,500	4,567,375
7/1/45	2,205,000	5.00	110,125		2,315,125	
1/1/46	2,200,000	5.00	55,000		2,255,000	4,570,125
Totals	<u>\$51,930,000</u>		<u>\$32,251,000</u>	<u>\$ (6,491,250)</u>	<u>\$77,689,750</u>	
Estimated Average Annual Debt Service (2029-2033)						<u>\$ 4,570,600</u>

Proposed Waterworks Revenue Bonds, Series 2028

Estimated Sources and Uses of Funds

Estimated Sources of Funds:

Par Amount of Bonds	<u>\$10,360,000</u>
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Total Sources of Funds	<u>\$10,360,000</u>
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Estimated Uses of Funds:

Project Fund	\$ 9,773,800
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Capitalized Interest	345,333
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Bond Counsel	65,000
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Municipal Advisor	45,000
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Underwriter's Discount	103,600
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IURC Regulatory Fees	25,900
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Additional Proceeds	<u>1,367</u>
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Total Uses of Funds	<u>\$10,360,000</u>
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Estimated 2028 Bonds Amortization Schedule

Date	Principal	Coupon	Interest	Capitalized Interest	Period Total	Fiscal Total
7/1/28			\$ 86,333	\$ (86,333)	-	
1/1/29			259,000	(259,000)	-	-
7/1/29	\$ 170,000	5.00 %	259,000		\$ 429,000	
1/1/30	170,000	5.00	254,750		424,750	\$ 853,750
7/1/30	175,000	5.00	250,500		425,500	
1/1/31	180,000	5.00	246,125		426,125	851,625
7/1/31	190,000	5.00	241,625		431,625	
1/1/32	185,000	5.00	236,875		421,875	853,500
7/1/32	195,000	5.00	232,250		427,250	
1/1/33	195,000	5.00	227,375		422,375	849,625
7/1/33	205,000	5.00	222,500		427,500	
1/1/34	205,000	5.00	217,375		422,375	849,875
7/1/34	215,000	5.00	212,250		427,250	
1/1/35	215,000	5.00	206,875		421,875	849,125
7/1/35	230,000	5.00	201,500		431,500	
1/1/36	225,000	5.00	195,750		420,750	852,250
7/1/36	235,000	5.00	190,125		425,125	
1/1/37	240,000	5.00	184,250		424,250	849,375
7/1/37	250,000	5.00	178,250		428,250	
1/1/38	250,000	5.00	172,000		422,000	850,250
7/1/38	260,000	5.00	165,750		425,750	
1/1/39	265,000	5.00	159,250		424,250	850,000
7/1/39	275,000	5.00	152,625		427,625	
1/1/40	275,000	5.00	145,750		420,750	848,375
7/1/40	290,000	5.00	138,875		428,875	
1/1/41	290,000	5.00	131,625		421,625	850,500
7/1/41	300,000	5.00	124,375		424,375	
1/1/42	310,000	5.00	116,875		426,875	851,250
7/1/42	320,000	5.00	109,125		429,125	
1/1/43	320,000	5.00	101,125		421,125	850,250
7/1/43	340,000	5.00	93,125		433,125	
1/1/44	335,000	5.00	84,625		419,625	852,750
7/1/44	350,000	5.00	76,250		426,250	
1/1/45	355,000	5.00	67,500		422,500	848,750
7/1/45	375,000	5.00	58,625		433,625	
1/1/46	370,000	5.00	49,250		419,250	852,875
7/1/46	390,000	5.00	40,000		430,000	
1/1/47	390,000	5.00	30,250		420,250	850,250
7/1/47	410,000	5.00	20,500		430,500	
1/1/48	410,000	5.00	10,250		420,250	850,750
Totals	<u>\$10,360,000</u>		<u>\$ 6,150,458</u>	<u>\$ (345,333)</u>	<u>\$ 16,165,125</u>	
Estimated Average Annual Debt Service (2029-2033)						<u>\$ 851,675</u>

Estimated Combined Lease and Debt Amortization Schedule After Issuance of the 2026 and 2028 Bonds

Year	Amended 2006 Bonds	2017 Bonds	2020B Refunding Bonds	2022 Bonds	Proposed 2026 Bonds	Proposed 2028 Bonds	Total Bonds	ESG Solar Lease	2017 AMI Lease	Total Leases and Bonds
2025	\$ 376,743	\$ 299,244	\$ 4,603,413	\$ 1,312,125			\$ 6,591,525	\$ 79,683	\$ 456,196	\$ 7,127,404
2026	378,382	303,169	4,595,355	1,308,125			6,585,031	79,683	456,392	7,121,106
2027		301,794	4,976,140	1,307,750			6,585,684	79,683	456,146	7,121,513
2028		300,344	4,976,858	1,310,750			6,587,952	79,683	457,390	7,125,025
2029		303,669		1,312,125	\$ 4,571,500	\$ 853,750	7,041,044	79,683		7,120,727
2030		301,769		1,306,750	4,570,375	851,625	7,030,519	79,683		7,110,202
2031		304,644		1,309,750	4,569,000	853,500	7,036,894	79,683		7,116,577
2032		306,907		1,310,750	4,572,250	849,625	7,039,532	79,683		7,119,215
2033		308,859		1,309,750	4,569,875	849,875	7,038,359	79,683		7,118,042
2034		310,500		1,306,750	4,571,500	849,125	7,037,875	79,683		7,117,558
2035		311,569		1,311,625	4,571,875	852,250	7,047,319	79,683		7,127,002
2036		312,306		1,309,125	4,570,625	849,375	7,041,431	79,683		7,121,114
2037		315,038		1,309,250	4,567,750	850,250	7,042,288	79,683		7,121,971
2038				1,311,750	4,567,625	850,000	6,729,375			6,729,375
2039				1,311,625	4,569,875	848,375	6,729,875			6,729,875
2040				1,313,625	4,569,000	850,500	6,733,125			6,733,125
2041				1,312,625	4,569,875	851,250	6,733,750			6,733,750
2042					4,571,750	850,250	5,422,000			5,422,000
2043					4,569,375	852,750	5,422,125			5,422,125
2044					4,567,375	848,750	5,416,125			5,416,125
2045					4,570,125	852,875	5,423,000			5,423,000
2046						850,250	850,250			850,250
2047						850,750	850,750			850,750
Totals	<u>\$ 755,125</u>	<u>\$3,979,812</u>	<u>\$19,151,766</u>	<u>\$ 22,274,250</u>	<u>\$77,689,750</u>	<u>\$ 16,165,125</u>	<u>\$140,015,828</u>	<u>\$ 1,035,879</u>	<u>\$ 1,826,124</u>	<u>\$142,877,831</u>
Estimated Combined Average Annual Debt Service (2025-2028)							<u>\$ 6,587,548</u>			
Estimated Combined Average Annual Debt Service and Lease Payment (2025-2028)										<u>\$ 7,123,762</u>

Statement of Revenue Requirements

Adjusted Operation and Maintenance Expense	\$ 14,425,699
Adjusted Taxes Other Than Income Taxes	476,886
Current Average Annual Debt Service and Lease Payments	7,123,762
Annual Extensions and Replacements	7,118,867
Total Revenue Requirements	<u>29,145,214</u>
Less: Adjusted Operating Revenues	<u>(22,591,538)</u>
Deficit	6,553,676
Divide by: Adjustable Operating Revenues	<u>21,513,892</u>
Percent Rate Increase Required	<u>30.5%</u>
Total Revenue Requirements, Net of Non-Adjustable Revenue	<u>\$28,067,568</u>

Note: Actual percentage rate increases will vary by customer class pending results of the Utility's cost of service study.

Schedule of Present Rates and Charges

	Present Rates (1)
<u>Monthly Usage Charge (Per 1,000 Gallons)</u>	
Residential	\$ 4.38
Commercial, Governmental, Interdepartmental	3.98
Industrial	3.71
Indiana University - Master Metered	2.99
Indiana University - Non-Master Metered	3.98
Irrigation	4.92
<u>Contract Sales for Resale Monthly Usage Charge (Per 1,000 Gallons)</u>	
	\$ 3.03
<u>Monthly Service Charge (in addition to Monthly Usage Charge)</u>	
5/8 inch meter	\$ 6.50
3/4 inch meter	7.93
1 inch meter	10.68
1 1/2 inch meter	22.12
2 inch meter	29.70
3 inch meter	61.06
4 inch meter	100.40
6 inch meter	198.78
8 inch meter	297.17
10 inch meter	395.53

(1) Present rates were approved by the IURC through Cause No. 45533 on December 22, 2021, and were effective January 1, 2024.

Schedule of Present Rates and Charges (Continued)

		Present Rates (1)
<u>Monthly Public Fire Protection Charge - Inside City</u>		
<u>(excluding Indiana University - Master Metered)</u>		
5/8 inch meter	\$	2.20
3/4 inch meter		3.28
1 inch meter		5.48
1 1/2 inch meter		10.95
2 inch meter		17.52
3 inch meter		38.34
4 inch meter		65.70
6 inch meter		136.93
8 inch meter		197.17
10 inch meter		317.64
<u>Monthly Public Fire Protection Charge - Outside City</u>		
<u>(excluding Indiana University - Master Metered)</u>		
5/8 inch meter	\$	3.67
3/4 inch meter		5.52
1 inch meter		9.21
1 1/2 inch meter		18.38
2 inch meter		29.44
3 inch meter		64.40
4 inch meter		110.34
6 inch meter		229.90
8 inch meter		331.00
10 inch meter		533.40
<u>Monthly Fire Protection Charge -</u>		
<u>Indiana University - Master Metered</u>		\$ 1,480.00
	Present	Present
<u>Monthly Private Fire Protection Charge (per connection)</u>	<u>Monthly</u>	<u>Annual</u>
4 inch line or smaller	\$ 11.04	\$ 132.48
6 inch line	30.69	368.28
8 inch line	62.88	754.56
10 inch line	110.15	1,321.80
12 inch line	173.65	2,083.80

(1) Present rates were approved by the IURC through Cause No. 45533 on December 22, 2021, and were effective January 1, 2024.

COMBINED WATER AND SEWER RATE SURVEY
 Cities and Towns in Indiana with over 25,000 Population

Rank	City/Town	2020 Census	County	Combined Charge (1)
1	Hobart	29,752	Lake	\$ 151.06 (2)
2	Crown Point	33,899	Lake	150.67 (2)
3	Greenwood	63,830	Johnson	145.67
4	Evansville	117,298	Vanderburgh	140.84 (2)
5	Jeffersonville	49,447	Clark	139.61
6	Franklin	25,313	Johnson	137.26
7	Richmond	35,720	Wayne	134.38
8	Terre Haute	58,389	Vigo	132.67
9	Muncie	65,194	Delaware	132.26 (2)
10	Noblesville	69,604	Hamilton	125.76
11	Portage	37,926	Porter	125.48 (2)
12	New Albany	37,841	Floyd	123.78
13	West Lafayette	44,595	Tippecanoe	120.15 (2)
14	Kokomo	59,604	Howard	115.38
15	Gary	69,093	Lake	114.98
16	Lawrence	49,370	Marion	111.54
17	Merrillville	36,444	Lake	105.28
18	Goshen	34,517	Elkhart	103.42
19	Zionsville	30,603	Boone	99.69
20	Fort Wayne	263,886	Allen	99.33
21	Mishawaka	51,063	St. Joseph	99.12
22	Indianapolis	887,642	Marion	98.66
23	Valparaiso	34,151	Porter	94.41 (2)
	Bloomington (2026)	79,168	Monroe	93.81
24	Bloomington	79,168	Monroe	87.77
25	Carmel	99,757	Hamilton	86.06 (2)
26	Elkhart	53,923	Elkhart	85.01 (2)
27	Westfield	46,410	Hamilton	83.30
28	South Bend	103,453	St. Joseph	80.17
29	Marion	28,310	Grant	79.03 (2)
30	Fishers	98,977	Hamilton	76.84
31	Columbus	50,474	Bartholomew	73.35 (2)
32	Brownsburg	28,973	Hendricks	72.93 (2)
33	Anderson	54,788	Madison	70.64 (2)
34	East Chicago	26,370	Lake	65.81 (2)
35	Michigan City	32,075	La Porte	60.42
36	Lafayette	70,783	Tippecanoe	60.31
37	Schererville	29,646	Lake	58.07 (2)
38	Plainfield	34,625	Hendricks	54.09
39	Hammond	77,879	Lake	34.60

(1) Residential 5/8" meter monthly billing for 6.68 CCF or 5,000 Gallons.

(2) Rate increase pending.

WATER RATE SURVEY

Cities and Towns in Indiana with over 25,000 Population

Rank	City/Town	2020 Census	County	Effective Date	Water Charge (1)
1	Franklin	25,313	Johnson	2024	\$ 72.48
2	Gary	69,093	Lake	2024	72.48
3	Greenwood	63,830	Johnson	2024	72.48
4	Hobart	29,752	Lake	2024	72.48
5	Jeffersonville	49,447	Clark	2024	72.48
6	Kokomo	59,604	Howard	2024	72.48
7	Merrillville	36,444	Lake	2025	72.48
8	Muncie	65,194	Delaware	2024	72.48
9	New Albany	37,841	Floyd	2025	72.48
10	Noblesville	69,604	Hamilton	2024	72.48
11	Portage	37,926	Porter	2024	72.48
12	Richmond	35,720	Wayne	2024	72.48
13	Terre Haute	58,389	Vigo	2025	72.48
14	West Lafayette	44,595	Tippecanoe	2024	72.48
15	Crown Point	33,899	Lake	2025	67.12 (2)
16	Evansville	117,298	Vanderburgh	2025	55.54 (2)
17	Lawrence	49,370	Marion	2019	51.28
18	Fishers	98,977	Hamilton	2025	42.84
19	Indianapolis	887,642	Marion	2025	42.84
20	Zionsville	30,603	Boone	2025	42.84
21	Carmel	99,757	Hamilton	2025	42.43 (2)
22	Goshen	34,517	Elkhart	2025	39.67
23	Valparaiso	34,151	Porter	2025	39.37 (2)
24	Mishawaka	51,063	St. Joseph	2023	38.04
25	East Chicago	26,370	Lake	2024	36.76 (2)
	Bloomington (2026)	79,168	Monroe	2026	36.64
26	Westfield	46,410	Hamilton	2024	35.53
27	Fort Wayne	263,886	Allen	2023	33.23
28	Marion	28,310	Grant	2025	32.31 (2)
29	Schererville	29,646	Lake	2025	31.34
30	Bloomington	79,168	Monroe	2024	30.60
31	Brownsburg	28,973	Hendricks	2022	29.06 (2)
32	Anderson	54,788	Madison	2016	27.47 (2)
33	Michigan City	32,075	La Porte	2015	26.65
34	Elkhart	53,923	Elkhart	2025	23.86 (2)
35	South Bend	103,453	St. Joseph	2024	23.23
36	Columbus	50,474	Bartholomew	2024	22.00 (2)
37	Lafayette	70,783	Tippecanoe	2019	17.81
38	Plainfield	34,625	Hendricks	2009	17.69
39	Hammond	77,879	Lake	2023	14.65

(1) Residential 5/8" meter monthly billing for 6.68 CCF or 5,000 Gallons.

(2) Rate increase pending.

SEWER RATE SURVEY

Cities and Towns in Indiana with over 25,000 Population

Rank	City/Town	2020 Census	County	Effective Date	Sewer Charge (1)
1	Evansville	117,298	Vanderburgh	2021	\$ 85.30
2	Crown Point	33,899	Lake	2025	83.55 (2)
3	Hobart	29,752	Lake	2025	78.58 (2)
4	Greenwood	63,830	Johnson	2025	73.19
5	Jeffersonville	49,447	Clark	2015	67.13
6	Fort Wayne	263,886	Allen	2024	66.10
7	Franklin	25,313	Johnson	2024	64.78
8	Goshen	34,517	Elkhart	2025	63.75
9	Richmond	35,720	Wayne	2025	61.90
10	Elkhart	53,923	Elkhart	2025	61.15 (2)
11	Mishawaka	51,063	St. Joseph	2021	61.08
12	Lawrence	49,370	Marion	2025	60.26
13	Terre Haute	58,389	Vigo	2018	60.19
14	Muncie	65,194	Delaware	2025	59.78 (2)
15	Bloomington	79,168	Monroe	2025	57.17
16	South Bend	103,453	St. Joseph	2025	56.94
17	Zionsville	30,603	Boone	2025	56.85
18	Indianapolis	887,642	Marion	2025	55.82
19	Valparaiso	34,151	Porter	2025	55.04
20	Noblesville	69,604	Hamilton	2024	53.28
21	Portage	37,926	Porter	2025	53.00 (2)
22	Columbus	50,474	Bartholomew	2025	51.35 (2)
23	New Albany	37,841	Floyd	2017	51.30
24	Westfield	46,410	Hamilton	2023	47.77
25	West Lafayette	44,595	Tippecanoe	2025	47.67 (2)
26	Marion	28,310	Grant	2025	46.72 (2)
27	Brownsburg	28,973	Hendricks	2022	43.87 (2)
28	Carmel	99,757	Hamilton	2025	43.63 (2)
29	Anderson	54,788	Madison	2009	43.17
30	Kokomo	59,604	Howard	2023	42.90
31	Gary	69,093	Lake	2016	42.50
32	Lafayette	70,783	Tippecanoe	2019	42.50
33	Plainfield	34,625	Hendricks	2023	36.40
34	Fishers	98,977	Hamilton	2025	34.00
35	Michigan City	32,075	La Porte	2012	33.77
36	Merrillville	36,444	Lake	2024	32.80
37	East Chicago	26,370	Lake	2024	29.05
38	Schererville	29,646	Lake	2025	26.73 (2)
39	Hammond	77,879	Lake	2017	19.95

(1) Residential 5/8" meter monthly billing for 6.68 CCF or 5,000 Gallons.

(2) Rate increase pending.



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Kari Bennett, Council Deputy Administrator/Deputy Attorney

Date: September 12, 2025

Re: Ordinance 25-36 – An Ordinance Authorizing the Acquisition, Construction and Installation by the City of Bloomington, Indiana, of Certain Extensions and Improvements to the City’s Waterworks Utility, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, and the Collection, Segregation and Distribution of the Revenues of Such Waterworks Utility and Other Related Matters

Synopsis

This ordinance authorizes the City of Bloomington to issue Waterworks Revenue Bonds in the aggregate principal amount not to exceed \$71,000,000, with series expected to be issued in 2026 and 2028. The bonds will be issued to finance the costs of design, engineering, acquisition, construction, equipping, and improvement of capital projects related to the Monroe Water Treatment Plant and distribution system of the Waterworks utility, and pay costs of issuance of the bonds.

Relevant Materials

- Ordinance 25-36
 - Exhibit A – Description of Projects
 - Exhibit B – Form of Registered Bond
- Memo from Christopher J. Wheeler, Assistant City Attorney

Summary

Ordinance 25-36 authorizes the acquisition, construction, or installation of several utilities projects and authorizes the issuance of revenue bonds to fund the costs of the projects. The Utilities Service Board recommended adoption of Ordinance 25-35 to the Council at its September 8, 2025 meeting. Please note that Ordinance 25-35 (adjusting water rates) is scheduled for Council consideration alongside this ordinance, as the bond issuance will depend the Council’s approval (and subsequent approval by the Indiana Utility Regulatory Commission) of the proposed rate increase via Ordinance 25-35.

Overview of Proposed Capital Improvements

Multiple capital improvement projects are proposed to be funded by the issuance of the revenue bonds. The projects are listed and briefly described in Exhibit A to Ordinance 25-36. Additional information about the estimated costs associated with each project can be found in the memo provided by Assistant City Attorney Wheeler.



General Overview of Bond Ordinances

Bond ordinances are detailed technical documents that set forth the procedures and the assurances necessary for the relevant financial interests to engage in these transactions involving as much as \$71 million. The following paragraphs categorize and highlight key provisions of the ordinance. In brief, the ordinance:

Amount and Purpose of the Bonds (with Accompanying Documents)

- Authorizes the City to sell a maximum of \$71 million in waterworks revenue bonds;
- Attaches Exhibit A, which provides a brief description of the Monroe Water Treatment Plant projects, the distribution system projects, and other planned projects to be funded through the issuance of the bonds;
- One of the other planned projects is a new service center and maintenance buildings to replace the existing buildings at the Winston Thomas Service Center located at 600 E Miller Dr;
- Indicates that the *Cost Estimates and Preliminary Design Plans* for these improvements will be made available for public inspection in the Clerk's Office.

Kinds of Bonds, Limits on Interest and Maturity, Relationship with Outstanding Bonds, and Life Cycle of Bonds

- Authorizes bonds with a maximum interest rate of 8% per year and maximum maturity period of no more than 20 years;
- Authorizes the issuance of Bond Anticipation Notes (BANs provide money prior to sale of bonds) at an interest rate of no more than 8% and a maturity date, with extensions, of no more than 3 years after initial date of delivery of these financial instruments;
- Acknowledges outstanding bonds (See the table below) and provides for the new bonds to be issued in parity with the outstanding ones;
- Authorizes Municipal Bond Insurance (which may help lower rates);
- Sets forth procedures for issuing, holding, transferring, and redeeming the BANs and bonds.

Outstanding Waterworks Parity Bonds

Name	Original Date	Amended	Current aggregate principal amount outstanding
Amended Waterworks	May 4, 2006	March 26, 2015	\$540,700



City of Bloomington Indiana

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Revenue Bonds of 2006, Series A			
Waterworks Revenue Bonds of 2017	July 25, 2017	N/A	\$3,140,000
Taxable Waterworks Revenue Refunding Bonds of 2020, Series B	May 28, 2020	N/A	\$16,210,000
Waterworks Revenue Bonds of 2022	June 23, 2022	N/A	\$14,600,000

Safeguarding Bondholders

- Requires the separation of funds into various accounts and prescribes the uses and minimum balances of these accounts;
- Requires the utility to set reasonable, just, and equitable rates and charges sufficient to cover its operations as well as reserve amounts slightly in excess of annual debt service and related obligations;
 - o Note: Ordinance 25-35 proposes a water rate increase that will be needed to finance the issuance of these bonds. That rate increase is subject to both Council and Indiana Utility Regulatory Commission approval.
- Allows the bond holders to appoint a receiver in the event of default or other adverse actions on the part of the City;
- Allows for the issuance of further bonds and BANs on certain conditions;
- Prohibits the City from amending the ordinance in a manner that adversely affects bond holders without obtaining consent of owners of at least 66 2/3% of the principal;
- States that any series of the bonds may be issued on a tax-exempt or taxable basis, based upon the advice of bond counsel and the Municipal Advisor;
- Repeals portions of any previous ordinances that are inconsistent with these provisions.

Contact

Katherine Zaiger, Utilities Director, katherine.zaiger@bloomington.in.gov, 812-339-1444

Chris Wheeler, Assistant City Attorney, wheelech@bloomington.in.gov, 812-349-3426

ORDINANCE NO. 2025-36

AN ORDINANCE AUTHORIZING THE ACQUISITION, CONSTRUCTION AND INSTALLATION BY THE CITY OF BLOOMINGTON, INDIANA, OF CERTAIN EXTENSIONS AND IMPROVEMENTS TO THE CITY'S WATERWORKS UTILITY, THE ISSUANCE AND SALE OF REVENUE BONDS TO PROVIDE FUNDS FOR THE PAYMENT OF THE COSTS THEREOF, AND THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH WATERWORKS UTILITY AND OTHER RELATED MATTERS

WHEREAS, the City of Bloomington, Indiana (the "City"), has previously established and constructed and now owns and operates through its Utility Service Board (the "Board"), a municipal waterworks utility system (the "Waterworks") for furnishing the public water supply to the City and its inhabitants, through the City of Bloomington Utilities Department, all in accordance with the provisions of Indiana Code 8-1.5, as amended and in effect on the date of delivery of the Bonds authorized herein (the "Act"); and

WHEREAS, the Common Council of the City (the "Common Council") hereby finds that certain improvements, additions and extensions to the Waterworks are necessary; and that preliminary design plans, specifications, detailed descriptions and cost estimates have been prepared and filed by the engineers employed by the City for the construction of said improvements, additions and extensions, which plans, specifications, descriptions and estimates have been or will be approved by the Board and by all governmental authorities having jurisdiction thereover; and

WHEREAS, the Common Council further finds that the City has obtained estimates prepared and delivered by the engineers employed by the City for the construction of said improvements, additions and extensions and will advertise for and receive construction bids therefor; that on the basis of said estimates, the maximum estimated cost of constructing, acquiring, or extending such improvements, additions and extensions to the Waterworks, including all authorized expenses relating thereto, including the costs of issuance of one or more series of bonds on account of the financing of all or a portion thereof, is in the amount of Seventy-One Million Dollars (\$71,000,000); and

WHEREAS, the Common Council further finds that there are not sufficient funds on hand from the Waterworks to pay the costs of the improvements, additions and extensions thereto, and that the financing of the costs of the improvements, additions and extensions to the Waterworks should be accomplished by the issuance of revenue bonds of the Waterworks, in one or more series, in an aggregate principal amount not to exceed Seventy-One Million Dollars (\$71,000,000), and, if necessary, one or more series of bond anticipation notes ("BANs"), all on the terms and conditions set forth herein; and

WHEREAS, the Common Council finds that there are now outstanding bonds of the Waterworks consisting of its (a) Amended Waterworks Revenue of 2006, Series A, originally dated May 4, 2006 and amended on March 26, 2015, currently outstanding in the aggregate principal amount of \$540,700 (the "2006 Bonds"), pursuant to Ordinance No. 05-12, as amended by Ordinance No. 06-04, and further amended by Ordinance No. 15-03 (collectively, the "2006 Ordinance"), (b) Waterworks Revenue Bonds of 2017, dated July 25, 2017, currently outstanding in the aggregate principal amount of \$3,140,000 (the "2017 Bonds"), pursuant to Ordinance No. 16-09 (the "2017 Ordinance"), (c) Taxable Waterworks Revenue Bonds of 2020, Series B, dated May 28, 2020, currently outstanding in the aggregate principal amount of \$16,210,000 (the "2020 Bonds"), pursuant to Ordinance No. 20-05 (the "2020 Ordinance"), and (d) Waterworks Revenue Bonds of 2022, dated June 23, 2022, currently outstanding in the aggregate principal amount of \$14,600,000 (the "2022 Bonds"), pursuant to Ordinance No. 21-10 (the "2022 Ordinance"), all of which bonds are secured by, and constitute a first charge upon, the Net Revenues (as hereinafter defined) of the Waterworks; and

WHEREAS, each of the 2006 Ordinance, the 2017 Ordinance, the 2020 Ordinance, and the 2022 Ordinance (collectively, the “Prior Ordinances”) allow for the issuance of additional bonds payable from the Net Revenues of the Waterworks ranking on parity with the pledge thereof to the 2006 Bonds, the 2017 Bonds, the 2020 Bonds and the 2022 Bonds (collectively, the “Outstanding Parity Bonds”), provided that certain financial conditions can be met (such financial conditions, the “Parity Tests”); and

WHEREAS, the Common Council finds that the Parity Tests can be met with respect to the bonds to be issued pursuant to this ordinance, and, accordingly, such bonds, when issued, will constitute a first charge against the Net Revenues of the Waterworks on a parity with the pledge thereof to the Outstanding Parity Bonds and are to be issued subject to the provisions of the Act and the terms and restrictions of this Ordinance; and

WHEREAS, the City desires to authorize the issuance of BANs hereunder, in one or more series, if necessary, payable solely from the proceeds of waterworks revenue bonds issued hereunder and to authorize the refunding of said BANs, if issued; and

WHEREAS, prior to the issuance of the bonds authorized by this ordinance, the City shall first obtain the approval of the Indiana Utility Regulatory Commission (“IURC”) for the issuance of said bonds; and

WHEREAS, this Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of revenue bonds and, if necessary, bond anticipation notes, have been complied with in accordance with the provisions of the Act;

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

SECTION 1. Description of Projects. The City, being the owner of and engaged in operating an unencumbered Waterworks supplying the City, its inhabitants, and the residents adjacent thereto, with drinking water services, now finds it necessary to proceed with the construction of improvements, additions and extensions to its Waterworks in accordance with the cost estimates and the preliminary design plans heretofore prepared and filed by the consulting engineers employed by the City, which cost estimates and preliminary design plans are by reference made a part of this ordinance as fully as if the same were attached hereto and incorporated herein and two copies of which are now on file in the Office of the City Clerk and are open for public inspection pursuant to IC 36-1-5-4, that the cost of construction of said improvements, additions and extensions to be financed by the issuance of Waterworks revenue bonds shall not exceed the sum of \$71,000,000 (less the aggregate principal amount of any Lease Rental Bonds, as defined and described in Section 2(c) hereof), plus investment earnings on the bond and BAN proceeds, without further authorization from this Common Council.

Where used in this Ordinance, the term “City” shall be construed also to include any department, board, commission or officer or officers of the City or of any City department, board or commission. The terms “Waterworks”, “waterworks”, “works”, “system” and similar terms used in this Ordinance shall be construed to mean the City’s existing waterworks system together with all the real estate, equipment and appurtenances thereto used in connection therewith, and all improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired.

A description of the proposed improvements, additions and extensions is set forth on Exhibit A attached hereto (collectively, the “Projects”), and the Projects shall be constructed in accordance with the plans heretofore mentioned, which plans are hereby approved. Said Projects shall be constructed and the bonds herein authorized shall be issued pursuant to and in accordance with the Act.

SECTION 2. Issuance of Bonds and BANs.

(a) The City may issue, if necessary, bond anticipation notes (“the BANs”) for the purpose of procuring interim financing to pay the costs of the Projects, and, if deemed appropriate, the costs of issuance of the BANs. The City may issue the BANs in one or more series, in an aggregate principal amount not to exceed Seventy-One Million Dollars (\$71,000,000) (less the

aggregate principal amount of any Lease Rental Bonds, as described in Section 2(c) hereof), to be designated “Waterworks Bond Anticipation Notes, Series 20__” (to be completed with the year in which the BANs are issued, together with such further or different series designation as determined by the Controller (as defined herein) to be necessary or appropriate). The BANs shall be lettered and numbered consecutively from R-1 and upward, and shall be in authorized denominations of \$1,000 or more (or such higher denominations as the Controller of the City (the “Controller”) shall determine prior to the sale of the BANs). The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed eight percent (8.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations with the purchasers of the BANs) payable upon maturity. Each series of BANs will mature no later than three (3) years after their date of delivery, unless determined otherwise by the Controller with the advice of the City’s Municipal Advisor (as defined below). The BANs are subject to renewal or extension at an interest rate or rates not to exceed eight percent (8.0%) per annum (the exact rate or rates to be determined by bidding or negotiation). The term of any renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof.

If necessary, the BANs shall be issued pursuant to IC 5-1-14-5, as amended, and may be sold to a financial institution or any other purchaser. The BANs shall be sold at a price not less than ninety-nine percent (99.0%) of the principal amount thereof. The principal of the BANs shall be refunded and retired out of the proceeds from the issuance and sale of the Bonds authorized hereunder. The interest on the BANs shall be payable from proceeds from the issuance and sale hereunder of the Bonds, and, at the discretion of the Controller, may be payable from the Net Revenues of the Waterworks. The Mayor of the City (the “Mayor”) and the Controller are hereby authorized and directed to execute a purchase agreement, term sheet or similar instrument with respect to the BAN in such form or substance as they shall approve acting upon the advice of counsel. The BANs may be made prepayable at the option of the City, in whole or in part, on dates and with premiums, if any, and subject to any other terms as determined by the Controller with the advice of the Municipal Advisor, prior to the sale of the BANs. In the case of prepayment, the principal and accrued interest due on the BANs shall be paid only from proceeds of the Bonds, except that such principal and interest due on the BANs may also be paid from other revenues and funds legally available therefor; provided, however, that such other funds are not pledged to the payment of the BANs. The Mayor and the Controller may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith. Unless otherwise indicated by the context, references herein to the Bonds shall also apply to the BANs.

Notwithstanding any other provision of this Ordinance, if the BANs are sold to a purchaser that so agrees, the City may receive payment for the BANs in installments, and principal shall not be payable and interest shall not accrue on the BANs until such principal amount has been advanced pursuant to requests made by the City to such purchaser. In the event that the total principal amount of the BANs sold to such purchaser is not advanced to the City, the principal amount of the BANs shall be reduced accordingly.

(b) In accordance with the Act, the City shall issue, in one or more series, its waterworks revenue bonds designated “City of Bloomington, Indiana Waterworks Revenue Bonds of 20__”, to be completed with the year in which such series of bonds are issued, together with such further or different series designation as determined by the Controller to be necessary or appropriate, in the aggregate principal amount not to exceed Seventy-One Million Dollars (\$71,000,000), less the aggregate principal amount of any Lease Rental Bonds, as described in Section 2(c) hereof (collectively, the “Bonds”), for the purpose of providing funds to (i) pay costs of the Projects, (ii) fund a debt service reserve fund or pay the premium for a debt service reserve surety policy, (iii) pay capitalized interest on the Bonds, if necessary, and (iv) pay the costs incurred on account of the issuance and sale of the Bonds, including any premiums for any municipal bond insurance policies. The principal of, redemption premium, if any, and interest on the Bonds shall be payable solely out of the Net Revenues deposited into the Sinking Fund, as defined and described herein. The Bonds shall rank on parity with the Outstanding Parity Bonds. Notwithstanding anything herein to the contrary, any series of the Bonds may be issued on a tax-exempt or taxable basis for purposes of federal income taxation, based upon the advice of bond counsel and the recommendation of the Municipal Advisor.

The Bonds shall be issued in one or more series as fully registered bonds in denominations of: (i) Five Thousand Dollars (\$5,000) or any integral multiple thereof, or (ii) if sold through a private placement, in denominations of One Hundred Thousand Dollars (\$100,000), plus any integral multiple of One Thousand Dollars (\$1,000) in excess thereof, or the aggregate principal amount of such Bonds maturing in any year if less than \$100,000; in either case not exceeding the aggregate principal amount of the Bonds maturing in any one year. Each series of the Bonds shall be numbered consecutively from R-1 upward, and shall bear interest at a rate not to exceed eight percent (8.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations). Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve (12) thirty (30)-day months, and shall be payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing not earlier than January 1, 2026, with the first interest payment to be determined by the Controller (upon the advice of the municipal advisor) prior to the sale of such series of the Bonds. The principal of each series of the Bonds shall mature semiannually on January 1 and July 1 of each year, commencing not earlier than July 1, 2029, and ending no later than January 1, 2048, until the principal is fully paid. The Bonds may also be issued as term bonds, maturing on January 1 or July 1, with semiannual mandatory sinking fund payments on January 1 and July of each year, commencing not earlier than July 1, 2029, and ending no later than January 1, 2048, until the principal is fully paid. Subject to the terms and conditions herein, the Bonds shall mature on such dates and in such amounts, as determined by the Controller prior to the sale of the Bonds with the advice of the Municipal Advisor, in order to produce, on an aggregate basis, as level annual debt service as practicable for all obligations payable from the Net Revenues of the Waterworks.

The Bonds shall bear an original issue date which shall be the date of delivery and each Bond shall also bear the date of its authentication. Any Bond authenticated on or before the fifteenth (15th) day of the month immediately preceding the first Interest Payment Date, shall pay interest from its original date. Any Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Bond to which interest thereon has been paid or duly provided for, unless such Bond is authenticated after the fifteenth (15th) day of the month immediately preceding an Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

The Controller is authorized to serve as, or the Mayor and the Controller are authorized to appoint a qualified financial institution to serve as, the Registrar and Paying Agent for the Bonds (the "Registrar and Paying Agent") as will enable and facilitate the performance of its duties and responsibilities, and are authorized and directed to pay such fees as the Registrar and Paying Agent may reasonably charge for its services in such capacity, with such fees to be paid from the Sinking Fund as described in this Ordinance. The Registrar and Paying Agent is hereby charged with the performance of all of the duties and responsibilities customarily associated with each such position, including without limitation the authentication of the Bonds.

The Registrar and Paying Agent, if not the Controller, may at any time resign as Registrar and Paying Agent upon giving thirty (30) days' notice in writing to the City and by first-class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Any such notice to the City may be served personally or sent by certified mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of the Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar. Any predecessor Registrar and Paying Agent shall deliver all of the Bonds and cash in its possession with respect thereto, together with the registration books to the successor Registrar and Paying Agent. The Controller is hereby authorized to act on behalf of the City with regard to any of the aforementioned actions of the City relating to the resignation or removal of the Registrar and Paying Agent and appointment of a successor Registrar and Paying Agent.

If wire transfer payment for the Bonds is not required, the principal of and any redemption premium on the Bonds shall be payable at the designated corporate trust operations office of the Paying Agent. Interest on the Bonds shall be paid by check or draft mailed or delivered by the Paying Agent to the registered owner thereof at the address as it appears on the registration books kept by the Registrar as of the fifteenth (15th) day of the calendar month immediately preceding an

Interest Payment Date or at such other address as may be provided to the Paying Agent in writing by such registered owner. Notwithstanding anything in this Ordinance to the contrary, so long as The Depository Trust Company, New York, New York ("DTC"), or its nominee, or any successor thereto, is the registered owner of any series of the Bonds, the principal of and premium, if any, and interest on such series of the Bonds will be paid directly to DTC or successor depository by wire transfer on the payment date in same-day funds by the Paying Agent. All payments on the Bonds shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public or private debt.

Each Bond shall be transferable or exchangeable only on the books of the City maintained for such purpose at the designated corporate trust operations office of the Registrar, by the registered owner thereof in person, or by his or her attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. Each Bond may be transferred or exchanged without cost to the registered owner or his or her attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any transfer or exchange of any Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Bond for redemption. The City, the Registrar and the Paying Agent may treat and consider the person in whose name any Bond is registered as the absolute owner thereof for all purposes including the purpose of receiving payment of, or on account of, the principal thereof and redemption premium, if any, and interest thereon.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Bond or satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Bond. The City and the Registrar and Paying Agent may charge the owner of any such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a substitute contractual obligation of the City pursuant to this Ordinance, whether or not the lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bonds duly issued hereunder.

In the event that any Bond is not presented for payment or redemption on the date established therefor, the City may deposit in trust with the Paying Agent an amount sufficient to pay such Bond or the redemption price thereof, as appropriate, and thereafter the owner of such Bond shall look only to the funds so deposited in trust with the Paying Agent for payment and the City shall have no further obligation or liability with respect thereto.

(c) Notwithstanding anything herein to the contrary, in lieu of issuing a portion of the Bonds authorized herein to finance a portion of the costs of the New Service Center Project (as defined herein), the Council hereby authorizes the City to enter into a lease agreement (the "Lease") with a non-profit building corporation or other body corporate and politic and instrumentality of the City organized or established under Indiana law for the purpose of assisting the City with financing and constructing capital projects from time to time (such entity, the "Lessor"), which Lease will allow the Lessor to issue one or more series of its lease rental revenue bonds (the "Lease Rental Bonds") to finance the portion of the New Service Center Project allocable to the Waterworks utility, together with the costs of issuance thereof. The Lease Rental Bonds shall be issued in a maximum aggregate principal amount not to exceed Twenty-Four Million Four Hundred Forty-Five Thousand Dollars (\$24,445,000), shall have a maximum term not exceeding twenty (20) years after the date of issuance thereof, and shall bear interest at a rate or rates not to exceed eight percent (8.0%) per annum. Any such Lease shall have a term beginning

on the date of issuance of the Lease Rental Bonds and ending on a date not more than twenty (20) years thereafter. The maximum annual lease payments due under the Lease shall not exceed One Million Nine Hundred Eighteen Thousand Three Hundred Dollars (\$1,918,300), which lease rentals shall be payable on January 1 and July 1 each year, commencing not earlier than July 1, 2029. The lease rentals due under the Lease shall be secured by, and payable from, a pledge of Net Revenues, on parity with the pledge thereof to the Bonds and the Outstanding Parity Obligations. The maximum authorized principal amount of the Bonds authorized herein shall be reduced by the principal amount of any Lease Rental Bonds issued to finance the New Service Center Project. As used herein, "*New Service Center Project*" means the proposed new service center and maintenance buildings to be used by City of Bloomington Utilities department, including, but not limited to, the demolition of the existing buildings at the Winston Thomas property, the design, engineering, construction and equipping of a new service center and maintenance facility buildings and any other costs or equipment related thereto. If the City determines to finance the New Service Center Project as described in this Section 2(c), the Lease and the Lease Rental Bonds shall be hereafter authorized and approved in accordance with all procedures required by Indiana law.

SECTION 3. Redemption of Bonds. The Mayor and the Controller, upon consultation with the Municipal Advisor, may designate each series or maturities of Bonds (or portion thereof in integral multiples of \$5,000 principal amount each) that shall be subject to optional redemption and/or maturity sinking fund redemption, and the corresponding redemption dates, amounts and prices (including premium, if any). Except as otherwise set forth in this Ordinance, the Mayor and the Controller, upon consultation with the Municipal Advisor, are hereby authorized and directed to determine the terms governing any such redemption, as evidenced by the delivery of the Bonds.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or cancelled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date.

Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity is called for redemption, the Bonds to be called shall be selected by lot by the Registrar.

Notice of such redemption shall be mailed by certified or registered mail at least thirty (30) days and not more than sixty (60) days prior to the scheduled redemption date to each of the registered owners of the Bonds called for redemption (unless waived by such registered owner), at the address shown on the books of the Registrar. The notice shall specify date and place of redemption, and the registration numbers of the Bonds called for redemption. The place of redemption may be at the designated corporate trust operations office of the Paying Agent or as otherwise determined by the City. Interest on the Bonds so called for redemption shall cease to accrue 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 redemption date and when such Bonds are presented for payment.

In addition to the foregoing notice, the City may also direct that further notice of redemption of the Bonds be given, including without limitation and at the option of the City, notice described in paragraph (a) below given by the Registrar to the parties described in paragraph (b) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of Bonds so long as notice thereof is mailed as prescribed above.

(a) If so directed by the City, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP

numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bond being redeemed.

(b) If so directed by the City, each further notice of redemption shall be sent at least thirty (30) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories as the Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

Upon the payment of the redemption price of the Bonds being redeemed and if so directed by the City, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 4. Authorization for Book-Entry System. The Bonds may, in compliance with all applicable laws and as determined by the Controller based upon the advice of the Municipal Advisor, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the “Clearing Agency”), without physical distribution of bonds to the purchasers. The following provisions of this Section apply in such event.

One definitive Bond of each maturity shall be delivered to the Clearing Agency (or its agent) and held in its custody. The City and Registrar may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, (1) any such Bond may be registered upon Registration Record in the name of such Clearing Agency, or any nominee thereof, including Cede & Co.; (2) the Clearing Agency in whose name such Bond is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest and premium, if any, on such Bond, the receiving of notice and the giving of consent; (3) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Bond called for partial redemption, if any, prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the City receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds, or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Bonds, then the City and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holder of the Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the City.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of the Bonds as of a record date selected by the Registrar. For

purposes of determining whether the consent, advice, direction or demand of a registered owner of a Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Mayor, the Controller and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the issuer shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the Bonds are held in book-entry form, the provisions of this Section 4 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

SECTION 5. Execution and Authentication of the Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the Controller, and attested by the manual or facsimile signature of the Clerk who shall affix the seal of the City manually or by facsimile to each of the Bonds. The Bonds shall be authenticated by the manual signature of the Registrar, and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed. In case any official whose signature appears on any Bond shall cease to be such official before the delivery of such Bond, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Ordinance regarding the registration of the Bonds, the Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

SECTION 6. Security and Sources of Payment; Pledge of Net Revenues. The Bonds, when fully paid for and delivered to the purchaser or purchasers thereof, together with the Outstanding Parity Bonds and any bonds hereafter issued on a parity therewith, as to both principal and interest, shall be valid and binding, special and limited obligations of the City, payable from and secured by, and shall constitute a first charge upon, all of the "Net Revenues" (herein defined as gross revenues of the Waterworks after deduction only for the payment of the reasonable expenses of operation and maintenance) derived from the Waterworks, including all such Net Revenues from the existing works and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, to be set aside in the Sinking Fund (as defined herein), which are hereby irrevocably pledged to the payment of the Bonds on a parity basis with the Outstanding Parity Bonds and any bonds hereafter issued on a parity therewith, to the extent necessary for that purpose. The City shall not be obligated to pay the Bonds or the interest thereon except from the Net Revenues of the Waterworks, and the Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana. The Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana, subject to the provisions for registration herein.

SECTION 7. Form of the Bonds. The form and tenor of the Bonds shall be substantially as set forth in Exhibit B, attached hereto and incorporated herein as if set forth at this place (with all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof).

SECTION 8. Issuance, Sale and Delivery of the Bonds. The Controller is hereby authorized and directed to have the Bonds prepared, and the Mayor, the Controller and the Clerk are hereby authorized and directed to execute and attest, respectively, the Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof upon compliance with the requirements established hereunder and under the Act for the sale thereof, and to collect the full amount which the purchaser or respective purchasers have agreed to pay therefor, which shall not be less than 99.0% of the par amount of the Bonds (or such higher percentage of the par value of the Bonds as may be determined by the Controller prior to the sale of the Bonds with the advice of the Municipal Advisor and set forth in the Controller's Certificate), plus accrued interest thereon to the date of delivery. The Bonds, when fully paid for and delivered to the purchaser or purchasers shall be the binding special revenue obligations of the City, payable out of the revenues of the Waterworks to be set aside and

paid into the Sinking Fund as herein provided, and the proceeds derived from the sale of the Bonds shall be and are hereby set aside for the application to the costs of the Projects and the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the Bonds on account of the financing thereof. The authorized officers of the City are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

Any series of the Bonds may, in the discretion of the Controller based upon the advice of the Municipal Advisor, be sold by public sale. If the Bonds are sold by public sale, the Controller shall cause to be published either (i) a notice of such sale two (2) times, at least one (1) week apart, with the first publication made at least fifteen (15) days before the date of such sale and the second publication at least three (3) days before the date of the sale in accordance with Indiana Code 5-3-1-2 in one (1) newspaper, as defined in and in accordance with Indiana Code 5-3-1-4, or (ii) a notice of intent to sell bonds once each week for two (2) weeks in accordance with Indiana Code 5-1-11-2 and Indiana Code 5-3-1-4 and in a newspaper of general circulation published in the State capital, in which case bids may not be received more than ninety (90) days after the first publication. Such notice, or a summary thereof, may also be published in any other publications deemed appropriate in the discretion of the Controller. The bond sale notice shall state the time and place of sale, the purpose for which the Bonds are being issued, the total amount and maturities thereof, the maximum rate of interest thereon and any limitations as to the number of interest rates and the setting of such rates, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller and the attorneys employed by the City shall deem necessary or advisable. Such notice shall provide, among other things, that each bid shall be accompanied by (or provided within one business day following the date of sale) a certified or cashier's check or wire transfer in the amount of one percent (1%) of the par amount of the Bonds 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 and pay for the Bonds as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then such check and the proceeds thereof shall become the property of the City and shall be considered as the City's liquidated damages on account of such default.

All bids for the Bonds shall be sealed and shall be presented to the Controller or the Controller's designee at the physical or electronic address identified in the notice. Bidders for the Bonds shall be required to name the rate or rates of interest which the Bonds are to bear, not exceeding eight percent (8.0%) per annum. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-hundredth (1/100) of one percent. Bids specifying more than one interest rate shall also specify the amount and maturities of the Bonds bearing each rate, and all Bonds maturing on the same date shall bear the same rate. The rate on any maturity shall be equal to or greater than the rate on the immediately preceding maturity. The Bonds shall be awarded by the Controller to the best bidder who has submitted a bid in accordance with the terms of this Ordinance and the notice of sale. The best bidder will be the bidder who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds from the date thereof to their respective maturities and deducting therefrom the premium bid, if any. No bid for less than 99.0% of the par amount of the Bonds or less than all maturities of the Bonds, plus accrued interest to the date of delivery, shall be considered. The City shall have the right to reject any and all bids and to waive any and all informalities, irregularities, defects or requirements set forth in the notice of sale or in any bid submitted in response to such notice. In the event an acceptable bid is not received on the date fixed in the notice, the Controller shall be authorized to continue the sale from day to day for a period of not to exceed thirty (30) days without re-advertising. During the continuation of the sale, no bid shall be accepted which offers an interest cost which is equal to or higher than the best bid received at the time originally fixed for the sale of the Bonds in the bond sale notice.

As an alternative to a public sale, any series of the Bonds may, in the discretion of the Controller based upon the advice of the Municipal Advisor, be sold by negotiated sale with one or more purchasers selected by the Controller, consistent with the terms and conditions set forth in this Ordinance. The Mayor and the Controller are hereby authorized to (i) execute one or more purchase agreements, term sheets or similar instruments with the purchaser or purchasers of the Bonds, and (ii) sell such Bonds upon such terms as are acceptable to the Mayor and the Controller consistent with the terms of this Ordinance. The final form of any such purchase agreement shall be approved by the Mayor and Controller, upon the advice of the City's bond counsel and Municipal Advisor, and the Mayor and Controller are hereby authorized and directed to complete, execute and attest the same on behalf of the City so long as its provisions are consistent with the Ordinance.

Prior to the delivery of the Bonds, the Controller (i) shall be authorized, but not required, to investigate and to obtain insurance, surety bonds and/or credit ratings on the Bonds and (ii) shall obtain a legal opinion as to the validity of the Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the City, and such opinion shall be furnished to the purchasers of the Bonds at the expense of the City. The costs of obtaining any such insurance, surety bonds and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the Bonds, shall be considered as a part of the cost of issuance of the Bonds and shall be paid out of the proceeds of the sale of the Bonds.

SECTION 9. Official Statement. Any series of the BANs or the Bonds may be offered and sold pursuant to an Official Statement (preliminary and final) or other offering document with respect to such BANs or Bonds (collectively, the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12, as amended, promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board, to the extent applicable to the Bonds. The City hereby authorizes the Mayor or Controller (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the City with respect to the BANs or Bonds, (b) on behalf of the City, to designate the Preliminary Official Statement a "final" Official Statement of the City with respect to the Bonds, and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule.

SECTION 10. Continuing Disclosure. If required under the Rule, the Common Council hereby approves, and authorizes and directs the Mayor and the Controller, for and on behalf of the City, to execute and deliver, and to perform the obligations of the City under, a Continuing Disclosure Contract from the City to each registered owner or holder of any Bond (the "Continuing Disclosure Contract"). The Mayor and the Controller are authorized to approve the form of the Continuing Disclosure Contract, upon the advice of the City's bond counsel, with such determination to be conclusively evidenced by such Mayor's and such Controller's execution thereof.

SECTION 11. Construction Account; Use of Proceeds of Bonds. All of the proceeds from the sale of the Bonds, to the extent not used to refund BANs, and all proceeds of any BANs (if issued) 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 Bloomington, 2026 Waterworks Construction Account", or such different or further designation as determined by the Controller to be necessary or appropriate (the "Construction Account"). All funds deposited to the credit of the Sinking Fund (as defined herein) or the Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly Indiana Code 5-13, as amended. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Projects, refunding the BANs (if any), or as otherwise required by the Act or for the expenses of issuance of the Bonds.

All costs of issuance of the Bonds or the BANs, including, without limitation, any rating agency fees, fiscal agency charges, fees and expenses of legal counsel and municipal advisors, printing costs, DTC and CUSIP fees and charges, and/or premiums for credit facilities or reserve fund surety policies, shall be considered as a part of the cost of the Projects on account of which the BANs and Bonds are issued, and the Controller is hereby authorized to pay such costs of issuance from the proceeds of the BANs or Bonds.

If any proceeds of the Bonds will be used to fund all or a portion of the Reserve Account (as defined herein), the Controller shall transfer such proceeds of the Bonds to the Reserve Account of the Sinking Fund, as hereinafter described.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Projects, which are not required to meet unpaid obligations incurred in connection with such Projects, shall be either (i) paid into the Sinking Fund and used solely for the

purposes of said Sinking Fund or (ii) used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with Indiana Code 5-1-13, as amended.

SECTION 12. Waterworks Revenue Fund; Segregation and Application of Waterworks Revenues. There has previously been created under the Prior Ordinances and is hereby continued, a special fund which is segregated and kept apart from all other funds and bank accounts of the City, designated as the “Waterworks Revenue Fund” (the “Revenue Fund”). All revenues derived from the operation of the Waterworks and from the collection of water rates and charges shall be deposited in the Revenue Fund and segregated and deposited as set forth in this Ordinance. Out of these revenues, the proper and reasonable expenses of operation and maintenance of the Waterworks shall be paid, the requirements of the Sinking fund shall be met and fiscal agency charges of bank registrars and paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid, all as hereinafter provided.

SECTION 13. Operation and Maintenance Fund. (a) There has previously been created under the Prior Ordinances and is hereby continued an Operation and Maintenance Fund consisting of a General Account (the “General Account”).

(b) On the last day of each calendar month, there shall be set aside, transferred and deposited into the General Account from the Revenue Fund a sufficient amount of the revenues of the Waterworks so that the balance maintained in the General Account shall be sufficient to pay the expenses of operation and maintenance of the Waterworks for the then next succeeding two (2) calendar months. The moneys credited to the General Account shall be used for the payment of the reasonable and proper operation and maintenance expenses of the Waterworks on a day-to-day basis, but none of the moneys in such account shall be used for depreciation, payments in lieu of taxes, replacements, improvements, extensions or additions with respect to the Waterworks. Any moneys in the General Account may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on any outstanding bonds of the Waterworks.

(c) All remaining revenues of the Waterworks shall be transferred from time to time to meet the requirements of the Sinking Fund. Moneys in excess of those transferred to the Sinking Fund may be transferred to the Improvement Fund (as defined herein) or may be retained in the General Account, in the discretion of the Board, and in a manner consistent with the requirements of this Ordinance. Moneys in excess of those required to be in the General Account and the Sinking Fund may also be used, in the discretion of the Board, for any other lawful purpose related to the Waterworks. Notwithstanding the foregoing, in the event that any amounts are due to any providers (including their successors and assigns) of any municipal bond insurance policies or debt service reserve surety policies acquired by the City in connection with the Bonds or any of the Outstanding Parity Bonds, any excess moneys in the General Account after making all required transfers to the Sinking Fund shall be first used to pay any amounts owed under such policies.

SECTION 14. Waterworks Sinking Fund. (a) There is hereby continued from the Prior Ordinances a fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the Waterworks and the payment of any fiscal agency charges in connection with the payment of the bonds and interest, which fund has been previously designated as the Waterworks Sinking Fund (“Sinking Fund”), within which there has been created and is hereby continued a Bond and Interest Account (the “Bond and Interest Account”) and a Debt Service Reserve Account (the “Reserve Account”). There shall be set aside, transferred and deposited into the Sinking Fund, as available and as hereinafter provided, a sufficient amount of the Net Revenues of the Waterworks to meet the requirements of the Bond and Interest Account and the Reserve Account. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equal the principal of and interest on all of the then outstanding bonds of the Waterworks to their final maturity and provide for payment of all fiscal agency charges.

(b) Bond and Interest Account. The Bond and Interest Account is hereby continued within the Sinking Fund. There shall be credited, on the last day of each calendar month, to the Bond and Interest Account an amount of the Net Revenues equal to at least one-sixth (1/6) of the interest on all then outstanding bonds of the Waterworks payable on the then next succeeding Interest Payment Date, and at least one-sixth (1/6) of the principal on all then outstanding bonds of the Waterworks payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding interest and principal payment dates shall have been so credited; provided, that such fractional amounts shall be appropriately

increased, if necessary, to provide for the first interest and first principal payments on the Bonds. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges, if any, for paying principal and interest on the bonds of the Waterworks as the same become payable. The City shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of any bank fiscal agency charges.

(c) Reserve Account. The Reserve Account is hereby continued within the Sinking Fund. The City has funded with cash on hand, bond proceeds or purchased Surety Bonds (the "Outstanding Surety Bonds") to satisfy the reserve requirements for the Outstanding Parity Bonds, which moneys and Outstanding Surety Bonds are held in the Reserve Account as a separate reserve for each of the Outstanding Parity Bonds.

On the date of delivery of the Bonds, the City shall cause funds on hand of the Waterworks, proceeds of the Bonds, or a combination thereof, to be deposited and/or maintained in the Reserve Account so that the balance therein allocable to the Bonds shall equal the least of (i) the maximum annual debt service on the Bonds, (ii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds, or (iii) ten percent (10%) of the proceeds of the Bonds; provided, however, the Controller is hereby authorized to adjust the reserve requirement for the Bonds (taking into account the Outstanding Surety Bonds, any other Surety Bonds, and any cash held therein) in order to meet any requirements of the Purchaser of the Bonds, if applicable on the date of issuance of the Bonds (the "Reserve Requirement").

If on the date of delivery of a series of the Bonds, the initial deposit into the Reserve Account does not equal the Reserve Requirement or if no deposit is made, the City shall deposit a sum of Net Revenues into the Reserve Account on the last day of each calendar month, beginning with the first month after the Bonds are delivered, until the balance therein equals the Reserve Requirement. The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years after the date of delivery of such series of Bonds.

The Reserve Account shall constitute the margin for safety as a protection against default in the payment of principal of and interest on the Outstanding Parity Bonds, the Bonds, and any other parity bonds of the City payable from the Net Revenues of its Waterworks hereafter issued so long as the Reserve Requirement has been increased proportionately, and the moneys in the Reserve Account shall only be used to pay current principal and interest on such bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. If it becomes necessary to draw upon the Reserve Account to pay the Outstanding Parity Bonds or the Bonds, the City shall first draw down the cash in the Reserve Account, if any, and next initiate draws on any Qualified Surety Bonds held therein, including the Outstanding Surety Bonds, on a pro rata basis, to meet such payments when due. Notwithstanding the foregoing sentence, if the Reserve Requirement for the Bonds is funded in whole or in part with cash rather than in whole with a Qualified Surety Bond, the City shall, if necessary to pay principal of or interest on the Bonds, use the cash in the Reserve Account to first pay such principal of or interest on the Bonds before such cash is used on the Outstanding Parity Bonds. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on outstanding bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall be transferred to the Waterworks Improvement Fund, and in no event shall such excess moneys be held in the Reserve Account.

Notwithstanding anything herein to the contrary, but subject to the terms of the Prior Ordinances, the City reserves the right to satisfy the Reserve Account at any time with funds on hand of the Waterworks, bond proceeds, a Qualified Surety Bond, or a combination thereof. A "Qualified Surety Bond" means a surety bond or policy issued by an insurance company rated solely at the time of issuance of such instrument in one of the two highest full rating categories by Standard & Poor's Global Ratings Services and Moody's Investors Service. If any such surety bond is purchased, the Mayor and the Controller are hereby authorized to execute and deliver all agreements with the provider of Qualified Surety Bonds to the extent necessary to comply with

the terms thereof and the commitment to issue such Qualified Surety Bond. Such agreement shall be deemed a part of this Ordinance for all purposes and is hereby incorporated herein by reference.

SECTION 15. Waterworks Improvement Fund. As set forth in Section 13 hereof, revenues may be transferred or credited from the General Account to the Waterworks Improvement Fund previously created by the Prior Ordinances and hereby continued (the "Improvement Fund"). Subject to the provisions of the Prior Ordinances, the Improvement Fund shall be used for (a) improvements, replacements, additions and extensions of the Waterworks, (b) for payments in lieu of taxes, and (c) for any other lawful purpose related to the Waterworks. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds payable from the Sinking Fund or if necessary to eliminate any deficiencies in credits to or minimum balances, if any, in the Reserve Account. Moneys in the Improvement Fund also may be transferred to the General Account to meet unforeseen contingencies in the operation and maintenance of the Waterworks.

SECTION 16. Priority of Payments. All revenues of the Waterworks shall be paid in the following order, with the priority as indicated:

(a) First, to pay all reasonable and proper expenses of the operation and maintenance of the Waterworks;

(b) Second, on a pari passu (parity) basis, to pay all principal of and interest on the Outstanding Parity Bonds, the Bonds and any bonds hereafter issued which rank on a parity with the Bonds;

(c) Third, on a pari passu (parity) basis, to replenish any cash drawn from the Reserve Account if the Reserve Requirement for the Bonds or the Outstanding Parity Bonds is satisfied, in whole or in part, with cash and to replenish any surety bonds in place for either the Outstanding Parity Bonds or the Bonds;

(d) Fourth, to replenish any other cash drawn, if any, from the Reserve Account;

(e) Fifth, to pay the costs of improvements, replacements, additions and extensions of the Waterworks and for payments in lieu of taxes; and

(f) All other lawful uses related to the Waterworks, including debt service payments on any junior and subordinate bonds.

SECTION 17. Separation of Funds; Investments. The proceeds from the sale of the 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. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The General Account and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sinking Fund account or accounts. All of the funds and accounts of the Waterworks created or continued by this Ordinance, and all moneys deposited therein, shall be continuously maintained, deposited, held, secured and invested as public funds in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including, particularly, applicable provisions of Indiana Code 5-13 and the acts amendatory thereof and supplemental thereto. Any interest or income derived from any such investments shall become a part of the moneys in the fund or account so invested and shall be used only as provided in this Ordinance and the Prior Ordinances. In no event shall any of the Net Revenues of the Waterworks be transferred or used for any purpose not authorized by this Ordinance or the Prior Ordinances, so long as any of the bonds secured by and payable from the Net Revenues shall be outstanding. Upon issuance of the Bonds, moneys held and on deposit in the existing funds and accounts established under the Prior Ordinances shall remain on deposit therein.

SECTION 18. Books of Records and Accounts. The City shall keep proper record books of account, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected on account of the operation of the Waterworks and all disbursements made therefrom and all transactions relating to the Waterworks. Copies of all such statements and reports shall be kept on file in the office of the Controller. There shall be prepared and furnished, upon the written request, to any owner of the Bonds then outstanding, not

more than ninety (90) days after the close of each fiscal year, complete financial statements of the Waterworks, covering the preceding fiscal year. Copies of all such statements and reports shall be kept on file in the office of the Director of the City of Bloomington Utilities. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the Waterworks and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

SECTION 19. Rate Covenant. The City covenants and agrees that it will establish, maintain and collect just and equitable rates and charges for facilities and services afforded and rendered by the Waterworks, which shall to the extent permitted by law produce sufficient revenues at all times to pay all the legal and other necessary expense incident to the operation of the Waterworks, to include maintenance costs, operating charges, upkeep, repairs, interest charges on bonds or other obligations, to provide for the proper operation, repair and maintenance of the Waterworks, to provide the Sinking Fund and debt service reserve for the liquidation of bonds or other evidences of indebtedness, to provide adequate funds to be used as working capital, as well as funds for making extensions, additions and replacements, and also, for the payment of any taxes that may be assessed against the Waterworks, it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain such utility property in a sound physical and financial condition to render adequate and efficient service. The rates and charges shall be established to the extent permitted by law, to produce Net Revenues sufficient to pay 1.20 times the annual debt service on the Outstanding Parity Bonds, the Bonds and bonds hereafter issued on a parity with the Bonds. So long as any of the Bonds are outstanding, none of the facilities or services afforded or rendered by the Waterworks shall be furnished without a reasonable and just charge being made therefor. The City shall pay like charges for any and all services rendered by the Waterworks to the City, and all such payments shall be deemed to be revenues of the Waterworks. Such rates and charges shall, if necessary, be changed and adjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation and maintenance, and the requirements of the Sinking Fund.

SECTION 20. Defeasance. If, when any of the Bonds issued hereunder shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, (ii) direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) any combination thereof, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's Waterworks.

SECTION 21. Additional Bond Provisions. The City reserves the right to authorize and issue additional parity bonds, payable out of the Net Revenues of its Waterworks, ranking on a parity with the pledge thereof to the Bonds and the Outstanding Parity Bonds (such bonds, the "Additional Parity Bonds"), for the purpose of financing the cost of future extensions, betterments or improvements to the Waterworks, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund and the accounts thereof shall have been made in accordance with the provisions of this Ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the Waterworks shall have been paid to date in accordance with their terms.

(b) The balance in the Reserve Account with respect to all outstanding bonds and the proposed additional bonds shall be equal to the aggregate amount required to be on deposit therein by the Prior Ordinances and herein; provided, however, this condition shall be satisfied if any required amount is to be provided from the proceeds of such additional bonds or other funds either (i) at the time of their issuance of the proposed additional bonds or (ii) by monthly deposits in an amount sufficient to build the balance in the Reserve Amount to an amount equal to the Reserve Requirement with respect to the proposed additional bonds within five (5) years after the additional bonds are issued, on a level monthly basis (after accounting for earnings thereon).

(c) The Net Revenues of the Waterworks in the calendar year immediately preceding the issuance of any such additional bonds ranking on a parity with the Bonds authorized by this Ordinance shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the water rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous calendar year's operations would have produced Net Revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the Waterworks shall be analyzed and all showings shall be prepared by a certified public accountant or nationally recognized financial consultant or consulting engineer employed by the City for that purpose. For purposes of this subsection, Net Revenues shall not include non-recurring revenues of the Waterworks as certified by the Board or any outstanding fund balances from prior years.

(d) The principal of said additional parity bonds shall be payable semiannually on January 1 and July 1 and the interest on said additional parity bonds shall be payable semiannually on January 1 and July 1 in the years in which such principal and interest are payable.

(e) To the extent required by law, the issuance of additional bonds and any necessary increase in water rates and charges shall be approved by the Indiana Utility Regulatory Commission.

SECTION 22. Additional Covenants of the City. For the purpose of further safeguarding the interests of the owners of the Bonds, it is hereby specifically provided as follows:

(a) So long as any of the Bonds are outstanding, the City shall at all times maintain its Waterworks system in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Bonds are outstanding, the City shall acquire and maintain insurance coverage, including fidelity bonds, to protect the Waterworks and its operations of a kind and in an amount such as is automatically 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. All insurance proceeds and condemnation awards shall be used to replace or repair the property destroyed or damaged.

(c) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of its Waterworks system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, except to replace equipment which may become worn out or obsolete.

(d) Except as hereinbefore provided in Section 21 hereof, so long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said Waterworks shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds, unless all of the Bonds are redeemed, retired or defeased coincidentally with the delivery of such additional bonds or other obligations or, as provided in Section 20 hereof, funds sufficient to effect such redemption are available and set aside for such purpose at the time of issuance of such additional bonds or obligations.

(e) The provisions of this Ordinance shall constitute a contract by and between the City and the owners of the Bonds herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Bonds, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of the Bonds, nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bonds, the interest thereon remain outstanding or unpaid. Except for the changes set forth in Section 27(a)-(g), this Ordinance may be amended, however, without the consent of Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

(f) 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 owners

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 the governing Act. The provisions of this Ordinance shall also be construed to create a trust in the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this Ordinance set forth. The owners of the Bonds shall have all the rights, remedies and privileges set forth in the provisions of the governing Act, including the right to have a receiver appointed to administer the Waterworks in the event the City shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Bonds.

SECTION 23. Investment of Funds. (a) The Controller is hereby authorized pursuant to IC 5-1-14-3 and the provisions of this Ordinance to invest moneys (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law.

(b) The Controller shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts referenced herein. In order to comply with the provisions of the ordinance, the Controller is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion. The Controller may pay any fees as operation expenses of the waterworks.

SECTION 24. Tax Covenants. In order to preserve the excludability of interest on any series of the BANs or Bonds from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the BANs or Bonds, as the case may be ("Code") and as an inducement to purchasers of such series of the BANS or Bonds, the City represents, covenants and agrees that:

(a) The Waterworks will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the City or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or property financed or refinanced by the proceeds of the Bonds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed or refinanced by proceeds of the Bonds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds. If the City enters into a management contract for the Waterworks, the terms of the contract will comply with IRS Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds is (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds will not meet either the private business use test described in paragraph (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds.

(e) No more than 5% of the proceeds of the Bonds will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The City will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds to be treated as private activity bonds under Section 141 of the Code.

(g) It shall be not an event of default under this Ordinance if the interest on any Bond is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds.

(i) The City represents that it will rebate any arbitrage profits to the United States in accordance with the Code.

(j) The Common Council hereby authorizes the Mayor and the Controller to determine whether any series of Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to newly acquired tax-exempt obligations. Such designation, if made, will be set forth in the arbitrage certificate delivered by the City in connection with the Bonds.

Notwithstanding any provision of this Ordinance to the contrary, the City may elect to issue a series of the Bonds, the interest on which is not excludable from gross income for federal tax purposes, so long as such election does not adversely affect the exclusion from gross income of interest for federal tax purposes on any other series of the Bonds, by making such election on the date of delivery of such series of the Bonds. In such case, the covenants in this section of the Ordinance shall not apply to such series of the Bonds.

SECTION 25. Waiver of Tax Covenants. Notwithstanding any other provision of this Ordinance, any of the covenants and authorizations contained in Section 24 of this Ordinance (the "Tax Covenants"), which are designed to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, need not be complied with if the City receives an opinion of nationally recognized bond counsel to the effect that compliance with such Tax Covenant is unnecessary to preserve such exclusion of interest.

SECTION 26. Supplemental Ordinances Without Consent. Without notice to or consent of the owners of the Bonds herein authorized, the City may, from time to time and at any time, adopt an ordinance or ordinances supplemental hereto (which supplemental ordinance or ordinances shall thereafter form a part hereof) for any of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance or to make any other change authorized herein;

(b) To grant to or confer upon the owners of the Bonds any additional benefits, rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds or to make any change which, in the judgment of the City, is not to the prejudice of the owners of the Bonds;

(c) To modify, amend or supplement this Ordinance to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America or to obtain or maintain bond insurance or other credit enhancement with respect to payments of principal of and interest on Bonds;

(d) To provide for the refunding or advance refunding of the Bonds;

(e) To procure a rating on the Bonds from a nationally recognized securities rating agency or agencies designated in such supplemental ordinance if such supplemental ordinance will not adversely affect the owners of the Bonds or any other bonds ranking on a parity with such Bonds; or

(f) To accomplish any other purpose which, in the judgment of the City, does not adversely affect the interests of the owners of the Bonds.

SECTION 27. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in Section 22(f), Section 25 and this Section 26, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance; or

(b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the Waterworks ranking prior to the pledge thereof created by this Ordinance; or

(d) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or

(f) A reduction in the required balance to be held as a reserve for the Bonds; or

(g) The extension of mandatory sinking fund redemption dates, if any.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Controller of the City, no owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of Bonds issued pursuant to the provisions of this Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the Bonds authorized by this Ordinance, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds issued pursuant to this Ordinance then outstanding.

SECTION 28. Non-Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, is a legal holiday or a day on which banking institutions in the area are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal day.

SECTION 29. IURC. The Waterworks is subject to the jurisdiction of the IURC for the approval of the issuance of bonds and rates and charges. Prior to the issuance of the Bonds or any BAN with a maturity of more than twelve (12) months, the City shall obtain the approval of the IURC for the issuance of said Bonds or BANs. The City hereby authorizes the Mayor to retain legal counsel and other professional services as may be necessary to obtain said approval from the IURC and to initiate the proceedings necessary for obtaining said approval.

SECTION 31. Other Actions. Each of the Mayor and the Controller is hereby authorized and directed, for and on behalf of the City, to execute and deliver any agreement, certificate or other instrument or take any other action which such officer determines to be necessary or desirable to carry out the transactions contemplated by this Ordinance, which determination shall be conclusively evidenced by such officer's having executed such agreement, certificate or other instrument or having taken such other action, and any such agreement, certificate or other instrument heretofore executed and delivered and any such other action heretofore taken are hereby ratified and approved.

SECTION 32. Repeal; Construction with Other Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed; provided, however, that this Ordinance shall not be deemed in any way to repeal, amend, alter or modify any of the Prior Ordinances, nor be construed as adversely affecting the rights of any of the owners of the outstanding Prior Bonds.

SECTION 33. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 34. Captions. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Ordinance.

SECTION 35. Effective Date. This Ordinance shall be in full force and effect from and after its passage and approval by the Mayor.

[Signature Page Follows]

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Indiana, this ____ day of _____, 2025.

HOPI STOSBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Indiana, this ____ day of _____, 2025.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED this ____ day of _____, 2025.

KERRY THOMSON, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes the City of Bloomington to issue one or more series of its Waterworks Revenue Bonds, in the aggregate principal amount not to exceed \$71,000,000, a portion of which are anticipated to be issued in 2026 and the remainder in 2028. The bonds will be issued to finance all or a portion of the costs of design, engineering, acquisition, construction, equipping, and improvement of capital projects related to the Monroe Water Treatment Plant, the Waterworks distribution system and watermain, and a New Service Center and Maintenance Buildings, and pay costs of issuance of the bonds.

EXHIBIT A

DESCRIPTION OF PROJECTS

Monroe Water Treatment Plant Projects:

- Sedimentation Basin 1 Rehabilitation, Valve Actuator, and Horizontal Flocculator System Rebuilds
- Sedimentation Basin 2 Rehabilitation, Valve Actuator, and Horizontal Flocculator System Rebuilds
- Chemical Feed Line Replacement
- Chemical Building Improvements
- Electrical Upgrades
- Low Service Pumps, Transfer Pumps, High Service Pumps, and VFDs
- Intake Bypass Pumping Improvements
- Tank Projects

Distribution System Projects:

- West Booster Station Rehabilitation
- South Central Booster Station Rehabilitation
- South and West Storage Tank Engineering and Rehabilitation
- SE SW Redbud Storage Tank Engineering and Rehabilitation

Other Projects:

- Watermain projects
- New service center and maintenance buildings to be used by City of Bloomington Utilities department, including, but not limited to, the demolition of the existing buildings at the Winston Thomas property, the design, engineering, construction and equipping of a new service center and maintenance facility buildings and any other costs or equipment related thereto

EXHIBIT B

R-__

[FORM OF REGISTERED BOND]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BOND OF 20__, SERIES __

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Date of Authentication</u>	<u>[CUSIP]</u>
__%	____ 1, 20__	____, 20__	____, 20__	[_____]

REGISTERED
OWNER: _____

PRINCIPAL AMOUNT: _____ Dollars (\$_____)

The City of Bloomington, in Monroe County, State of Indiana, (the “City”) for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, solely out of the special revenue fund hereinafter referred to, the Principal Amount stated above as evidenced by the records of the registered owner making payments for this bond, or its assigns, on the Maturity Date specified above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Amount is paid upon redemption or at maturity, at the Interest Rate per annum specified above and from the interest payment date to which interest has been paid or duly provided for next preceding the Date of Authentication of this bond as shown above (unless this bond is authenticated after the fifteenth day of the month immediately preceding an interest payment date (the “Record Date”) and on or before the next such interest payment date, in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before [December/June] 15, 20__, in which case it shall bear interest from the Original Date specified above), with such interest payable semiannually on January 1 and July 1 of each year, commencing [January/July] 1, 20__. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of and premium, if any, on this Bond are payable upon the surrender thereof at the principal office of _____ (the “Registrar” or the “Paying Agent”) in the

_____, _____. All payments of interest on this Bond shall be paid by check mailed one business day prior to the interest payment date to the Registered Owner as of the Record Date at the address as it appears on the registrations books kept by the Registrar. Each Registered Owner of \$1,000,000 or more in principal amount of the Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All payments of principal of, and premium, if any, on the Bonds (as hereinafter defined) shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

THE CITY SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE HEREINAFTER DESCRIBED 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.

This bond is one of an authorized series of bonds of like date, tenor and effect, except as to denomination, numbering, rates of interest, redemption terms and dates of maturity, aggregating _____ Dollars (\$ _____), numbered and lettered consecutively from ___R-1 upward (the “Bonds”), issued for the purpose of providing funds to pay the cost of certain additions, improvements and extensions to the waterworks of the City, [fund a debt service reserve fund/pay the premium on a debt service reserve surety policy] and pay the costs of issuance of the Bonds. This Bond is issued pursuant to an ordinance adopted by the Common Council of the City on the ____ day of _____, 2025, entitled “An Ordinance Authorizing the Acquisition, Construction and Installation by the City of Bloomington, Indiana, of Certain Extensions and Improvements to the City’s Waterworks Utility, the Issuance and Sale of Revenue Bonds to Provide Funds for the Payment of the Costs Thereof, and the Collection, Segregation and Distribution of the Revenues of Such Waterworks and Other Related Matters” (the “Ordinance”), and in accordance with the provisions of Indiana law, including, without limitation, Indiana Code 8-1.5, as amended (the “Act”).

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this Bond, the Outstanding Parity Bonds (as defined in the Ordinance), and any bonds hereafter issued on a parity therewith are payable solely from the Waterworks Sinking Fund (the “Sinking Fund”) maintained under the Ordinance to be funded from the Net Revenues (herein defined as the gross revenues of the Waterworks (defined as the City’s Waterworks system, including all real estate, equipment and appurtenances thereto used in connection therewith, and all extensions, additions and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired, after deduction only for the payment of the reasonable expenses of operation and maintenance of the System).

The City irrevocably pledges the entire Net Revenues of the Waterworks deposited into the Sinking Fund to the prompt payment of the principal of and interest on the Bonds, the Outstanding Parity Bonds and any bonds ranking on a parity therewith to the extent necessary for such purposes, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the Waterworks as are sufficient in each year for the payment of the proper

and reasonable expenses of operation and maintenance of the Waterworks and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there shall be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the Waterworks and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The City further covenants that for so long as the Bonds, the Outstanding Parity Bonds and any bonds hereafter issued on a parity therewith (the "Additional Parity Bonds") remain outstanding, it will set aside and pay into the Sinking Fund a sufficient amount of the Net Revenues of the Waterworks for the payment of (a) the interest on all bonds payable from the revenues of the Waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying such bonds and interest, (c) the principal of all bonds payable from the revenues of the Waterworks, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of the Waterworks. Reference is made to the Ordinance for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this bond, the manner in which the Ordinance may be amended and the general covenants and provisions pursuant to which this bond has been issued.

[Insert optional redemption terms, if applicable].

[The bonds maturing on _____ 1, ____ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

Date

Amount

*

*Final Maturity]

[Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of mandatory redemption. If less than an entire maturity is called for redemption, the bonds to be redeemed shall be selected by lot by the Registrar.]

Notice of such redemption shall be mailed to the address of the registered owners of the Bonds to be redeemed as shown on the registration records of the City not less than thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, unless the notice is waived by the registered owner of the Bonds to be redeemed. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds 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, and thereafter, such bonds shall no longer be protected by the Ordinance and shall not be deemed to be outstanding thereunder.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the Registered Owner shall look only to the funds so deposited in trust for payment and the City shall have no further obligation or liability with respect thereto.

This bond is transferable or exchangeable only upon the books of the City kept for that purpose at the designated corporate trust operations office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner, or his attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or to the Registered Owner, as the case may be, in exchange therefor. This bond may be transferred without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer. The City, the Registrar and the Paying Agent may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes, including for the purpose of receiving payment of, or on account of, the principal hereof and interest and premium, if any, due hereon.

This bond is subject to defeasance prior to redemption or payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance if the Common Council determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the Bonds.

The Bonds are issuable only in fully registered form in the denomination of [\$5,000] or any integral multiple thereof.

[A Continuing Disclosure Contract from the City to each registered owner or holder of any Bond, dated as of the date of initial issuance of the Bonds (the "Contract"), has been executed by the City, a copy of which is available from the City and the terms of which are incorporated herein by this reference. The Contract contains certain promises of the City to each registered owner or holder of any Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this bond assents to the Contract and to the exchange of such payment and acceptance for such promises.]

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.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the City of Bloomington, in Monroe County, Indiana, has caused this bond to be executed in its corporate name by the manual or facsimile signature of the

Mayor of the City, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Controller.

CITY OF BLOOMINGTON

Mayor

(Seal)

ATTEST:

Controller

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds issued and delivered pursuant to the provisions of the within-mentioned Ordinance.

_____]

By _____
Authorized Representative

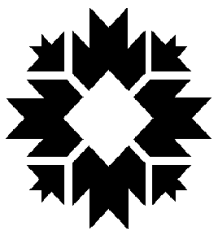
ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (insert name and address) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.
Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.



**CITY OF BLOOMINGTON
LEGAL DEPARTMENT
MEMORANDUM**

TO: City of Bloomington Common Council Members
FROM: Christopher J. Wheeler, Assistant City Attorney
RE: Proposed Ordinance 2025-36
DATE: September 10, 2025

Executive Summary: If approved, Ordinance 25-36 would authorize the issuance of Waterworks Revenue Bonds in an aggregate amount not to exceed \$71,000,000 (the “Bonds”) with series expected to be issued in 2026 and 2028. The term for each series of Bonds will be no longer than twenty (20) years with an interest rate not to exceed eight percent (8%). The Bonds would be used to pay the cost of certain additions, improvements, and extensions to the City of Bloomington’s (the “City”) waterworks utility system. The Ordinance also authorizes interim construction financing pending the issuance of the Bonds, if necessary, in the form of bond anticipation notes. Although there is a limit on the amount of debt a municipality may have outstanding at one time, as revenue bonds, the Bonds do not count towards that limit.

Proposed Projects: City of Bloomington Utilities Department recommends a number of capital investments and funding for projects for the City’s waterworks utility system. The list of projects below is included in the Bond financing. City staff will be available to discuss the projects in more detail. Although the total estimated costs of the projects listed may exceed \$71,000,000, the Ordinance will only authorize \$71,000,000 toward the projects. Once issued, the Bond funds could be used for any combination of the projects in case projects are reprioritized or are no longer feasible.

DESCRIPTION OF PROJECTS

Monroe Water Treatment Plant Projects:

- Sedimentation Basin 1 Rehabilitation, Valve Actuator, and Horizontal Flocculator System Rebuilds
- Sedimentation Basin 2 Rehabilitation, Valve Actuator, and Horizontal Flocculator System Rebuilds
- Chemical Feed Line Replacement
- Chemical Building Improvements
- Electrical Upgrades
- Low Service Pumps, Transfer Pumps, High Service Pumps, and VFDs
- Intake Bypass Pumping Improvements
- Tank Projects

Distribution System Projects:

- West Booster Station Rehabilitation
- South Central Booster Station Rehabilitation
- South and West Storage Tank Engineering and Rehabilitation
- SE SW Redbud Storage Tank Engineering and Rehabilitation

Other Projects:

- Watermain projects
- New service center and maintenance buildings to be used by City of Bloomington Utilities department, including, but not limited to, the demolition of the existing buildings at the Winston Thomas property, the design, engineering, construction and equipping of a new service center and maintenance facility buildings and any other costs or equipment related thereto

Background: Bonds are frequently used by municipal governments to pay for large capital improvements that cannot be funded otherwise. The proposed Bonds that would be authorized by Ordinance 25-36 are Waterworks Revenue Bonds payable from the net revenues of the waterworks utility system. The net revenues are the gross revenues after deduction only for the payment of the reasonable expenses of operation and maintenance.

The City owns and operates its waterworks facility through its Utility Service Board (the “Board”). The Board adopted a resolution approving the issuance of the Bonds at its meeting on September 8, 2025. Waterworks revenue bonds are authorized under Indiana Code §8-1.5.

Next Steps: Because the City’s waterworks system is regulated by the Indiana Utility Regulatory Commission (the “IURC”), after Council approves the issuance of the Bonds, the IURC must also approve the issuance. The waterworks utility will be submitting its rate case to the IURC along with the Bonds.

If you have any questions regarding this proposed ordinance, please feel free to contact me by calling City Legal at 812.349.3549 or e-mailing me at wheelech@bloomington.in.gov.

APPROPRIATION ORDINANCE 2025-08

TO TRANSFER FUNDS FROM THE GENERAL FUND TO THE FIBER CONNECTIVITY FUND AND SPECIALLY APPROPRIATE FUNDS NOT OTHERWISE BUDGETED

- WHEREAS;

Indiana Code §§ 36-4-7-8 allows the Common Council to make additional appropriations and transfer appropriations within the City’s budget as necessary and prudent; and
- WHEREAS;

According to Section 7.6.2 of the Master Development Agreement with Meridiam/Hoosier Networks, LLC, now mStreet Fiber, the City has committed \$1,000,000 to establish a non-reverting fund to support broadband accessibility and affordability initiatives for income-qualifying residents; and
- WHEREAS;

The Information Technology Services (ITS) Department desires to transfer \$250,000, two hundred and fifty thousand dollars, from the General Fund to the Fiber Connectivity Fund, and to appropriate those funds to be used solely for the purpose of covering up to fifty percent (50%) of the drop costs, up to \$350 per unit, to income-qualifying residential units; and
- WHEREAS;

Notice of a public hearing on said appropriations has been duly given as required by law, and such hearing has been held, at which all taxpayers and interested persons had an opportunity to be heard.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

Section 1. For the expenses of said municipal corporation the following additional sums of money are hereby appropriated and ordered set apart from the funds herein named and for the purposes herein specified, subject to the laws governing the same:

TRANSFERS		
	1101 General Fund – ITS Inter Fund Transfer	(\$250,000)
	2536 Fiber Connectivity Fund – ITS Inter Fund Transfer	\$250,000
APPROPRIATIONS		
	2536 Fiber Connectivity Fund – ITS Department	
	Classification 3 – Other Services and Charges	\$250,000
	Total Appropriations - Fiber Connectivity Fund	\$250,000

SECTION 2. Each of the Mayor and the Controller is hereby authorized to take all actions necessary to carry out the intent of this ordinance, including filing any necessary reports with the Indiana Department of Local Government Finance.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025, by the City of Bloomington Common Council.

Hopi Stosberg, President
 Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this

_____ day of _____, 2025.

SIGNED AND APPROVED by me this _____ day of _____, 2025.

Kerry Thomson, Mayor
City of Bloomington

SYNOPSIS

Appropriation Ordinance 2025-08 transfers funding from the General Fund to the Fiber Connectivity Fund, and appropriates that funding for the ITS department per the city’s master developer agreement with Meridiam/Hoosier Networks/mStreet Fiber.



City of Bloomington Indiana

City Hall | 401 N. Morton St. | Post Office Box 100 | Bloomington, Indiana 47402

Office of the Common Council | (812) 349-3409 | Fax: (812) 349-3570 | email: council@bloomington.in.gov

MEMO FROM CONTROLLER MCCLELLAN:

To: Members of the Common Council

From: Jessica McClellan, Controller, Rick Dietz, ITS Director

Date: 9/8/2025

Re: Appropriation Ordinance 2025-08 – To transfer funds from General to the Fiber Connectivity Fund, and appropriate those funds for 2025.

Introduction

This memo provides an overview of Appropriation Ordinance 2025-08.

The council created the Fiber Connectivity Fund (FCF) to meet the requirements of the agreement with Hoosier Networks, now mStreet Fiber, to support broadband accessibility and affordability.

The ITS department will use this budget to pay for the cost to connect residents to a high speed broadband network. These “drop costs” are shared by mStreet Fiber and the City. Gigabit Now is mStreet Fiber’s primary ISP (internet service provider). Gigabit Now and mStreet Fiber do outreach and communications with the neighborhoods that would benefit from this incentive. Gigabit Now reviews applications for income qualification.

Per the City’s master development agreement with Meridian/mStreet Fiber, the ITS department will receive invoices from mStreet Fiber, review for reasonableness and pay those claims. The payment period for this agreement is 5 years, plus two potential one-year extensions from the date of the start of construction. ITS will budget estimated expenses each year during the annual budget process.

The FCF was created to hold all city funding dedicated to the commitment in the master development agreement. The city committed \$1,000,000, one million dollars, to pay for 50% of the drop costs, up to \$350 per income qualified unit connected to the mStreet Fiber network. Per the master developer agreement, any remaining funds shall be used for any activities supporting digital opportunity for City residents.

Fiscal Statement

The estimated fund balance of the General Fund (F1101) at the end of 2025 is \$36,698,764. The transfer of \$250,000 from the General Fund to the Fiber Connectivity Fund will leave a fund balance of \$36,448,764 in the General Fund.

The appropriation in the Fiber Connectivity Fund will expire on 12/31/2025. The 2026 budget includes a transfer of \$250,000 from the General Fund to the Fiber Connectivity Fund, and a budget of \$250,000 for ITS in the Fiber Connectivity Fund.

The fund balance of the Fiber Connectivity Fund will remain separate from all other funds as a non-reverting fund. The revenue of the fund will come from any legal source of city funding until the revenue has reached \$1,000,000, one million dollars.

City of Bloomington, Indiana
Notice to Taxpayers of
Additional Appropriations

Notice is hereby given to the taxpayers of Bloomington, Monroe County, Indiana that the Bloomington Common Council will consider the following additional appropriations in excess of the budget for the current year during their meeting on September 30, 2025 at 6:30 pm in the Council Chambers (Room #115) of City Hall, 401 N. Morton Street, Bloomington, Indiana and/or via Zoom.

Taxpayers appearing at the meeting shall have the right to be heard. The additional appropriation as finally made will be referred to the Department of Local Government Finance (DLGF). The DLGF will make a written determination as to the sufficiency of funds to support the appropriations made within fifteen (15) days of receipt of a Certified Copy of the action taken.

Join Zoom Meeting

<https://bloomington.zoom.us/j/88097642632?pwd=WCeVALal8tNdnmKpEYcXF1137AY88U.1>

Meeting ID: 880 9764 2632

Passcode: 211360

Please check <https://bloomington.in.gov/council> for the most up-to-date information about how the public can access Council meetings and for meeting materials.

TRANSFERS

1101 General Fund – Clerk Transfer	Amount
Classification 2 - Supplies	\$4,000
Classification 3 – Other Services and Charges	(\$ 4,000)
1101 General Fund – ITS Inter Fund Transfer	(\$250,000)
2536 Fiber Connectivity Fund – ITS Inter Fund Transfer	\$250,000

APPROPRIATIONS

	Appropriation
1101 General Fund – ITS Department	Requested
Classification 3 – Other Services and Charges	\$164,845.00
1101 General Fund – Engineering	
Classification 4 – Capital Outlays	\$17,685.00
Total Appropriations General Fund	\$182,530.00

2536 Fiber Connectivity Fund – ITS Department Classification 3 – Other Services and Charges	\$250,000
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Total Appropriations Fiber Connectivity Fund	\$250,000
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Today's Date: 9/4/2025

Publish Date: 9/7/2025

APPROPRIATION ORDINANCE 2025-09

TO SPECIALLY APPROPRIATE FROM THE GENERAL FUND EXPENDITURES NOT OTHERWISE APPROPRIATED

- WHEREAS; Indiana Code §§ 36-4-7-8 allows the Common Council to make additional appropriations and transfer appropriations within the City’s budget as necessary and prudent; and
- WHEREAS; The Information Technology Services (ITS) Department desires to appropriate additional funds for IT services, infrastructure and applications not included in the 2025 budget; and
- WHEREAS; The Engineering Department desires to appropriate a reimbursement from Indiana University for costs incurred in extending a project for IU’s benefit; and
- WHEREAS; The Clerk’s Office desires to transfer budget authority from the 300’s, Other Services and Charges category to the 200’s, Supplies category; and
- WHEREAS; Notice of a public hearing on said appropriations has been duly given as required by law, and such hearing has been held, at which all taxpayers and interested persons had an opportunity to be heard.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

Section 1. For the expenses of said Municipal Corporation the following additional sums of money are hereby appropriated and ordered set apart from the funds herein named and for the purposes herein specified, subject to the laws governing the same:

TRANSFERS

1101 General Fund – Clerk	Amount
Classification 2 - Supplies	\$4,000
Classification 3 – Other Services and Charges	(\$ 4,000)
Grand Total General Fund	\$ 0.00

APPROPRIATIONS

1101 General Fund	Appropriation Requested
ITS Department	
Classification 3 – Other Services and Charges	\$ 164,845.00
Total General Fund - ITS	\$ 164,845.00
Engineering Department	
Classification 4 – Capital Outlays	\$ 17,685.00
Total General Fund - Engineering	\$ 17,685.00
Grand Total General Fund	\$ 182,530.00

SECTION 2. Each of the Mayor and the Controller is hereby authorized to take all actions necessary to carry out the intent of this ordinance, including filing any necessary reports with the Indiana Department of Local Government Finance.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025, by the City of Bloomington Common Council.

Hopi Stosberg, President

Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

SIGNED AND APPROVED by me this _____ day of _____, 2025.

Kerry Thomson, Mayor
City of Bloomington

SYNOPSIS

Appropriation Ordinance 2025-09 additionally appropriates funding from the General Fund for expenses in the ITS Department, for expenses in the Engineering Department that have been reimbursed by Indiana University, and to approve a transfer between categories in the Clerk’s Office budget.



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MEMO FROM CONTROLLER MCCLELLAN:

To: Members of the Common Council

From: Jessica McClellan, Controller, Rick Dietz, ITS Director, Andrew Cibor, Engineering Director, and Nicole Bolden, City Clerk

Date: 9/8/2025

Re: Appropriation Ordinance 2025-09 – To specially appropriate from the General Fund expenditures not otherwise appropriated

INTRODUCTION

This ordinance appropriates funds from the General Fund (F1101) for ITS, Engineering and the Clerk's Office.

ITS REQUEST

ITS had to make necessary expenditures in 2025 that were not known in 2024 when the budget was created. Given the impact on our regular budget and a desire to assist the Controller by addressing these needs early rather than at the end of the year, we are bringing forward this supplemental appropriation request now for your consideration to address unbudgeted expenses, loss of federal funding, and unanticipated operational needs. These expenses fall into the following general areas: services, facilities, IT infrastructure and applications.

- Services expenses include cybersecurity services for consulting, notification, training, and malicious domain reports no longer supported by the federal government; consulting expenses for the federal NTIA digital opportunity grant we were announced to receive, but was then rescinded; and digital accessibility plan development costs.
- Facilities expenses include installing/updating network, wifi, door access, and camera systems in West Showers; other expenses related to departmental moves of HR, Legal, and Council; Fire Station 1 equipment; and additional conduit/fiber installation to support WiFi and security cameras at the Hopewell Greenway.
- IT Infrastructure costs included hardware supporting our storage and computing presence at the IU Datacenter; replacement of Council Chambers hardware, including power supply and video recorder components; and conduit/fiber to repair a segment supporting the 4th St Garage damaged during convention center construction site preparation.
- Applications-related expenses include additional Tyler licenses and tools; digital language translation systems; additional Google licenses for staff; Docusign license plan changes, and more.

This year is a tight one for ITS. We appreciate your consideration and support to help us get through to the end of this uniquely challenging budget year. And we look forward to *not* requesting supplemental funding in the future. Thanks for your consideration.



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ENGINEERING REQUEST

Engineering included additional work within the North Dunn Street Sidewalk Connection Project at the request of IU, and IU agreed to reimburse the City for the cost of the work. The work cost \$17,685 and included removal and replacement of a culvert located beneath an IU driveway onto North Dunn Street. The existing culvert was in poor condition, and the replacement could be performed most efficiently in coordination with the City's sidewalk project which already involved updates to the driveway in order to meet ADA requirements. The reimbursement must be appropriated by council to offset the expenses in the Engineering budget.

CLERK REQUEST

The Clerk's office requests a transfer in their budget from the 300's category, Other Services and Charges, to the 200's category, Supplies, in the amount of \$4,000.

FISCAL STATEMENT

The estimated fund balance of the General Fund (F1101) at the end of 2025 is \$36,881,294. The additional appropriation for ITS of \$164,845 will leave a fund balance of \$36,698,764. The appropriation in engineering and the transfer in the Clerk's Office have no fiscal impact on the general fund.

City of Bloomington, Indiana
Notice to Taxpayers of
Additional Appropriations

Notice is hereby given to the taxpayers of Bloomington, Monroe County, Indiana that the Bloomington Common Council will consider the following additional appropriations in excess of the budget for the current year during their meeting on September 30, 2025 at 6:30 pm in the Council Chambers (Room #115) of City Hall, 401 N. Morton Street, Bloomington, Indiana and/or via Zoom.

Taxpayers appearing at the meeting shall have the right to be heard. The additional appropriation as finally made will be referred to the Department of Local Government Finance (DLGF). The DLGF will make a written determination as to the sufficiency of funds to support the appropriations made within fifteen (15) days of receipt of a Certified Copy of the action taken.

Join Zoom Meeting

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TRANSFERS

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2536 Fiber Connectivity Fund – ITS Inter Fund Transfer	\$250,000

APPROPRIATIONS

	Appropriation
1101 General Fund – ITS Department	Requested
Classification 3 – Other Services and Charges	\$164,845.00
1101 General Fund – Engineering	
Classification 4 – Capital Outlays	\$17,685.00
Total Appropriations General Fund	\$182,530.00

2536 Fiber Connectivity Fund – ITS Department Classification 3 – Other Services and Charges	\$250,000
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Total Appropriations Fiber Connectivity Fund	\$250,000
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Today's Date: 9/4/2025

Publish Date: 9/7/2025

ORDINANCE 2025-33

TO ESTABLISH THE FIBER CONNECTIVITY FUND FOR DIGITAL OPPORTUNITY INITIATIVES

- WHEREAS; the City of Bloomington is committed to expanding broadband access and ensuring digital opportunity for all residents, particularly low-income households; and
- WHEREAS; the City has entered into a Master Development Agreement with Meridiam and Hoosier Networks, LLC, now mStreet Fiber Bloomington, LLC, effective date June 22, 2022, to encourage the construction, maintenance, and operation of an open-access fiber-to-the-home (FTTH) network to serve the community; and
- WHEREAS; according to Section 7.6.2 of the Master Development Agreement with Hoosier Networks, LLC, the City has committed \$1,000,000 to establish a non-reverting fund, called the Digital Opportunity Fund, to support broadband accessibility and affordability initiatives for income-qualifying residents; and
- WHEREAS; the Fund will be used to cover no more than 50% of open-access fiber installation costs (up to \$350 per unit) for income-qualifying residents and support other digital opportunity activities if funds remain after the initial subsidy period; and
- WHEREAS; in conjunction with this investment, the Developer has agreed to provide an annual digital infrastructure dividend of \$85,000, increasing to \$100,000 upon renewal, provide \$200,000 in funding for additional Engineering Department staff capacity, cover at least 50% of drop costs while City funds are available, and 100% of drop costs thereafter, provide free broadband installation and low-cost high-speed internet (250 Mbps at \$30/month or lower) to income-qualifying households, and connect all Bloomington Housing Authority properties to the fiber network; and
- WHEREAS; a “Digital Opportunity Fund” already exists in the city funds list supporting the City’s own Digital Opportunity Specialist position, and to keep revenues and expenditures for a specific purpose separate for accounting and transparency purposes, the city wishes to name the fund established to cover 50% of open-access fiber installation costs the “Fiber Connectivity Fund”; and
- WHEREAS; the City recognizes that ensuring affordable fiber broadband access aligns with its goals of fostering economic development, community vitality, and digital opportunity.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

Section 1. ESTABLISHMENT OF THE FIBER CONNECTIVITY FUND

There is hereby created a Fiber Connectivity Fund, a dedicated financial account within the City’s budget, to be used solely for the purpose of covering fifty percent (50%) of Drop costs to Income-qualifying resident units, up to \$350 per unit. If, at the end of the period described in Section 7.3.2(h) of the Master Development Agreement, City funds remain in the Fiber Connectivity Fund, such funds shall be used for any activities supporting digital opportunity for City residents.

Section 2. ADMINISTRATION OF FUNDS

The Controller’s Office shall oversee the administration and distribution of the Fiber Connectivity Fund. The Information & Technology Services (ITS) Department and relevant City departments shall develop policies and procedures to ensure the effective implementation of digital opportunity initiatives. Funds shall be allocated in accordance with the Master Development Agreement and applicable federal, state, and local laws.

Section 3. REPORTING AND ACCOUNTABILITY

The City shall work with the Developer to ensure compliance with digital opportunity commitments, including service availability, affordability, and infrastructure expansion.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025, by the City of Bloomington Common Council.

Hopi Stosberg, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this
_____ day of _____, 2025.

SIGNED AND APPROVED by me this _____ day of _____, 2025.

Kerry Thomson, Mayor
City of Bloomington

SYNOPSIS

Ordinance 2025-33 establishes the Fiber Connectivity Fund to support broadband access for income-qualifying residents, ensuring affordable high-speed internet, and promoting digital opportunity while also securing annual infrastructure contributions from the Developer.



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MEMO FROM CONTROLLER MCCLELLAN:

To: Members of the Common Council

From: Jessica McClellan, Controller, Rick Dietz, ITS Director

Date: 8/21/2025

Re: Ordinance 2025-33 – To create the Fiber Connectivity Fund

Introduction

This memo provides an overview of Appropriation Ordinance 2025-33, which establishes the Fiber Connectivity Fund to support broadband accessibility initiatives for income-qualifying residents. This initiative is part of the 2022 Master Development Agreement (MDA) between the City of Bloomington and Hoosier Networks, LLC, (now mStreet Fiber Indiana), which aims to construct, maintain, and operate an open access fiber-to-the-premise (FTTP) network in Bloomington.

This funding will be used to cover 50% of broadband installation ("drop") costs for income-qualifying residents and to support other fiber connectivity initiatives. ITS has already received invoices for 50% of drop costs that should be paid from this fund.

The establishment of this fund is authorized under Indiana Code, which grants municipalities the power to create dedicated funds for public infrastructure and community development initiatives.

Summary of the Master Development Agreement (MDA)

The Master Development Agreement, executed on June 22, 2022, between the City of Bloomington and Hoosier Networks, LLC, outlines the terms under which the Developer will deploy a citywide open access FTTP network. This agreement was created to expand broadband access, promote fiber connectivity, and ensure long-term infrastructure sustainability.

Key provisions of the MDA include:

- The Developer will fund, construct, and maintain the FTTP network.
- The network will be operated as an Open-Access Network, allowing multiple ISPs to provide service after an initial exclusivity period.
- The Developer is required to offer 1 Gbps service with network neutrality protections.
- The City will contribute \$1,000,000 to support fiber connections to the mStreet network to ensure affordable broadband access for income-qualifying residents.
- This fund will allow the City to fulfill its financial commitments under the MDA and further its goals of economic development and bridging the digital divide.

Relevant City Commitments Under the MDA

Pursuant to the agreement, the City of Bloomington has committed to the following:

1. Creation of the Fiber Connectivity Fund

- The City has committed \$1,000,000 from the General Fund to establish a Fiber Connectivity Fund, which will be used exclusively to support fiber connectivity initiatives.
- Subsidizing Broadband Installation Costs for Income-Qualifying Residents



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2. The City will cover 50% of the broadband drop costs (up to \$350 per unit) for income-qualifying households.
 - The City has already received invoices for these costs to be paid using this fund.

Relevant Developer Commitments Under the MDA

Under the Master Development Agreement, Hoosier Networks, LLC, has committed to:

1. Covering Drop Costs for Low-Income Residents
 - While City funds are available, the Developer will cover at least 50% of the drop costs for income-qualifying residents.
 - Once City funds are exhausted, the Developer has committed to covering 100% of drop costs.

Legal Authority for Establishing the Fiber Connectivity Fund

The creation of the Fiber Connectivity Fund and the appropriation of \$1,000,000 from the General Fund is authorized under Indiana Code, which grants municipalities the ability to establish funds for specific purposes, including broadband infrastructure and economic development initiatives:

- IC 36-1-3-6 (Home Rule Authority) – Allows municipalities to create financial mechanisms to support local projects.
- IC 36-4-6-18 (Appropriation of Funds) – Provides the Common Council the authority to allocate funds for public improvements and infrastructure.
- IC 5-22-6-1 (Contracts for Public Services) – Permits the City to enter into agreements with private entities for public service improvements.
- This resolution complies with all relevant state laws and ensures transparency and fiscal responsibility in allocating funds for broadband expansion.

Conclusion

The establishment of the Fiber Connectivity Fund is a critical step in ensuring that all Bloomington residents have access to affordable, high-speed broadband. This appropriation fulfills the City's commitments under the Master Development Agreement and allows us to cover 50% of broadband installation costs for income-qualifying residents.

ORDINANCE 2025-34

**TO ESTABLISH A FUND FOR THE PROCEEDS OF THE SURETY BOND SECURED FOR
WORK ON FIBER OPTICS NETWORK
FOR THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA**

- WHEREAS, the City of Bloomington (City) entered a public-private partnership with Meridiam Infrastructure North America Corporation (Meridiam) to build an open-access fiber network in Bloomington; and
- WHEREAS, Meridiam created an entity called Hoosier Networks LLC (Hoosier Networks), to construct, install and manage their networks in Indiana; and
- WHEREAS, on June 22, 2022, the City entered into a Master Development Agreement with Hoosier Networks (now d/b/a mStreet Fiber Indiana) to construct, maintain and operate an open-access Fiber-to-the-Premise (FTTP) network within the City that would provide substantial community coverage including to low income residences; and
- WHEREAS, Hoosier Networks identified Atlantic Engineering Group, LLC, later known as Trueline (AEG) as the contractor to perform the infrastructure work; and
- WHEREAS, in accordance with Bloomington Municipal Code 12.08.060, AEG was required to file a bond payable to the City with the City Engineer prior to receiving a permit to work in the right of way; and
- WHEREAS, AEG field Bond Number 1160465, in the amount of One Million Dollars (\$1,000,000), issued by Lexon Insurance Company of Louisville, Kentucky, with the City Engineer and was conditioned to hold the city harmless from any loss, cost or damage by reason of such proposed work, and that the same shall be done in all respects in conformity with the requirements of all laws regulating the same; and
- WHEREAS, during the course of AEG operating in the right of way, the City of Bloomington Engineering Department issued notice of violations (“NOVs”) against AEG for noncompliance with Title 12 of the Bloomington Municipal Code which remained unanswered and unresolved by AEG; and
- WHEREAS, AEG eventually left the job site and has since commenced a corporate dissolution, leaving the NOVs unresolved which necessitated the City’s decision to call Bond Number 1160465; and
- WHEREAS, the City has received payment from Bond Number 1160465 in the amount of One Million Dollars (\$1,000,000) due to AEG’s failure to resolve issues noted in the NOVs and/or to pay fines associated with NOVs.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. The City Controller (“Controller”) shall create a specific, non-reverting Fund to hold the entire surety payment from which distributions shall be made to cover any loss, cost or damages caused by AEG while operating in the right of way, pursuant to Bloomington Municipal Code 12.08.060, or for any other lawful purpose. The Council authorizes the Controller to take all necessary steps to effectuate this Section and to create the Fund.

SECTION 2. The City Controller will return to Council to appropriate said funds to specific City departments as needed for recovery of any loss, cost or damage caused by AEG’s work in the right of way in keeping with Bloomington Municipal Code 12.08.060, or for any other lawful purpose.

SECTION 3. If any sections, sentence or provision of this ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 4. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

HOPI STOSBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2025.

KERRY THOMSON, Mayor
City of Bloomington

SYNOPSIS

This ordinance establishes a dedicated non-reverting fund to hold the One Million Dollars (\$1,000,000) received when the surety bond payment on Bond Number 1160465 was called due to failure by Meridiam Infrastructure North America Corporation’s subcontractor (AEG) to properly install fiber within the City limits. Damages were incurred by the City and certain Notice of Violations were issued by the City of Bloomington Engineering Department against AEG, who was working on Meridiam’s behalf, for violations of Title 12 of the Bloomington Municipal Code regarding work performed in the right of way. Appropriations of the funds will be requested by the City of Bloomington Controller to the City Council at a later date.



City of Bloomington Indiana

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MEMO FROM CONTROLLER MCCLELLAN:

To: Members of the Common Council

From: Jessica McClellan, Controller

Date: 8/25/2025

Re: Ordinance 2025-34 – Establishing a Surety Bond Proceeds Fund

Introduction

Ordinance 2025-34 creates a special non-reverting fund to hold the \$1,000,000 surety bond payment the City received after Atlantic Engineering Group, later, known as Trueline (AEG), failed to properly complete and comply with requirements while installing conduit, fiber optic cable, and associated infrastructure in the City's right of way.

Background

The City partnered with Meridian Infrastructure North America and Hoosier Networks (now mStreet Fiber Indiana) to build a citywide, open-access fiber network. Meridian subcontracted construction work to AEG/Trueline.

Under Bloomington Municipal Code 12.08.060, contractors working in the public right of way must file a bond with the City Engineer to ensure compliance with local standards and to protect the City from damages. AEG filed Bond No. 1160465 in the amount of \$1,000,000.

During construction, the City's Engineering Department issued multiple Notices of Violation (NOVs) against AEG for noncompliance with Title 12. AEG left the project site without resolving these violations and subsequently began corporate dissolution. The City then called the bond, and Lexon Insurance Company paid the full \$1,000,000 to the City.

Authorized Uses of the Fund

The fund may only be used for recovery of any loss, cost or damage caused by AEG's work in the right of way in keeping with Bloomington Municipal Code 12.08.060, or for any other lawful purpose. The Controller and affected departments will return to Council for appropriation of funds, ensuring transparency and Council approval before any expenditures are made.

Conclusion

This ordinance ensures that the bond payment is managed responsibly and transparently. Establishing the fund creates a clear mechanism for addressing the impacts of the fiber project contractor default.



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Kari Bennett, Council Deputy Administrator/Deputy Attorney

Date: September 9, 2025

Re: Resolution 2025-16 - Requesting the Food and Beverage Tax Advisory Commission to Make a Recommendation for Expenditure of Food and Beverage Tax Revenues

Synopsis

This resolution is a request from the Common Council for the Food and Beverage Tax Advisory Commission to recommend expenditures of food and beverage tax revenues toward a 2026 budget for the Capital Improvement Board.

Relevant Materials

- Resolution 2025-16
- Exhibit A – Proposed 2025 Capital Improvement Board Budget and Memo

Summary

In 2017, through Resolution 17-38, the Bloomington Common Council supported the passage of a county-wide food and beverage tax to fund expansion of the Monroe County Convention Center. Shortly thereafter, the Monroe County Council adopted an ordinance imposing a food and beverage tax, which has been collected since that time. The tax is authorized by state law (Indiana Code 6-9-41) and may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects (I.C. 6-9-41-15(a)).

Under state law (I.C. 6-9-41-15(b)), the city is required to develop a written plan before December 1 each year and submit that plan to the state with the following information:

1. Proposed use of food and beverage tax funds for the upcoming calendar year;
2. Detailed use of funds in the current and prior calendar years; and
3. Fund balance as of January 1 of the current calendar year.

A plan for 2026 city anticipated use of food and beverage tax revenues is forthcoming and Corporation Counsel expects to work on it in conjunction with the Controller later this year.

State law (I.C. 6-9-41-15(c)) requires that the city spend its food and beverage tax receipts according to this written plan.



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Under an interlocal cooperation agreement with the county (approved via [Resolution 2024-02](#)), the CIB has authority to determine its budget solely with the Common Council, using city food and beverage tax revenues or any other city-designated funds.

The CIB has submitted a 2026 budget request for the Council's consideration. However, state law (I.C. 6-9-41-16(b)) also requires the Common Council, as legislative body of the City, to "request the advisory commission's recommendations concerning the expenditure of any food and beverage tax funds". This resolution would make such a request for a recommendation from the [Food and Beverage Tax Advisory Commission](#) (FABTAC). After the FABTAC is able to meet and provide a recommendation, the Council will be asked to approve of the CIB budget through an appropriation ordinance.

This resolution asking FABTAC to make a recommendation is the first step for considering the CIB's 2026 budget request. Should FABTAC make a recommendation approving using city food and beverage tax dollars toward this 2026 CIB budget request, approval of the CIB's 2026 budget will come back to Council in the 2026 Civil City Budget Appropriation Ordinance, which is one of the three appropriation ordinances the Council will consider in a Special Session on September 24, 2025 and again for second reading and a vote on October 8, 2025.

Contact

Margie Rice, Corporation Counsel, margie.rice@bloomington.in.gov, (812) 349-3426

James Witlatch, Bunger & Robertson, Attorney for CIB, jwhit@lawbr.com, (812) 332-9295

RESOLUTION 2025-16

**REQUESTING THE FOOD AND BEVERAGE TAX ADVISORY COMMISSION TO
MAKE A RECOMMENDATION FOR EXPENDITURE OF FOOD AND BEVERAGE
TAX REVENUES**

- WHEREAS, the City of Bloomington (“City”) and Monroe County (“County”) are collaborating on a project to expand the Monroe County Convention Center (the “Project”); and
- WHEREAS, a Capital Improvement Board (“CIB”) was established in July 2023 by the County through adoption of County Commissioner Ordinance 2023-24 for the purpose of managing and directing the affairs of the Project; and
- WHEREAS, the City and the County have since executed an Interlocal Cooperation Agreement (“Agreement”) for the operation of the CIB and the Convention and Visitors Commission; and
- WHEREAS, in the Agreement, the City and County agreed that, during the Project design and construction period, the CIB has authority to determine its budget solely with the Common Council, using City food and beverage tax revenues or any other city-designated funds; and
- WHEREAS, Indiana Code § 6-9-41-15 requires that the City develop a written plan before December 1 of each year that includes, among other things, the proposed use of food and beverage tax funds for the upcoming calendar year; and
- WHEREAS, according to Indiana Code § 6-9-41-15, “money deposited in the city food and beverage tax receipts fund may be used only to finance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects;” and
- WHEREAS, according to Indiana Code § 6-9-41-16(b), the Common Council, as legislative body of the City, “must request the advisory commission’s recommendations concerning the expenditure of any food and beverage tax funds;” and
- WHEREAS the CIB has submitted a proposed 2026 budget, attached hereto as Exhibit A, for the Common Council’s review and approval;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. The Common Council, under Indiana Code § 6-9-41-16(b), hereby requests the Food and Beverage Tax Advisory Commission to consider and adopt written recommendations regarding the CIB’s proposed 2026 budget to be funded from the City’s portion of food and beverage tax revenues.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

HOPI STOSBERG, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this _____ day of _____, 2025.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2025.

KERRY THOMSON, Mayor
City of Bloomington

SYNOPSIS

This resolution is a request from the Common Council for the Food and Beverage Tax Advisory Commission to recommend expenditures of food and beverage tax revenues toward a 2026 budget for the Capital Improvement Board.

Monroe County Capital Improvement Board

2026 BUDGET MEMORANDUM

To: Members of the Bloomington Common Council
From: John Whikehart, President
Geoffrey McKim, Treasurer
Jeffrey Underwood, Controller/Assistant Treasurer
Re: 2026 Budget

We are pleased to present the 2026 budget for your review and approval.

Construction has begun on the expanded facility with an anticipated completion by the end of 2026 with completion of work in the existing facility to be completed by the middle of 2027. As expected, this budget along with next year's reflect the escalation of the project.

The total proposed 2026 budget is \$8,958,017 broken down as follows"

Category 1 – Personnel Services:	\$0
Category 2 – Supplies:	\$1,000
Category 3 – Services:	\$8,957,017
Category 4 – Capital	\$0

Much of this request is contained in Category 3 – Services:

Professional Services-Internal includes services that would be provided by the Board's Attorney and Controller.

Professional Services-External includes services such as Owner's Representative.

The Other category comprises the majority of our request and represents the non-construction or soft costs for other elements related to the expansion and current building. This includes services such as, but not limited to:

Testing and Environmental services, Commissioning, Utility Connection and relocation costs, Communications (AV/IT). 1% for the Arts, Graphics & Signage, Relocation Services, FF&E (Furniture, Fixtures & Equipment), Construction Testing and Contingency Funds.



GUEST PRESENTATION: Capital Improvement Board

John Whikehart

**2026 BUDGET
PRESENTATIONS**

AUGUST 20, 2025

Capital Improvement Board (CIB)

2025 Activities

- \$52M Revenue Bond for construction, from Food & Beverage Taxes
- Groundbreaking on convention center expansion
- Demolition of old Napa building
- Award of all construction Guaranteed Maximum Price (GMP) packages for new construction

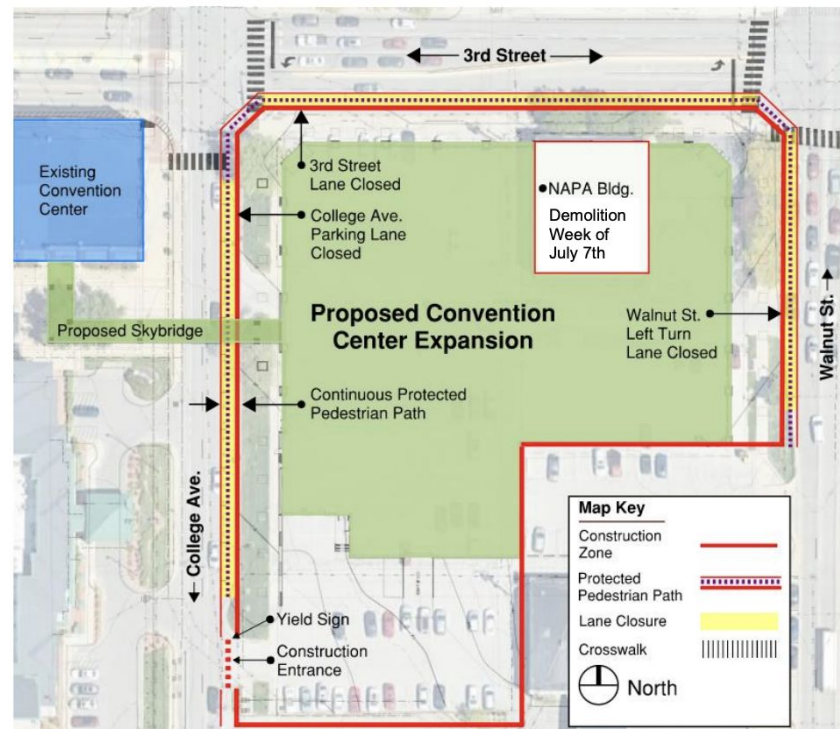


Members: John Whitehart (County Commissioners), Joyce Poling (County Commissioners), Adam Thies (Mayor), Jay Baer (Mayor), Doug Bruce (City Council), Geoff McKim (County Council), Jim Silberstein (CIB Members)

Capital Improvement Board

Construction Status and Milestones

- New building target completion date: January 1, 2027
- Existing building target completion date July 1, 2027



Overall Project Cash Flow

Source: Krohn and Associates

CIB Budget Request

		Updated August 2025				
		2024 Payable 2025				
USES OF FUNDS - PROJECT COSTS:			2025	2026	2027	Total
Construction	Weddle	\$ 16,250	\$ 19,035,264	\$ 23,981,912	\$ 8,966,574	\$ 52,000,000
Direct Costs						
	Utility Connections & Relocations	-	100,000	247,371	-	347,371
	Environmental & Testing	-	200,000	-	-	200,000
	Communications (AV/IT)	-	-	600,000	200,000	800,000
	Security	-	-	300,000	100,000	400,000
	Art - 1%	-	-	520,000	-	520,000
	Graphics & Signage	-	-	600,000	400,000	1,000,000
	Relocation Services	-	-	25,000	50,000	75,000
	Furniture, Fixtures & Equipment	-	-	2,600,000	400,000	3,000,000
	Commissioning Agent	-	60,000	40,000	60,000	160,000
	Construction Testing	-	-	100,000	-	100,000
	Contingency	-	-	3,390,995	2,618,116	6,009,111
	Subtotal	-	360,000	8,423,366	3,828,116	12,611,482
Architectural						
	Direct	791,308	2,094,092	384,384	224,224	3,494,008
	Subconsultants Reimbursable		98,170			98,170
	Reimbursables	-	54,586	89,496	52,211	196,293
	Subtotal	791,308	2,246,848	473,880	276,435	3,788,471
Owner's Rep CIB						
		15,689	320,000	250,000	131,100	716,789
	Legal	3,268	144,900	144,900	144,900	437,968
	Controller	1,531	71,500	71,500	71,500	216,031
	Other	47,371	3,000	3,000	3,000	56,371
	Insurance	-	-	65,251	-	65,251
	Subtotal	67,859	539,400	534,651	350,500	1,492,410
Lease-Rental Payments			2,216,667	3,800,000	3,800,000	9,816,667
Revenue Stabilization Fund (1 Yr P&I) *			3,800,000			3,800,000
<i>Revenue Stabilization Fund to Make Final Lease Pmt</i>						
Total Project Costs		\$ 875,417	\$ 28,198,179	\$ 37,213,809	\$ 17,221,625	\$ 83,509,030
ESTIMATED SOURCES OF FUNDS:		2024 Payable 2025				
Includes F&B Revenues / Interest Earnings & Cash on Hand			2025	2026	2027	Total
Cash on Hand		\$ 20,742,712				
Interest Income - Construction	3.5%		817,000	490,000	50,000	1,357,000
Interest Income - (3.8M) Rate Stabilization Fund			133,000	133,000	133,000	399,000
Food & Beverage Collections			4,139,000	4,139,000	4,139,000	12,417,000
Bond Proceeds (Net)	Bond Premium to Cover Issuance Costs		50,000,000	-	-	50,000,000
Total Revenues - Includes Cash on Hand		\$ 20,742,712	\$ 55,089,000	\$ 4,762,000	\$ 4,322,000	\$ 84,915,712

2026 Budget Request (Food & Beverage Tax)

			Total
Category 1 - Personnel Services			0
Category 2 - Supplies			1,000
Category 3 - Services			
Professional Fees-Internal	Legal	144,900	
	Controller	71,500	216,400
Professional Fees - External	Owner's Rep		250,000
Insurance			65,251
Website			2,000
Other*			8,423,366
Category 4 - Capital			0
Total			<u><u>8,958,017</u></u>

2026 Budget Request (Food & Beverage Tax)

Other*

Utility Connections & Relocations	347,371
Testing & Environmental	200,000
Communications (AV/IT)	600,000
Security	300,000
Arts - 1%	520,000
Graphics & Signage	600,000
Relocation Services	25,000
Furniture, Fixtures & Equipment	2,600,000
Commssioning Agent	100,000
Construction Testing	100,000
Contingency	<u>3,030,995</u>
Total	<u><u>8,423,366</u></u>

RESOLUTION 2025-15
TO ESTABLISH EXPECTATIONS AND PROCEDURES FOR COUNCILMEMBER
LIAISONS TO BOARDS AND COMMISSIONS

WHEREAS, the City of Bloomington Common Council (“Council”) has an interest in the efficient governance of the City; and

WHEREAS, BMC Title 2 identifies and includes provisions governing the various boards and commissions of the City of Bloomington (the “Boards and Commissions”); and

WHEREAS, BMC 2.04.370 provides that the vacancies on City Boards and Commissions to be filled by the Council shall be filled by a majority vote of the Councilmembers during a properly convened session of the Council; and

WHEREAS, the Council currently forms Interview Committees, each consisting of three Councilmembers, to make recommendations regarding appointments by the Council to the following Boards and Commissions: Animal Control Commission, Bloomington Arts Commission, Board of Zoning Appeals, Bloomington/Monroe County Human Rights Commission, Commission on the Status of Black Males, Board of Housing Quality Appeals, Bloomington Urban Enterprise Association, Bloomington Digital Underground Advisory Committee, Capital Improvement Board, Commission on the Status of Women, Commission on Aging, Community Advisory on Public Safety Commission, Environmental Commission, Dr. Martin Luther King Jr. Birthday Celebration Commission, Telecommunications Council, Transportation Commission, Utilities Service Board, Commission on Hispanic and Latiné Affairs, Bloomington Historic Preservation Commission, Bloomington Commission on Sustainability, Commission on the Status of Children and Youth, Public Transit Corporation, Tree Commission, Bloomington Redevelopment Commission, and Fire Merit Commission; and

WHEREAS, the Council currently designates Councilmembers to serve on the following: Bloomington Commission on Sustainability, Bloomington Urban Enterprise Association, Metropolitan Planning Organization Policy Committee, Plan Commission, Transportation Commission, and Utilities Service Board; and

WHEREAS, the Council does not have any appointments to the following Boards and Commissions: Board of Public Safety, Board of Public Works, Board of Park Commissioners, Council for Community Accessibility, Dispatch Policy Board; and

WHEREAS, the Council currently lacks a consistent mechanism for receiving updates from Boards and Commissions, apart from the annual Commission reports given in a properly convened Council session; and

WHEREAS, the Council is interested in following and supporting the work of the above Boards and Commissions; and

WHEREAS, the Council values the contributions of all Boards and Commissions and desires to establish appropriate mechanisms to acknowledge, discuss, and further support their work; and

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION 1. This Resolution, clarifying the scope and duties of Councilmembers in relation to City Boards and Commissions, shall be effective upon the conclusion of the Council’s first meeting in January 2026 held for the purpose of electing or appointing officers and establishing the schedule of meetings for the year (the “organizational meeting”).

SECTION 2. Re-organization of Interview Standing Committees. The Council hereby reorganizes the following, three-member standing committees, whose purpose is to review and make recommendations to the full Council regarding the appointment of citizens to the City’s

Boards and Commissions. The three Interview Committees shall divide responsibilities in the following manner:

(a) Committee “A” shall be responsible for the following Boards and Commissions:

- Animal Control Commission
- Bloomington Arts Commission
- Bloomington/Monroe County Human Rights Commission
- Board of Zoning Appeals
- Commission on the Status of Black Males
- Dr. Martin Luther King Jr. Birthday Celebration Commission
- Board of Housing Quality Appeals
- Bloomington Urban Enterprise Association

(b) Committee “B” shall be responsible for the following Boards and Commissions:

- Bloomington Digital Underground Advisory Committee
- Commission on Hispanic and Latiné Affairs
- Commission on Aging
- Commission on the Status of Children and Youth
- Commission on the Status of Women
- Transportation Commission
- Public Transit Corporation
- Utilities Service Board

(c) Committee “C” shall be responsible for the following Boards and Commissions:

- Community Advisory on Public Safety Commission
- Tree Commission
- Environmental Commission
- Bloomington Commission on Sustainability
- Fire Merit Commission
- Historic Preservation Commission
- Redevelopment Commission
- Capital Improvement Board

SECTION 3. Interview Committee Chairs shall serve as Council Liaison to up to two Boards or Commissions, while each of the other two members shall serve as Council Liaison to up to three Boards or Commissions, with no member serving as Liaison to more than four Boards or Commissions in total. Interview Committee Chairs shall solicit preferences from Committee members regarding which Boards and Commissions under their purview they wish to serve as Council Liaison. Any Councilmember holding an ex-officio seat on a Board or Commission shall automatically serve as its Council Liaison. Taking these factors into account, each Interview Committee Chair shall prepare the slate of Council Liaison assignments under their purview and the Committee shall then meet to review and vote on it.

SECTION 4. Councilmembers shall meaningfully engage with the Boards and Commissions to which they are assigned as Council Liaisons by:

1. Making initial contact with assigned Boards or Commissions Chairs and Staff Liaisons to establish communication and checking in at least three times per year via email.
2. Attending at least one meeting of assigned Boards or Commissions annually.
3. Ensuring that assigned Interview Committees discuss any resolutions or recommendations passed by their assigned Boards or Commissions.
4. Informing assigned Boards or Commissions Chairs and Staff Liaisons of any relevant legislation being developed or discussed by the Council and soliciting feedback from the Boards or Commissions on said legislation.
5. Serving as the point of contact for Staff Liaisons or Boards or Commissions Chairs who wish to communicate activities or concerns of the Commission to the Council, thereby facilitating two-way engagement.

SECTION 5. The Council President shall annually appoint Councilmembers to serve as Council Liaisons to the following Boards and Commissions: Board of Public Safety, Board of Public Works, Board of Park Commissioners, Council on Community Accessibility, and Dispatch Policy Board.

SECTION 6. Severability. If any section, sentence or provision of this resolution, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions or applications of this resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are declared to be severable.

PASSED by the Common Council of the City of Bloomington, Monroe County, Indiana upon this ____ day of _____, 2025.

Hopi Stosberg, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this ____ day of _____, 2025.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this ____ day of _____, 2025.

KERRY THOMSON, Mayor
City of Bloomington

SYNOPSIS

This resolution, sponsored by Councilmember Zulich, establishes expectations and processes for Councilmembers serving as liaisons to City Boards and Commissions.

To: Bloomington Common Council
From: Councilmember Sydney Zulich
Regarding: Resolution 2025-15 Interview Committee Changes
Date: September 8, 2025

Resolution 2025-15 establishes expectations for council liaisons to City Boards and Commissions. It uses language similar to Resolutions 22-02 that originally established the interview committees and 2025-02 that made necessary updates to the standing interview committees. This comes as the product of a proposal that passed through the Committee on Council Processes and was approved by the Council as a whole.

Under this resolution, council members will be assigned to up to three City Boards and Commissions by the Chair of their interview committee to which they will serve as the liaison. The President of the Bloomington City Council will appoint liaisons to the Board of Public Safety, Board of Public Works, Board of Park Commissioners, Council for Community Accessibility, and Dispatch Policy Board: Boards and Commissions to which Council does not have an appointment.

Councilmember liaisons will serve as the point of contact for their assigned commissions and commission staff liaisons. They will attend at least one commission meeting for each assignment annually and keep the boards updated on any incoming legislation that might affect them.

Please reach out if you have any questions or concerns. Thank you for your consideration.