

ORDINANCE NO. WTR-3 -1973

An Ordinance to amend Ordinance No. WTR-1-1973 as adopted August 7, 1973, concerning the financing of improvements and extensions to the waterworks of the Town of Cloverdale, and amending the title thereof

WHEREAS, the Board of Trustees of the Town of Cloverdale has heretofore adopted on August 7, 1973, Ordinance No. WTR-1-1973, entitled "An Ordinance concerning the construction by the Town of Cloverdale, Indiana, of improvements and extensions to its waterworks, the issuance of additional revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said works, and safeguarding the interests of the holders of said bonds, and other matters connected therewith"; and

WHEREAS, the Board now finds that the title of said ordinance should be amended to reflect the refunding of now outstanding waterworks revenue bonds and said ordinance should be amended to make certain other changes in the provisions thereof; now therefore,

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF CLOVERDALE, INDIANA:

Section 1. That the title of Ordinance No. WTR-1-1973 be and the same is hereby amended to read "An Ordinance of the Town of Cloverdale, Indiana, concerning the refinancing of outstanding indebtedness of the municipally owned waterworks of the Town and the financing of the construction of improvements and extensions to said waterworks, authorizing the issuance of revenue bonds for such purposes, and providing for the collection, segregation and distribution of the revenues of said waterworks, and safeguarding the interests of the holders of said bonds, and other matters connected therewith."

Section 2. Section 1 of Ordinance No. WTR-1-1973 is hereby amended to read as follows: Section 1. That the Town of Cloverdale, being the owner of and engaged in operating a municipal waterworks furnishing the public water supply to said

Town and its inhabitants, now provide for certain needed improvements to such waterworks and the financing thereof, and the refunding of the now outstanding Water Revenue Refunding and Improvement Bonds by the issuance of revenue bonds pursuant to and in the manner prescribed by Chapter 206 of the Acts of 1937, and the acts amendatory thereof and supplemental thereto (sometimes hereinafter referred to as the "Act"), which revenue bonds shall be payable solely out of the net revenues (herein defined as gross revenues after deduction only for the reasonable expenses of operation, repair and maintenance) of said waterworks, including all extensions thereof and additions and improvements thereto subsequently constructed or acquired,

Section 3. Section 3 of Ordinance No. WTR-1-1973 is hereby amended to read as follows: Section 3. The Town shall issue its water works revenue bonds in the amount of five hundred thousand dollars (\$500,000.00) for the purpose of procuring funds to redeem and retire outstanding bonds and to be applied on the cost of said improvements and extensions.

Said bonds shall be designated "Waterworks Refunding and Improvement Revenue Bonds of 1973", issued in the denomination of Five Thousand Dollars (\$5,000.00), numbered consecutively from 1 to 100 inclusive, dated as of the first day of the month in which sold, and shall bear interest at the rate or rates not exceeding eight per cent (8%) per annum (the exact rate or rates to be determined by bidding), payable on the first days of July and January in each year, beginning on January 1, 1974. Such interest shall be evidenced by coupons attached to said bonds. Both bonds and interest coupons shall be payable in lawful money of the United States of America at the Cloverdale First National Bank, in the Town of Cloverdale, Indiana, and such bonds shall mature serially in numerical order on January 1 in the years and amounts as follows:

bonds for such purposes, and providing for the collection, segregation and distribution of the revenues of said waterworks, and safeguarding the interests of the holders of said bonds, and other matters connected therewith," and in strict compliance with the provisions of Chapter 206 of the Acts of the Indiana General Assembly for the year 1937, and the acts amendatory thereof and supplemental thereto.

Pursuant to the provisions of said Act and said ordinance, the principal and interest of this bond and all other bonds of said issue and any bonds hereafter issued ranking on a parity therewith, are payable solely from the water works sinking fund (created by said ordinance) to be provided from the net revenues (herein defined as gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the water works of the Town of Cloverdale, including the works constructed or acquired by the use of the proceeds of this bond and the issue of which it is a part, and all improvements and extensions thereto and replacements thereof subsequently constructed or acquired. This bond shall not constitute an indebtedness of the Town of Cloverdale within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the Town shall not be obligated to pay this bond or the interest thereon except from said special fund provided from said net revenues.

The Town of Cloverdale irrevocably pledges the entire net revenues of said water works to the prompt payment of the principal and interest of the bonds issued on account of the construction of the improvements and extensions to its water works, of which this is one, and any bonds hereafter issued ranking on a parity therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, and for the payment of the sums required to be paid into said Sinking Fund under the provisions of said Act. In the event the Town, or the proper officers thereof, shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the holder of this bond shall have all of the rights and remedies provided for in said Chapter 206, Acts of 1937, and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and the interest thereon.

The Town of Cloverdale further covenants that it will set aside and pay into its water works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on this bond and all other bonds which by their terms are payable from the revenues of said water works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of this bond and all other bonds payable from the revenues of said water works, as such principal shall fall due, and (d) an additional amount as a margin of safety to the extent and in the manner provided in said ordinance. Such required payments shall constitute a first charge upon all the net revenues of said works.

This bond and all other bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana. This bond may be registered as to principal at the office of the Clerk-Treasurer in the Town of Cloverdale, Indiana, in the name of the owner hereof, and such registration noted hereon by said Clerk-Treasurer. Thereafter no transfer hereof shall be valid unless made at said office by the registered owner in person or by his duly authorized attorney and similarly noted hereon, but this bond may be discharged from registration by being in like manner transferred to bearer and may again from time to time be registered or transferred to bearer as before. Such registration shall not restrict or affect the negotiability of the interest coupons hereto attached by delivery only, but such interest coupons shall always be payable to bearer.

The bonds of this issue maturing on January 1, 1995, and thereafter, are redeemable at the option of the Town, in whole or in part, in inverse numerical order, on July 1, 1984, or any interest payment date thereafter, at face value, together with the following premiums:

4% if redeemed on July 1, 1984, or thereafter on or before January 1, 1988;

3% if redeemed on July 1, 1988, or thereafter on or before January 1, 1992;

2% if redeemed on July 1, 1992, or thereafter prior to maturity.

plus in each case accrued interest to the date fixed for redemption. Notice of such redemption shall be published one time at least thirty (30) days prior to the date fixed for redemption, in a newspaper or financial journal published in the City of Indianapolis, Indiana. A like notice shall be sent by mail to the holders of such bonds as are then registered. Interest on bonds so called for redemption, shall cease on the redemption date fixed in said notice, if funds are available at the place of redemption to pay the redemption price on the date so named and when presented for payment.

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

IN WITNESS WHEREOF, the Town of Cloverdale, in Putnam County, State of Indiana, has caused this bond to be executed in its corporate name by the President of its Board of Trustees, its corporate seal to be hereunto affixed and attested by its Clerk-Treasurer, and the interest coupons hereto attached to be executed by placing thereon the facsimile signature of the Clerk-Treasurer, as of the first day of _____, 1973.

TOWN OF CLOVERDALE

BY _____
President, Board of Trustees

ATTEST:

Clerk-Treasurer

January 1, 1976	\$15,000	January 1, 1986	\$25,000
January 1, 1977	15,000	January 1, 1987	25,000
January 1, 1978	15,000	January 1, 1988	25,000
January 1, 1979	15,000	January 1, 1989	30,000
January 1, 1980	15,000	January 1, 1990	30,000
January 1, 1981	15,000	January 1, 1991	35,000
January 1, 1982	20,000	January 1, 1992	35,000
January 1, 1983	20,000	January 1, 1993	40,000
January 1, 1984	20,000	January 1, 1994	40,000
January 1, 1985	20,000	January 1, 1995	45,000

Section 4. Section 6 of Ordinance No. WTR-1-1973 is hereby

amended to read as follows: Section 6. The form and tenor of

said bonds, the interest coupons to be attached thereto, and

the form of registry endorsement thereon shall be substantially

as follows, all blanks to be filled in properly prior to de-

livery thereof:

UNITED STATES OF AMERICA

State of Indiana

County of Putnam

No. _____

\$5,000.00

TOWN OF CLOVERDALE
WATERWORKS REFUNDING AND IMPROVEMENT REVENUE BOND OF 1973

The Town of Cloverdale, in Putnam County, State of Indiana, for value received, hereby promises to pay to the bearer, or if this bond be registered then to the registered holder, solely out of the special revenue fund hereinafter referred to, the principal amount of

FIVE THOUSAND DOLLARS

on the first day of January, _____ (unless this bond be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon from the date hereof until the principal is paid, at the rate of _____ per cent (_____ %) per annum, payable on the first days of January and July in each year, beginning on January 1, 1974, upon presentation and surrender of the annexed coupons as they severally become due.

Both principal and interest of this bond are payable in lawful money of the United States of America at the Cloverdale First National Bank, in the Town of Cloverdale, Indiana.

This bond is one of an authorized issue of one hundred (100) bonds of the Town of Cloverdale, of like date, tenor and effect, except as to interest rates, and dates of maturity, in the total amount of five hundred thousand dollars (\$500,000.00), numbered from 1 to 100 inclusive, issued for the purpose of providing funds to be applied on the refunding of outstanding bonds and paying the cost of improvements and extensions to the water works, as authorized by an ordinance adopted by the Board of Trustees of the Town of Cloverdale on the 7th day of August, 1973, as amended on the 10th day of September, 1973 entitled "An Ordinance of the Town of Cloverdale, Indiana, concerning the refinancing of outstanding indebtedness of the municipally owned waterworks of the Town and the financing of the construction of improvements and extensions to said waterworks, authorizing the issuance of revenue

(Interest Coupon)

Coupon No. _____ \$ _____

On _____ 1, _____ (unless the bond herein mentioned shall have been called for previous redemption), the Town of Cloverdale, Indiana, will pay to bearer, at the Cloverdale First National Bank, in the Town of Cloverdale, Indiana, out of its water works Sinking Fund, _____ Dollars in lawful money of the United States of America, being the interest then due on its Waterworks Refunding and Improvement Revenue Bond of 1973, dated _____ 1, 1973, No. _____.

TOWN OF CLOVERDALE

BY _____ (facsimile)
Clerk-Treasurer

REGISTRATION ENDORSEMENT

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

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

Section 5. Section 7 of Ordinance No. WTR-1-1973 is hereby amended to read as follows: Section 7. The Clerk-Treasurer is hereby authorized and directed to have said bonds and coupons prepared, and the President of the Board of Trustees and Clerk-Treasurer are hereby authorized and directed to execute said bonds and the interest coupons to be attached thereto, in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver said bonds to the purchaser thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the purchaser has agreed to pay therefor, which shall not be less than the face value of said bonds, plus accrued interest from the date thereof to the date of delivery. The bonds herein

authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the Town, payable out of the revenues of the Town's water works to be set aside into the water works Sinking Fund as herein provided, and the proceeds derived from the sale of said bonds shall be and are hereby set aside for application on the refunding of outstanding bonds and paying the cost of acquisition, construction and installation of said improvements and extensions to the water works hereinbefore referred to, and the expenses necessarily incurred in connection therewith. The proper officers of the Town are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

Section 6. Section 9 of Ordinance No. WTR-1-1973 is hereby amended to read as follows: Section 9. The accrued interest and any premium received at the time of delivery of the bonds shall be deposited in the Water Works Sinking Fund hereinafter referred to. The remaining proceeds from the sale of said bonds shall be deposited in special accounts as follows and in the following order:

(a) There shall be deposited with the Cloverdale First National Bank, as Trustee, in a special trust account to be designated "Town of Cloverdale, Water Revenue Refunding and Improvement Bonds, Redemption Account," the sum of Thirty-Three Thousand Dollars (\$33,000.00) from the proceeds of the bonds, together with sufficient other cash funds of the Water Works, to redeem prior to maturity the outstanding Water Revenue Refunding and Improvement Bonds, including the payment of accrued interest, redemption premiums, and the fees of said Trustee. Said funds so deposited in trust shall be applied solely to the redemption by purchase or call of said bonds, and the Town hereby covenants that it will call for redemption on January 1, 1974, all then outstanding Water Revenue Refunding and Improvement Bonds in accordance with the terms of said bonds

and the provisions of the ordinance pursuant to which said bonds were issued. The funds deposited in said trust account shall be used for no other purpose than specified in this subsection. The bonds so redeemed shall be cancelled upon the surrender thereof to the Town.

(b) The remaining proceeds from the sale of said bonds shall be deposited in a bank or banks which are legally designated depositories for funds of the Town in a special account or accounts to be designated as "Town of Cloverdale, Water Works Construction Account." All funds deposited to the credit of said Water Works 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. The funds in said special construction account or accounts shall be expended only for the purpose of paying the cost of the extensions and improvements to the Water Works hereinbefore referred to. Any balance or balances remaining unexpended in such special construction account or accounts after completion of said extensions and improvements which are not required to meet unpaid obligations incurred in connection with such project, shall be paid into the Water Works Sinking Fund and shall be used solely for the purposes of said fund.

Subject to the approval of the Board of Trustees, the Clerk-Treasurer shall be authorized to invest in obligations of the United States of America or its agencies and instrumentalities, as authorized and restricted by IC 1971, 5-13-1 (formerly Chapter 9 of the Acts of the Indiana General Assembly for the year 1945, as amended), or in other obligations authorized by the laws of Indiana relating to the investment of public funds, such portion of the funds in said Construction Account as shall not be required for immediate use, provided that no such investment shall be made at a cost in excess of the par value of the securities purchased, and that none of the funds shall be invested in any securities the maturity date of which is later than the time when such funds

are required to be available for the purposes thereof, or if the time when such funds will be required for use cannot be determined, such investment shall be made only in securities having a maturity date of one (1) year or less from the date of purchase. Any interest or other accretions derived from any such investments shall become a part of the Construction Account.

Section 7. Section 10 of Ordinance No. WTR-1-1973 is hereby amended to read as follows: Section 10. All revenues derived from the operation of the Water Works and from the collection of Water rates and charges shall be segregated and kept separate and apart from all other funds and bank accounts of the Town. Out of said revenues the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the principal and interest of all bonds and fiscal agency charges of bank paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid as hereinafter provided. No moneys derived from the revenues of the water works shall be transferred to the general fund of the Town or be used for any purpose not connected with the water works so long as any bonds payable from the revenues of the water works are outstanding.

(a) There is hereby created a fund to be known as the "Operation and Maintenance Fund," to which Fund there shall be credited as of the last day of each calendar month a sufficient amount of the revenues of the water works so that the balance in said Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two (2) calendar months. The moneys credited to this Fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the water works on a day-to-day basis, but none of the moneys in such Fund shall be used for

depreciation, replacements, improvements, extensions or additions. Any balance in said Fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding month may be transferred to the Water Works Sinking Fund if necessary to prevent a default in the payment of principal or interest on the outstanding bonds.

(b) There is hereby created a sinking fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the revenues of the water works, and the payment of any fiscal agency charges in connection with the payment of bonds and interest coupons, which fund shall be designated the "Water Works Sinking Fund." There shall be set aside and deposited in said Sinking Fund, as available, and as hereinafter provided a sufficient amount of the net revenues of said water works (defined as gross revenues of the water works after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) to meet the requirements of the Bond and Interest Account and of the Debt Service Reserve Account hereby created in said Water Works Sinking Fund. Such payments shall continue until the balance in the Bond and Interest Account, plus the balance in the Debt Service Reserve Account hereinafter created, equal the principal of and interest on all of the then outstanding bonds to the final maturity thereof.

(1) Bond and Interest Account. There shall be credited on the first day of each calendar month to the Bond and Interest Account an amount equal to the sum of one-tenth (1/10) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date, and one-tenth (1/10) of the amount of principal payable on the then outstanding bond which will be payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding respective principal and interest payment dates shall have been so credited. There shall similarly

be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal and interest on the bonds as the same become payable. The Town shall, from the sums deposited in the Water Works Sinking Fund and credited to the Bond and Interest Account, remit promptly to the bank paying agent sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of bank paying agent charges.

(2) Debt Service Reserve Account. On the first day of each calendar month, after making the credits to the Bond and Interest Account, there shall be credited from available net revenues to the Debt Service Reserve Account the sum of One Thousand Dollars (\$1,000.00), or such higher amount as may be fixed from time to time by the Board of Trustees of the Town. Said credits to the Debt Service Reserve Account shall continue until the balance therein shall equal not less than the maximum annual principal and interest requirements of the then outstanding bonds payable from the Water Works Sinking Fund. The Debt Service Reserve Account shall constitute the margin for safety and as a protection against default in the payment of principal of and interest on the bonds, and the moneys in the Debt Service Reserve shall be used to pay current principal and interest on the bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiencies in credits to the Debt Service 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 Debt Service Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on bonds, then such depletion of the balance in the Debt Service Reserve Account shall be made up from the next available net revenues after the credits into the Bond and Interest Account hereinbefore provided for. Any moneys in the Debt Service Reserve Account in excess of the maximum annual principal and interest requirements of the then outstanding bonds may be used for the redemption of bonds which are then callable, or for the purchase

of outstanding bonds at a price not exceeding accrued interest, and the then next succeeding redemption price, or may be transferred to the Water Works Improvement Fund.

(c) After meeting the requirements of the Operation and Maintenance Fund, and the Water Works Sinking Fund, any excess revenues may be transferred or credited to a fund designated the "Water Works Depreciation and Improvement Fund," and said Fund shall be used for making good depreciation, improvements, replacements, additions and extensions of the water works. Moneys in the Water Works Depreciation and Improvement Fund shall be transferred to the Water Works Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Debt Service Reserve Account of the Water Works Sinking Fund.

Section 8. This ordinance shall be in full force and effect from and after its passage and signing by a majority of the Board of Trustees.

Approved and adopted by the Board of Trustees of the Town of Cloverdale on the 10th day of September, 1973.

BOARD OF TRUSTEES

Attest:

Clerk-Treasurer

Sec. 15. This ordinance shall be in full force and effect from and after its passage and signing by a majority of the Board of Trustees.

Approved and adopted by the Board of Trustees of the Town of Cloverdale on the 7th day of August, 1973.

Donald L. Larkin

Robert L. Wheat

Henry A. Stewart
BOARD OF TRUSTEES

Attest:

Mildred Andy
Clerk-Treasurer