

ORDINANCE NO. 78.29

AN ORDINANCE authorizing and providing for the issuance of the principal amount of \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois, providing for the payment, sale and delivery thereof and making certain covenants in that connection.

WHEREAS the Village of Chatham (hereinafter referred to as the "Village" or the "municipality"), Sangamon County, Illinois, has heretofore by ordinance provided for the combination of its existing municipally owned waterworks system and the sewerage system which the Village proposes to acquire and construct into a combined waterworks and sewerage system and such waterworks system has been in operation for many years: and

WHEREAS it is deemed advisable, necessary and in the best interest of public health and safety that such sewerage system be acquired and constructed, such acquisition and construction to be for the purpose of providing a Village sewage collection system by the construction and installation of the following:

1.0 miles of 24 inch sanitary sewer, 0.7 miles of 12 inch, 2.8 miles of 10 inch, 17.5 miles of 8 inch and 422 manholes connected into two 24 inch to 18 inch interceptor sewers and pumping stations provided by The Springfield Sanitary District.

together with the necessary pipes, valves and connections necessary to integrate said improvements with the existing combined waterworks system of said Village, and in accordance with the detailed plans, specifications and estimate of cost therefor heretofore approved by the President and Board of Trustees of said Village and now on file in the office of the Village Clerk for public inspection; and

WHEREAS the total estimated cost of the construction of such sewerage system, as prepared by the engineers of said Village employed for that purpose, together with costs of engineering, legal and bond discount, is the sum of \$6,888,633; and

WHEREAS the Village has received a commitment from the Environmental Protection Agency of the State of Illinois for grant moneys to pay part of such cost, and to pay the balance of the cost of the construction of said improvements it will be necessary for the Village to borrow money and issue revenue bonds as hereinafter provided for the purpose of paying part of such construction cost of said sewerage system; and

WHEREAS pursuant to the provisions of Division 139 of Article 11 of the Illinois Municipal Code of 1961, effective July 1, 1961, as amended, this Village is authorized to issue Waterworks and Sewerage Revenue Bonds in an amount sufficient to pay the cost of constructing said improvements; and

WHEREAS the said Village has heretofore, pursuant to Ordinance 70-5, issued, delivered and currently has outstanding Water Revenue Bonds, Series 1970; and said Village has heretofore pursuant to Ordinance 77-2, issued, delivered and currently has outstanding Water Revenue Bonds, Series 1977; and

WHEREAS said Village proposes to call and provide for the payment of all of the principal and interest on

all of said bonds and obligations by making an irrevocable deposit of funds as received upon the issuance of such bonds as are authorized by the terms of this Ordinance and adequate for such purpose with an escrow agent; and

WHEREAS the revenues of said system have not been pledged or hypothecated in whole or in part in any manner or for any purpose except for the payment of the outstanding Water Revenue Bonds, as hereinabove described, and payment is to be provided for said outstanding bonds as hereinabove described:

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Chatham, Sangamon County, Illinois, as follows:

Section 1. That the Village of Chatham, in Sangamon County, State of Illinois, construct necessary improvements to the combined sewerage system, acquire and construct a sewerage system for said Village, said improvements being described hereinabove in the preamble of this ordinance, and all in accordance with the detailed plans and specifications therefor heretofore prepared and approved by this President and Board of Trustees and now on file in the office of the Village Clerk for public inspection.

Section 2. That the cost of acquiring and constructing said improvements, together with costs of engineering, legal and bond discount, has been estimated by engineers employed for that purpose, and it is hereby found and determined by the President and Board of Trustees of said Village that the total estimated cost of the acquisition and construction of said improvements is the sum of \$6,888,633.

Section 3. That the President and Board of Trustees do hereby determine the period of usefulness of such combined waterworks and sewerage system and the improvements to be made thereto to be forty (40) years.

Section 4. That the Village does not have sufficient funds available for the purpose of paying the cost of acquiring and constructing such improvements, and for the purpose of paying part of the cost of constructing such improvements it will require the issuance by said Village of \$3,680,000 Waterworks and Sewerage Revenue Bonds, bearing interest as hereinafter set forth, which such interest shall be payable May 1, 1979 and thereafter on November 1, and May 1 of each year until paid at The Illinois National Bank of Springfield, Springfield, Illinois.

Section 5. That for the purpose of defraying part of the cost of such acquisition and construction of such improvements, all as referred to and described in the preamble hereof, there be issued and sold revenue bonds of said Village, to be designated "Waterworks and Sewerage Revenue Bonds, Series of 1978", in the principal amount of \$3,680,000 which bonds shall bear date of November 1, 1978, be numbered 1 - 736, inclusive, be of the denomination of \$5000 each and shall mature serially on May 1 in each of the years and in the amounts as follows:

1981	20,000	1991	200,000
1982	30,000	1992	210,000
1983	40,000	1993	230,000
1984	50,000	1994	250,000
1985	80,000	1995	270,000
1986	100,000	1996	290,000
1987	120,000	1997	310,000
1988	140,000	1998	330,000
1989	160,000	1999	330,000
1990	180,000	2000	340,000

bearing interest at not to exceed the rate of 8% per annum, provided, however, bonds maturing in the years 1993 to 2000 inclusive, shall be subject to redemption and payment prior

to their maturity at the option of the Village at par and accrued interest to the date of redemption on any interest payment date as a whole or in part in inverse numerical order on or after May 1, 1992. Written notice of its option to redeem any or all of said bonds shall be given by the Village to the holder of such bond called for redemption, if known, by registered mail at least thirty (30) days prior to the date of redemption, or if the holders of any such bonds are unknown, then notice of redemption shall be given by publication of such notice at least once in a newspaper published in the English language and of general circulation in the City of Chicago, Illinois, and the date of the publication of such notice shall be not less than thirty (30) days prior to such redemption date, and any such notice shall designate the date and place of redemption of said bonds, which shall be the paying agent for such bonds and shall designate the serial number and the aggregate principal amount of the bonds to be redeemed, and shall indicate that on the designated date of redemption said bonds will be redeemed by payment of the principal thereof and accrued interest thereon, and that from and after the designated redemption date interest in respect of said bonds so called for redemption shall cease.

Section 6. That said bonds shall be signed by the President of the Village, sealed with the corporate seal of said Village, and be attested by the Village Clerk, and the interest coupons attached to said bonds shall be signed by the facsimile signature of said President and said Village Clerk, and said officials, by the execution of said bonds, shall adopt as and for their own proper signatures their respective facsimile signatures appearing on said coupons.

Said bonds and interest thereon shall be payable on a parity with such additional parity bonds as may be

hereafter issued under the terms of this ordinance solely from the revenues derived from the combined waterworks and sewerage system of said Village, and such bonds shall not in any event constitute an indebtedness of the Village of Chatham within the meaning of any constitutional or statutory limitation.

Any of said bonds may be registered as to principal at any time prior to maturity in the name of the holder on the books of said Village in the office of the Village Treasurer, such registration to be noted on the reverse side of the bonds by the Village Treasurer, and thereafter the principal of such registered bonds shall be payable only to the registered holder, his legal representatives or assigns. Such registered bonds shall be transferable to another registered holder or back to bearer only upon presentation to the Village Treasurer, with a legal assignment duly acknowledged or approved. Registration of any of such bonds shall not affect the negotiability of the coupons thereto attached but such coupons shall be transferable by delivery merely.

Section 7. That said bonds and coupons shall be in substantially the following form:

(Form of Bond)

UNITED STATES OF AMERICA

STATE OF ILLINOIS, COUNTY OF SANGAMON

VILLAGE OF CHATHAM

WATERWORKS AND SEWERAGE REVENUE BOND, SERIES OF 1978

Number _____ \$5000.00

KNOW ALL MEN BY THESE PRESENTS, that the Village of Chatham, Sangamon County, Illinois, for value received, hereby promises to pay to bearer, or if this bond be registered as hereinafter provided, then to the registered holder hereof, solely from the Waterworks and Sewerage Fund of the Village of Chatham, as hereinafter mentioned and not otherwise, the sum of \$5000 on May 1, _____, together with interest

on said sum from date hereof until paid at the rate of _____
_____ per cent _____ % per
annum, payable on May 1, 1979 and semiannually thereafter
on the first days of November and May in each year upon
presentation and surrender of the annexed interest coupons
as they severally become due.

Both principal of and interest on this bond are
hereby made payable in lawful money of the United States
of America at The Illinois National Bank of Springfield,
in the City of Springfield, Illinois.

This bond and the series of which it forms a part,
together with such additional parity bonds as may be hereafter
issued under the terms of the ordinance authorizing said
bonds, are payable solely from the revenues derived from
the operation of the combined waterworks and sewerage system
of said Village and not otherwise, and is issued under authority
of Division 139 of Article II of the Municipal Code of 1961,
effective July 1, 1961, of the State of Illinois, and all
laws amendatory thereof and supplemental thereto, and an
ordinance adopted _____, 1978, and published as required
by law, for the purpose of paying part of the cost of acquiring
and constructing improvements to the combined waterworks
and sewerage system of said Village of Chatham, and this
bond does not constitute an indebtedness of said Village
within any constitutional or statutory limitation.

This bond is one of an authorized issue of \$3,680,000
numbered from 1 through 736, inclusive, denomination \$5000
each, of like date and tenor except as to maturity and privilege
of redemption and of said bonds, bonds maturity and privilege
of redemption and of said bonds, bonds maturing in the years
1993 through 2000, inclusive, shall be subject to redemption
and payment prior to their maturity at the option of the
Village at par and accrued interest to the date of redemption
on any interest payment date as a whole or in part in inverse
numerical order on or after May 1, 1992. Notice of the re-
demption of any or all of said bonds which by their terms

shall have been subject to redemption shall be given by the Village to the holder thereof, if known, by registered mail at least thirty (30) days prior to the date of redemption, or if the holder thereof be unknown, such notice shall be published at least once in a newspaper published in the English language of general circulation in the City of Chicago, Illinois, the date of the publication of such notice to be not less than thirty (30) days prior to such redemption date, and when any or all of said bonds which by their terms have become subject to redemption and payment prior to their maturity shall have been called for redemption, and payment made or provided for, interest thereon shall cease from and after the date so specified. Such bonds shall be redeemed at the paying agent as stated on this bond.

Under said Code and the Ordinance adopted pursuant thereto, the entire revenues derived from the operation of the combined waterworks and sewerage system of said Village shall be deposited in a separate fund designated as the "Waterworks and Sewerage Fund" of said Village, which shall be used only in paying the cost of maintenance and operation of such combined system, providing an adequate depreciation fund and paying the principal of and interest on the bonds of said Village that are issued under authority of said Code and that payable by their terms only from the revenues of such combined waterworks and sewerage system. For a more complete statement of the source of payment of this bond and the issue of which it is a part, and a statement of the terms and conditions under which additional revenue bonds may be issued on a parity herewith, reference is made to said ordinance to all the terms and conditions of which ordinance the holder thereof by the acceptance of this bond and coupons assents.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done and have happened

and have been performed in regular and due form of law and that provision has been made for depositing in said Waterworks and Sewerage Fund sufficient revenues received from the operation of said combined waterworks and sewerage system to be applied in the manner as hereinabove set forth; and and it is hereby covenanted and agreed that rates will be charged for the use and service of such combined waterworks and sewerage system sufficient at all times to pay the cost of operation and maintenance of such system, provide an adequate depreciation fund, and pay the principal of and interest on all revenue bonds issued by said Village which are payable solely from the revenues of such combined waterworks and sewerage system.

This bond may be registered as to principal in the name of the holder on the books of said Village in the office of the Village Treasurer, such registration to be evidenced by notation of said Treasurer on the back hereof, after which no transfer hereof shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be again registered as before. The registration of this bond shall not restrict the negotiability of the coupons by delivery merely.

IN WITNESS WHEREOF, said Village of Chatham, Sangamon County, Illinois, by its President and Board of Trustees, has caused this bond to be signed by the President of said Village, its corporate seal to be hereto affixed and attested by the Village Clerk and the coupons hereto attached to be signed by the facsimile signatures of said President and said Village Clerk, which officials, by the execution of this bond, do adopt as and for their own proper signatures

their respective facsimile signatures appearing on said coupons, and this bond to be dated the first day of November, 1978.

President of the Village of Chatham, Sangamon County, Illinois

Attest:

Village Clerk of the Village of Chatham, Sangamon County, Illinois.

(Form of Coupon)

Number _____ \$ _____

On the first day of _____, _____ (unless the bond to which this coupon is attached has been called for payment prior to said date as therein provided and payment made or provided for) the Village of Chatham, Sangamon County, Illinois, will pay to bearer out of the Waterworks and Sewerage Fund of said Village _____

_____ Dollars (\$ _____)

in lawful money of the United States of America, at The Illinois National Bank of Springfield, in the City of Springfield, Illinois, being interest then due on its Waterworks and Sewerage Revenue Bond, Series of 1978, dated November 1, 1978, Number _____.

(Facsimile Signature)
President of the Village of Chatham Sangamon County, Illinois

Attest:

(Facsimile Signature)
Village Clerk of the Village of Chatham, Sangamon County, Illinois

(Form of Registration Certificate)

Date of :Registration:	In Whose Name Registered :	Signature of Village : Treasurer as Registrar:
:	:	:
:	:	:
:	:	:
:	:	:

Section 8. That upon the issuance of any of the bonds herein provided for, the system, for the purpose of this ordinance, shall be operated on a fiscal year basis, commencing with the first day of May and ending the last of day of April of each calendar year, so long as any of the bonds herein authorized to be issued are outstanding, the entire revenues derived from the operation of the system shall be collected and shall be set aside as collected and such revenues be deposited in a separate fund previously created and designated as the "Waterworks and Sewerage Fund" of the Village of Chatham, which shall be kept apart and segregated from all other moneys of the municipality and shall be used only to create and to maintain the several accounts hereinafter specified for the purpose of paying the cost of the operation and maintenance of said system, providing an adequate depreciation reserve and paying the principal of and interest upon all revenue bonds which by their terms are payable from the revenues of the system, and such Waterworks and Sewerage Fund shall be used only for such purposes is hereby pledged therefor.

Section 9. That for the accounting of all moneys and assets of said Waterworks and Sewerage Fund at any time and from time to time while any bonds herein authorized are outstanding and unpaid, there are hereby created and established separate accounts to be designated (a) Operation and Maintenance Account, (b) Bond and Interest Account,

(c) Bond Reserve Account, (d) Improvement, Extension and Replacement Account, and (e) Surplus Revenue Account. All deposits made to and all funds held in each of said accounts, respectively, shall be continuously secured as provided by the laws of the State of Illinois governing public bodies. Except as hereinafter provided, money in the Waterworks and Sewerage Fund may be deposited in one or more bank accounts as may be designated by the President and Board of Trustees of the Village of Chatham. Interest or income earned on any investment shall be considered as revenues of the system. There shall be paid on the first business day of each month all moneys held in said Waterworks and Sewerage Fund in accordance with the following provisions and in the priority of said accounts so created and established as follows:

(a) Operation and Maintenance Account: There first shall be set apart and paid out of said Waterworks and Sewerage Fund into the Operation and Maintenance Account, an amount considered necessary and sufficient to pay the reasonable current expenses of operating, repairing and maintaining said system for the next succeeding month, and one-twelfth of expenses computed on annual basis, including without limiting the generality of the foregoing, salaries, wages, taxes, costs of materials, supplies, insurance, power, fuel, reasonable repairs and extensions necessary to render efficient service and all other necessary incidental expenses which under recognized accounting principles are properly chargeable to the system and costs of administration. The costs of extraordinary or unusual repairs and maintenance, extraordinary or unusual capital expenditures, extraordinary or unusual administrative, improvement, extension or replacement charges shall not be paid from this account.

(b) Bond and Interest Account: Commencing with the first day of the month following delivery of the bonds herein authorized and after all payments required to be

made into the foregoing account have been made and all deficits in said account have been fully remedied, there shall next be deposited in the Bond and Interest Account for the purpose of paying the maturing principal of and the interest accruing on the bonds issued under the terms of this ordinance such amount of said income and revenue as will be sufficient and adequate at any time to pay the principal of and interest on said bonds as the same respectively mature, which amount is hereby irrevocably pledged for the payment of the bonds authorized hereunder and for payment of principal of and interest on the outstanding bonds described in the preambles hereto and for the payment of principal of and interest on such additional parity bonds as may be hereafter authorized and shall be used solely for that purpose. It is hereby covenanted and agreed that there shall be set aside monthly in said Bond Account an amount at least equal to 1/5th of the interest becoming due on all of said outstanding bonds on the next succeeding interest payment date and an amount at least equal to 1/10th of the principal becoming due on the next succeeding principal payment date.

It is the express intent and determination of the governing body of this municipality that the amount of said income and revenue so to be set aside and deposited into said Bond and Interest Account shall be in any event always sufficient to pay the interest upon said bonds as the same becomes due and the principal thereof as the same matures and there shall be deposited out of such income and revenue received from the operation of said system from month to month during each such fiscal year, without further authorization from the governing body of this municipality, sufficient moneys in said Bond and Interest Account to pay promptly such principal and interest. At the time of delivery of the bonds there shall be deposited in said account any accrued interest on the bonds received at delivery plus

premium, if any, and the sum of \$345,000, such amount being equal to the interest estimated to accrue during the estimated time to complete construction, acquisition and development of the improvements authorized herein.

No further payments need be made into said Bond and Interest Account when and so long as such amount of bonds shall have been retired that the amount then held in said account, together with the amount then on deposit in the Bond Reserve Account hereinafter described, is equal to the entire amount of all interest and principal that will be payable at the time of redemption or maturity on all of said bonds then remaining outstanding.

If in any fiscal year said municipality shall for any reason fail to pay into said Bond and Interest Account the full amount above specified, then an amount equivalent to such deficiency shall be set apart and paid into said account from the first available revenue of the next following fiscal year or years, and shall be in addition to the amount otherwise herein provided to be so set apart and deposited during each succeeding fiscal year or years.

If there are not sufficient funds in the Bond and Interest Account available to pay maturing principal of and interest on the bonds herein authorized, such deficiency shall be made up (1) by the transfer of funds from the Bond Reserve Account, (2) by the transfer of funds from the Improvement, Extension and Replacement Account and (3) by the transfer of funds from the Surplus Account.

The Bond and Interest Account shall be carried as a separate deposit at the paying agent, and the moneys in said account may be invested and reinvested in bonds or other direct obligations of the United States of America maturing within the time or times as provided by the laws of the State of Illinois as may be authorized from time to time by resolution of the governing body of the municipality.

Earned income from any such investments shall be considered as revenues of the system.

Funds to pay principal and interest, together with the fees and expenses of the paying agent, shall be delivered to the paying agent not less than fifteen (15) days prior to the due date of principal or interest. Interest and principal due on May 1, shall be considered a part of the debt service requirements of the fiscal year ending the prior April 30.

(c) Bond Reserve Account: Commencing with the first day of the month following delivery of the bonds herein authorized, and after all payments required to be made into the foregoing accounts have been made and all deficits in said accounts have been fully remedied, there shall next be deposited in the Bond Reserve Account the sum of \$3,000 each month until the balance in this Bond Reserve Account equals the maximum principal and interest requirements on all outstanding bonds of the system for any future fiscal year, and at which figure said account, notwithstanding any transfer therefrom as herein permitted, shall thereafter be continuously maintained, and all moneys therein shall be only used by the Treasurer hereof as may be needed from time to time in the payment of the interest on or principal of the bonds herein authorized, the outstanding bonds described in the preambles hereto, or the interest on and principal of such additional parity bonds as may be hereafter authorized whenever there exists a deficiency in the Bond and Interest Account hereinabove established and all withdrawals therefrom for that purpose shall be reimbursed from the next revenues available therefor as provided herein. Whenever the amount on deposit in said account, together with the amount on deposit in the Bond and Interest Account, is equal to or greater than the interest on and principal of all bonds payable therefrom and then outstanding, no further deposits need be made in said Bond Reserve Account.

The Bond Reserve Account shall be carried as a separate deposit at the paying agent, and the moneys in said Bond Reserve Account may be invested and reinvested in bonds or other direct obligations of the United States Government with fixed redemption value maturing within five (5) years from date of purchase as may be authorized from time to time by resolution of the governing body of said municipality. Earned income from any such investments shall be considered as revenues of the system.

(d) Improvement, Extension and Replacement Account: Commencing with the first day of the month following delivery of the bonds herein authorized, and after all payments required to be made in the foregoing accounts have been made and all deficits in said accounts have been fully remedied, there next shall be deposited in the Improvements, Extension and Replacement Account the sum of \$4,000 or such other sum not less than \$4,000 as may be established by resolution of the Board of Trustees of the Village of Chatham, each month until \$300,000 is on deposit in said account, which amount is hereby found and determined to be a reasonable amount necessary to accomplish the purpose for which said Improvement, Extension and Replacement Account is established. The moneys in said account shall be used to pay the cost of necessary replacements and extraordinary or unusual maintenance to the system, but if not so used may be applied to pay the cost of extensions to said system. Provided, however, that to the extent necessary to prevent or to remedy a default in the payment of principal or interest on the bonds herein authorized, the outstanding bonds described in the preambles hereto, or on such additional parity bonds as may be hereafter authorized, the moneys in said Improvement, Extension and Replacement Account shall be transferred to the Bond and Interest Account, and whenever such a transfer is made, and amount equal to the amount so transferred shall be added to the next deposit to be made into the Improvement, Extension and Replacement Account, and thereafter until said Improvement,

Extension and Replacement Account has been fully reimbursed. Any sum in excess of \$300,000 in this Improvement, Extension and Replacement account, may be transferred to the Bond Reserve Account or to the Surplus Revenue Account by resolution of the President and Board of Trustees of the Village of Chatham.

The moneys in said Improvement, Extension and Replacement Account may be invested and reinvested in bonds or other direct obligations of the United States of America with fixed redemption value maturing within five (5) years from date of purchase as may be authorized from time to time by resolution of the governing body of the municipality. Earned income from any such investments shall be considered as revenues of the system.

(e) Surplus Revenue Account: Any surplus funds then remaining at the end of each fiscal year after providing for all of the deposits hereinabove listed in paragraphs (a) through (d) shall be deposited in the Surplus Account to be used and held for use as follows:

(i) for the reimbursement at any time and from time to time of any account listed in paragraphs (a) through (d) hereof that is depleted by withdrawals; and

(ii) after remedying any reimbursements as required in subparagraph (i) above, such surplus may be used for the repair, improvement or extension of the system or for the redemption of such bonds payable from the revenues of the system as may be by their terms callable for redemption prior to maturity or for any lawful corporate purpose for purchase on the open market at not more than par and accrued interest any of such bonds which are payable from the revenues of the system.

The money in the Surplus Account may be invested and reinvested in bonds or other direct obligations of the United States of America maturing within five (5) years from date of purchase or in such securities provided by the laws of the State of Illinois governing the deposit of public funds as may be authorized from time to time by resolution of the governing body of said municipality. Earned income from any such investments shall be considered as revenues of the system.

Section 10. That said municipality hereby agrees to carry insurance on said system of the kinds and in the amounts which are usually carried by private parties operating similar properties, including without limiting the generality of the foregoing, fire, windstorm insurance and public liability insurance, and all moneys received for losses under such insurance policies as insure against physical damage to or loss of the system shall be deposited in the Improvement, Extension and Replacement Account and shall be used to the extent reasonably possible in making good the loss or damage in respect of which they were paid, either by repairing the property damaged or replacing the property destroyed, and provision for making good such loss or damage shall be made within ninety (90) days from date of the loss. The proceeds of any and all policies for public liability shall be paid into the Operation and Maintenance Account and used in paying the claims on account of which they were received.

The payment of premiums for all insurance policies required under the provision of this section shall be considered an operation and maintenance expense.

Section 11. That while any of the bonds issued pursuant to this ordinance remain outstanding or unpaid, rates charged for water and sewerage services shall be sufficient at all times to pay all costs of operation and maintenance of the system, to make the payments and maintain the balance as required in an adequate depreciation account to pay the principal of and interest on all bonds authorized hereunder, and to make the payments and maintain the balance as required in the Bond and Interest Account and the Bond Reserve Account. There shall be charged against all users of the system, including the municipality, such rates and amounts for water and sewerage services as shall be adequate to meet the requirements of this section. Charges for services rendered the municipality shall be made against the municipality and

payment for the same from the corporate funds shall be made monthly into the Waterworks and Sewerage Fund created by this ordinance in the same manner as other revenues derived from the operation of the system are so required to be deposited.

In addition to the foregoing, the municipality covenants not to provide any free service of said system and to pay promptly for the use of all facilities connected and to be connected to the system, including water used for fire protection to be computed by the number of fire hydrants connected and to be connected with said system.

It is expressly herein covenanted that to the extent permitted by law the municipality will not grant a franchise for the operation of any competing waterworks system or sanitary sewer system or combination thereof within said municipality, and that the bonds herein authorized to be executed shall constitute legally enforceable liens upon the earnings of the combined waterworks and sewerage system of said municipality, including all further extensions, additions and improvements thereto, whether acquired through purchase, contract or otherwise.

Section 12. That in the event the municipality defaults in complying with any covenant contained in this ordinance, any holder of any bond issued hereunder, or of any coupon representing interest accrued thereon, may, either in law or in equity, by proper suit, compel the officials of said municipality to perform all duties required by law and by this ordinance, including the making and collecting of sufficient rates for water and sewerage services for that purpose and application of income and revenue therefrom.

Section 13. That it is hereby covenanted and agreed with the holder of the bonds herein authorized that said municipality will not issue any other or additional bonds or obligations enjoying a prior claim on the revenues of the combined system and it is further hereby covenanted

and agreed with the holder of the bonds herein authorized that said municipality will not issue any other or additional bonds or obligations enjoying a prior claim on the revenues of the combined system and it is further hereby covenanted and agreed with the holder of the bonds herein authorized that said municipality will not issue any other or additional bonds or other evidences of obligations of said municipality payable from or in any way creating a charge upon the income and revenue to be derived from the operation of said system, except as herein provided:

A. Said municipality reserves the right to issue additional bonds for construction of further necessary improvements, extensions, replacements to the properties comprising said system or for the purpose of refunding any of the Waterworks and Sewerage Revenue Bonds issued under this Ordinance or parity bonds as hereinafter described, or for any combination of such purposes, to share ratably and equally in the revenues of said system only whenever all of the following conditions are met:

(1) When additional bonds are to be issued for such construction, there shall have been filed with the governing body of the municipality a certificate of an independent engineer in responsible charge of constructing such further improvements, extensions, repairs and rehabilitations which shall be approved by and made of public record in the proceedings of the governing body of the municipality before any such additional bonds are authorized:

(a) giving a reasonably detailed description of such work, an estimate of the cost thereof and an estimate of the time of completion thereof; and

(b) showing the feasibility of such additional revenue financing with reference to existing rates and anticipated earnings based thereon.

(2) The net earnings of the system for the last completed fiscal year prior to the issuance of such

additional bonds shall have been at least equal to 1.35 times the maximum amount of interest and principal that will become due in any fiscal year subsequent to the issuance of such additional bonds on the bonds of this issue then outstanding and on the additional bonds then proposed to be issued. The term "net earnings" for the purpose of this subparagraph shall be deemed to be the gross revenues for the next preceding completed fiscal year after deducting therefrom all maintenance and operation expenses for such preceding completed fiscal year, before provision for depreciation or any other accounts required by this ordinance. Provided, that if there has been a change in the rates of the system from the rate in effect for any part of the preceding fiscal year, which change is in effect at the time of the issuance of such additional bonds, net earnings shall be adjusted as though the then existing rates had been in effect all of said year. Any such adjustments shall be made and attested by certificate of a certified public accountant or an independent consulting engineer employed for that purpose and shall be approved by The President and Board of Trustees of the Village and filed with the Village Clerk prior to the issuance of such additional bonds.

(3) The amounts required to be credited to the respective accounts described in Section 9(a) through (d) of this ordinance shall have been credited in full to the date of issue of the proposed additional bonds.

B. In addition to the foregoing, if, prior to the payment of the bonds hereby authorized, it shall be found desirable to refund part or all of the bonds hereby authorized and then outstanding, said bonds may be refunded notwithstanding the restrictions as to the issuance of additional bonds set forth in this section (with the consent of the holders thereof unless the bonds to be refunded are

subject to redemption and provision for call and redemption thereof is duly made), and any refunding bonds so issued shall share ratably and equally in the income and revenue of said system with the portion of the bonds hereby authorized, which are not refunded; provided, further, that if any such bonds are refunded in such manner that the interest rate is increased or the refunding bonds mature at a date earlier than the maturity of any of the bonds not refunded, then such refunding bonds shall not share ratably and equally in the income and revenue of said system with the portion of bonds remaining outstanding authorized under this ordinance, except that if it is found necessary to refund any principal or interest on the bonds provided for by this ordinance at maturity or within one year of maturity thereof in order to prevent default, such refunding bonds may be issued to share ratably and equally in the income and revenue of the system with the portion of the bonds hereby authorized which are not refunded, notwithstanding the fact that the interest rate is increased, provided, however, that such refunding bonds shall not mature at a date earlier than the maturity of any of said bonds not refunded and then outstanding.

C. When the conditions specified in paragraphs A or B of this section have been met, then any such additional bonds, when issued, shall be entitled to the equal and proportionate benefit and security of the pledge of the revenue and income derived and to be derived from the operation of said system with the bonds herein authorized without preference, priority or distinction as to participation of such pledge of revenue, or in the preference of one bond or coupon of each of said issues over or from any other issue, by reason of priority in execution, issue, delivery or negotiation thereof, or by reason of the date or dates of said bonds, or the date or the dates of maturity thereof, or for any other reason whatsoever, the intent hereof being that each and all of said bonds, as aforesaid, and of coupons evidencing interest thereon, shall have the same right and

pledge as to payment and security with the same legal effect as if each and all of said bonds and coupons had been executed, issued, delivered and negotiated simultaneously as one proceeding.

D. Said municipality reserves the right to issue Junior Lien Bonds payable solely from the Surplus Revenue Account with principal payable on May 1 and interest payable on May 1 and November 1 for the construction of further necessary improvements, extensions or replacements to the properties comprising said system or for the purpose of refunding any of the bonds issued under this Ordinance.

Section 14. That the municipality hereby covenants and agrees with the holder or holders of said bonds that it will punctually perform all duties with reference to said system required by the Constitution and laws of the State of Illinois, including the making and collecting of sufficient rates for the use and service of said system, segregating the revenues of said system and maintaining the Waterworks and Sewerage Fund and the application of said revenues to the respective accounts created by this ordinance, and it hereby covenants and agrees not to sell, lease, loan, mortgage, or in any manner dispose of, or encumber said system (subject, however, to the right reserved in Section 13 to issue additional bonds), including any and all extensions and improvements that may be made thereto, until all of the bonds herein authorized to be issued shall have been paid in full, both principal and interest, or unless and until provision shall have been made for the payment thereof.

Said municipality further covenants and agrees with the holders of said bonds authorized hereunder to maintain in good condition and continuously to operate said system, and to make enact and enforce all needful rules and regulations and ordinances for the efficient management and proper mainte-

nance and protection of such system, and for the use and service thereof. Provided, however, that nothing herein shall be construed to prohibit the sale or other disposition of property, which in the discretion of the President and Board of Trustees of the Village is no longer useful or profitable to the system nor essential to the continued operation of the system.

Section 15. That the municipality will maintain and keep proper books of records and accounts (separate from all other records and accounts of said municipality) in which complete entries shall be made of all transactions relating to the said system and hereby covenants that it will cause the books and accounts of said system to be audited by certified public accountants and within not more than ninety (90) days after the close of each annual fiscal period will file with the original purchasers of said bonds now proposed to be issued, complete audited operating statements of said system in reasonable detail covering such annual period and will furnish upon written request not more than ninety (90) days after the close of each annual fiscal period copies of such operating statements to any holder of any of said bonds herein authorized and will permit any holder or holders or any purchaser of said bonds then outstanding to inspect at all reasonable times said system and all records and accounts and data relating thereto, and to furnish to any holder or holders or any purchaser of said bonds then outstanding all data and information relating to said system which may be reasonably requested. Each audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall, without limiting the generality of the foregoing, include the following:

- (1) statement in detail of the income and revenue and expenditures of the system for such fiscal year;
- (2) the accountant's comment regarding the method in which the municipality has carried out the requirements

of this ordinance and the accountant's recommendations for any changes or improvements in the financial operation of the system;

(3) a list of all the insurance policies in force at the end of the fiscal year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy; and

(4) information concerning the number of customers served by the system at the end of the fiscal year, the number of metered customers at the end of such year, the number of unmetered customers at the end of such year and the quantity of water pumped or supplied.

All expenses incurred in the making of such audit shall be regarded and paid as an operation and maintenance expense.

Section 16. That the provisions of this ordinance shall constitute a contract between the municipality and the holders of the bonds herein authorized to be issued and after the issuance of said bonds no changes, additions or alterations of any kind shall be made hereto, until all of said bonds and the interest thereon shall have been paid in full, or unless and until provisions shall have been made for the payment thereof, and that no modification or amendment of this Ordinance shall be made without the written consent of the holders of not less than two-thirds of the principal amount of all bonds and parity bonds then outstanding exclusive of those owned or held or controlled by Village of Chatham.

Section 17. That after this ordinance has been adopted as provided by law, the bonds herein authorized shall be sold and shall be then executed and delivered to the Village Treasurer of said Village and be by him delivered to the purchaser thereof, upon receipt of the purchase price therefor, the same to be not less than that allowed by law.

That there shall be deposited in an escrow account with the paying agent an amount not greater than \$650,000 derived from the sale of the bonds herein authorized, together with other funds currently available, which amount shall

be adequate to pay the principal and interest accrued on said outstanding and unpaid bonds to the date upon which such outstanding and unpaid bonds are subject to redemption.

The Village Treasurer shall receipt for the payment of said bonds against delivery thereof to said purchaser and the remainder of the proceeds derived at the sale and delivery of said bonds shall be accounted for by said Treasurer as follows:

A. All accrued interest from the date of the bonds to the date of delivery and payment together with \$345,000 from the proceeds of sale of bonds shall be credited to the Bond and Interest Account.

B. The balance of the proceeds received as principal after payment of the aforementioned bonds and credit of accrued and capitalized interest shall be deposited by the Treasurer in a separate and special account of said municipality to be known and designated as the "1978 Waterworks and Sewerage System Bond Construction Fund Account", in a depository selected by the governing body of the municipality for that purpose, to be secured in the manner, form and time as by law required, and all moneys or investments held in said Construction Fund Account shall be used and held for use solely to pay the cost of constructing the improvements and extensions to the system as hereinabove described in this ordinance and the beneficial interest to all such moneys and investments held in said Construction Fund Account at the time of the original deposit therein and from time to time thereafter shall be in the holder or holders of the bonds herein authorized, and all disbursements therefrom shall be made by the Treasurer of this municipality from time to time but only upon submission to him and said depository of the following:

(1) a certificate by the engineer in responsible charge of the construction of said improvements, extensions and repairs stating the nature of the work and services completed and the amount due and payable thereon and that sufficient funds remain to complete the construction, thereof, bearing the endorsement and approval of the President of said municipality and accompanied by

(2) an order for payment upon said Treasurer signed by the President of said municipality and the Village Clerk, which order shall state specifically the purpose for which said order is issued.

Within the sixty (60) days after completion of the construction of the improvements and extensions herein authorized the municipality agrees to deliver to said depository an original counterpart of a certificate (herein called the "Certificate of Completion"), signed by the President and by the Village Treasurer, and having endorsed thereon the approval of the engineer in charge of such construction, stating that said improvements, extensions and repairs have been fully constructed and completed in accordance with the plans, maps, files and specifications therefor that have been approved by the governing body of the municipality and that the same have been fully paid for, or that funds sufficient so to pay for the same remain in said Construction Fund Account, giving the date of final completion and the total cost of construction and the amount, if any, of such construction cost then remaining unpaid, together with an original counterpart of the opinion of counsel for said municipality to the effect that all property, real, personal and mixed, connected with or forming a part of, or necessary to the operation of said system as completed, is owned by said municipality and covered by the lien of this ordinance, and upon receipt of such Certificate of completion and opinion of counsel as mentioned, said depository, after retaining in said Construction Fund Account a sum sufficient to pay

the balance of the construction cost remaining unpaid as shown by said Certificate of Completion, including any items then in controversy, shall deposit all moneys then remaining with the paying agent for said bonds, in the Waterworks and Sewerage Fund herein created.

The costs of engineering, legal, bond discount and financial services, the costs of surveys, designs, soundings, borings, rights-of-way, land and easements and all other necessary and incidental expenses, including interest accruing on said bonds during the construction period to the extent such interest is not paid from income and revenue, shall be deemed items of cost of construction of the improvements and extensions to the system.

Section 18. The President, the Village Clerk and the Village Treasurer are each hereby authorized and directed to execute and deliver such certificates, proceedings and agreements as may be necessary or convenient to establish the accounts created in Section 9 hereof and the Construction Fund Account created in Section 17 hereof, properly to secure all proceeds thereof, and to evidence compliance herewith in the making of any withdrawals therefrom.

Section 19. That if any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

Section 20. That ordinances, resolutions or orders or parts thereof in conflict with the provisions of this ordinance are, to the extent of such conflict, hereby repealed.

Section 21. That this ordinance, after its passage and approval, shall be published once in the Chatham Clarion, a newspaper published and of general circulation in the municipality and if no petition, signed by electors numbering 15% of the number of electors voting for President of said Village at the last preceding general Village election at which a President was elected and asking that the question

of Improving the combined waterworks and sewerage system and the issuance of revenue bonds therefor, as provided in this ordinance, be submitted to the electors of the Village, is filed with the Village Clerk of said Village within twenty-one (21) days after the date of the publication of this ordinance, then this ordinance shall be in full force and effect.

Passed: November 14, 1978.

AYES: six

NAYS: none

Approved: November 14, 1978.

John Whitney
President

Attest:

Helen Spence
Village Clerk

Published in the _____ on _____, 1978. Recorded in the official Ordinance Book of said Village at page _____, this _____ day of _____, 1978.

MINUTES of a Regular public meeting of
the President and Board of Trustees of the Village
of Chatham, Sangamon County, Illinois, held at
Village Hall in said Village at
7 o'clock P.M., on the 14 day of
November, 1978.

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*

The meeting was called to order by the President,
and upon the roll being called, John F. Whitney, the President,
and the following Trustees answered present:

Brown, Cioni, Hill, Keever, Wresenmeyer

and the following Trustees were absent:

none

Trustee President Whitney presented,

and the Village Clerk read in full an ordinance as follows:

MINUTES of a Regular public meeting of
the President and Board of Trustees of the Village
of Chatham, Sangamon County, Illinois, held at
Village Hall in said Village at
7 o'clock P.M., on the 14 day of
November, 1978.

*

*

*

The meeting was called to order by the President,
and upon the roll being called, John F. Whitney, the President,
and the following Trustees answered present:

Brown, Conis, Hill, Kevern, Wulsenmeyer

and the following Trustees were absent:

none

Trustee President Whitney presented,

and the Village Clerk read in full an ordinance as follows:

Trustee, Wiesenmeyer, moved and Trustee, Kevern seconded the motion that said ordinance as presented and read by the Village Clerk be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said ordinance as read.

Upon the roll being called the following Trustees voted:

AYE: Brown, Cioni, Hill, Kevern,
Wiesenmeyer

The following Trustees voted NAY:

none

Whereupon the President declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the Village Clerk to record the same in the records of the Village of Chatham, Sangamon County, Illinois.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon the motion duly made, seconded and adopted, the meeting was adjourned.

Helen S. Spence
Village Clerk

Trustee, Wiesenmeyer, moved and Trustee, Kevern seconded the motion that said ordinance as presented and read by the Village Clerk be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said ordinance as read.

Upon the roll being called the following Trustees voted:

AYE: Brown, Cionis, Hill, Kevern
Wiesenmeyer

The following Trustees voted NAY:

Whereupon the President declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the Village Clerk to record the same in the records of the Village of Chatham, Sangamon County, Illinois.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon the motion duly made, seconded and adopted, the meeting was adjourned.

Helena S. Spence
Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

CERTIFICATION OF MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Chatham, Sangamon County, Illinois, and that as such official I am the keeper of the records and files of the President and Board of Trustees of said Village.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of said President and Board of Trustees of said Village held on the 14 day of November, 1978, insofar as same relates to the adoption of an ordinance entitled:

AN ORDINANCE authorizing and providing for the issuance of the principal amount of \$3,680,000 Waterworks and Sewerage Revenue Bonds, Series of 1978, of the Village of Chatham, Sangamon County, Illinois, providing for the payment, sale and delivery thereof and making certain covenants in that connection.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the President and Board of Trustees on the adoption of said ordinance were conducted openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that said meeting was called and held in strict compliance with the provisions of "AN ACT in relation to meetings," approved July 11, 1957, as amended, and with the applicable provision of the Illinois Municipal Code, as amended, and that said President and Board of Trustees has complied with all of the applicable provisions of said Act and said Code and with all of the procedural rules of said President and Board of Trustees.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said Village, this 14 day of November, 1978.

Helen S. Spence
Village Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

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IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said Village, this 14 day of November, 1978.



Village Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

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IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said Village, this 14 day of November, 1978.



Village Clerk

(SEAL)