

AN ORDINANCE COMBINING THE WATERWORKS SYSTEM AND THE SEWERAGE SYSTEM OF THE CITY OF NOKOMIS, MONTGOMERY COUNTY, ILLINOIS, AND PROVIDING FOR THE ISSUANCE OF TWO HUNDRED THIRTY-SIX THOUSAND FIVE HUNDRED DOLLARS (\$236,500) WATERWORKS AND SEWERAGE IMPROVEMENT AND REFUNDING REVENUE BONDS OF SAID CITY, FOR THE PURPOSE OF IMPROVING AND EXTENDING THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF SAID CITY, AND IN CONNECTION THEREWITH OF REFUNDING CERTAIN OUTSTANDING WATER REVENUE BONDS, PAYABLE SOLELY FROM THE REVENUES OF THE PREVIOUSLY EXISTING WATERWORKS; PRESCRIBING THE FORM AND DETAILS OF SAID BONDS; PROVIDING FOR THE COLLECTION OF REVENUES FROM SAID SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COST OF THE OPERATION AND MAINTENANCE THEREOF, PROVIDING AN ADEQUATE DEPRECIATION FUND THEREFOR, AND PROVIDING FOR THE PAYMENT OF SAID BONDS, BOTH AS TO PRINCIPAL AND INTEREST; AND FURTHER PROVIDING FOR THE SEGREGATION AND DISTRIBUTION OF SAID REVENUES.

WHEREAS, the City of Nokomis, Montgomery County, Illinois, now owns and operates a waterworks system and a sewerage system and the Council finds and declares that it is necessary that the waterworks system and the sewerage system be improved and extended, and that it is advisable that such improvements and extensions be financed through the issuance of bonds payable solely from the revenues to be derived from the operation of such systems; and further determines and declares that it is advisable that the aforesaid waterworks system and the aforesaid sewerage system shall henceforth be maintained and operated as a combined waterworks and sewerage system, to consist of the entire existing waterworks system and the entire existing sewerage system, together with all improvements and extensions thereof; and

WHEREAS, the Council of the City of Nokomis deems it to be advisable, necessary, and for the best interests of said City that the combined waterworks and sewerage system of said City be improved as follows:

Additions and improvements to the waterworks system consisting of wells, pumping equipment, pump stations, connecting piping, extensions and all appurtenances, and reconditioning the existing elevated water storage tank; also additions to the existing sewerage facilities consisting of a sewage treatment plant, sewage pumping station, sewers and all appurtenances.

and

WHEREAS, this Council has caused suitable plans and specifications for such improvements and extensions to be made by competent engineers on behalf of said City, and said plans and specifications have been accepted and approved by the Council and are now on file in the office of the City Clerk,

open for public inspection; and

WHEREAS, the estimated cost of constructing said improvements and extensions, including legal, engineering and other incidental expenses, prepared by engineers at the instance of the City, is Two Hundred Twenty Thousand Dollars (\$220,000); and

WHEREAS, the following Water Revenue Bonds of the City of Nokomis, payable from the revenues of the waterworks system of said City are now outstanding:

\$16,500 4% Water Revenue Bonds, dated July 1, 1934, of the denomination of \$1,000, except bonds numbered 27, 29 and 31, which are of the denomination of \$500 (being the outstanding remainder of an issue authorized by Ordinance No. 343, passed on December 17, 1934 in the original amount of \$35,000), numbered and maturing as follows:

<u>BOND NUMBERS</u>	<u>AMOUNT</u>	<u>MATURITY</u>
26 and 27	\$ 1,500	July 1, 1951
28 and 29	1,500	July 1, 1952
30 and 31	1,500	July 1, 1953
32 and 33	2,000	July 1, 1954
34 and 35	2,000	July 1, 1955
36 and 37	2,000	July 1, 1956
38 and 39	2,000	July 1, 1957
40 and 41	2,000	July 1, 1958
42 and 43	2,000	July 1, 1959

and

WHEREAS, funds are not available for the payment of said bonds, and it is necessary that they be refunded in connection with the issuance of the bonds authorized hereby for waterworks and sewerage improvements and extensions; and

WHEREAS, no bonds or certificates of indebtedness other than those above mentioned, payable from the revenues of the waterworks or of the sewerage system of said City, are now outstanding; and

WHEREAS, for the purpose of constructing the improvements and extensions hereinabove described and for the refunding of the above described outstanding bonds, it is necessary to issue Waterworks and Sewerage ~~Improvement~~ and Refunding Revenue Bonds in the aggregate amount of Two Hundred Thirty-six Thousand Five Hundred Dollars (\$236,500), pursuant to Article 62 of The Revised Cities and Villages Act:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NOKOMIS,

MONTGOMERY COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1. That this Council hereby determines that the existing waterworks and the existing sewerage system of said City shall be maintained and operated together as a combined waterworks and sewerage system, and that said combined system shall include the entire waterworks and the entire sewerage system of said City, and all future improvements and extensions thereto.

SECTION 2. That this Council has caused to be prepared an estimate of the cost of making improvements and extensions to said combined waterworks and sewerage system as described in the preamble hereto, including engineering, legal and other expenses, and this Council hereby determines that the total estimated cost of such improvements, including engineering, legal and other expenses, is the sum of Two Hundred Twenty Thousand Dollars (\$220,000).

SECTION 3. That this Council hereby declares that the period of usefulness of the now existing combined waterworks and sewerage system and the improvements and extensions to be made thereto pursuant to this ordinance is forty (40) years from the date of this ordinance.

SECTION 4. That the plans and specifications now on file in the office of the City Clerk and open to the inspection of the public for the improvements and extensions to the combined waterworks and sewerage system of the City of Nokomis have been and now again are approved.

SECTION 5. That the improvements and extensions to the combined waterworks and sewerage system of the City of Nokomis, described in a general manner in the preamble hereto, shall be constructed.

SECTION 6. That for the purpose of (a) paying the cost of constructing improvements and extensions to the combined waterworks and sewerage system of said City in the amount of Two Hundred Twenty Thousand Dollars (\$220,000), and (b) for refunding the outstanding Water Revenue Bonds, numbered 26 to 43, inclusive, of said City, described in the preamble hereto, in the amount of Sixteen Thousand Five Hundred Dollars (\$16,500), there shall be and are hereby authorized and directed to be issued and delivered, Waterworks and Sewerage Improvement and Refunding Revenue Bonds of the City of Nokomis, Montgomery County, Illinois, in the aggregate amount of Two Hundred Thirty-six Thousand Five Hundred Dollars (\$236,500).

Said bonds shall have all the qualities of negotiable instruments under the Laws of the State of Illinois;

Shall be dated the first day of April, 1951;

Shall be numbered from One (1) to Two Hundred Thirty-seven (237), both inclusive;

Shall be in the denomination of One Thousand Dollars (\$1,000), except bond No. 1, which shall be of the denomination of Five Hundred Dollars (\$500);

Shall bear interest at the rate of four percentum (4%) per annum from the date of said bonds until the principal thereof respectively shall have been fully paid, payable on the first day of November, 1951, and semi-annually thereafter on the first day of May and the first day of November in each year. Interest to accrue on and prior to maturity shall be evidenced by appropriate coupons to be attached to each of said bonds;

Said bonds shall be payable in lawful money of the United States of America at the Harris Trust & Savings Bank, in the City of Chicago, State of Illinois;

Said bonds shall mature as hereinbelow set out. Bonds numbered 1 to 175 shall mature without option of prior payment; but any or all of bonds numbered 176 to 237 shall be callable for payment, prior to maturity as hereinbelow provided on May 1, 1966 or on any interest payment date occurring after such dates.

Any bonds called for payment prior to their maturity shall be called in the inverse order of their numbers and shall be paid at par, plus accrued interest. Notice of the call of any bonds shall be given as follows: if the bonds so called be then registered as to principal, as herein provided, then notice of their call shall be given by registered mail to the registered owner. Such notice, addressed to the registered owner, shall be deposited in the United States mail, postage prepaid, at least thirty (30) days before the redemption date and such notice shall be fully sufficient. If the bonds so called be not registered, then notice of the call thereof shall be published at least once and at least thirty (30) days, but not more than One Hundred Eighty (180) days before the redemption date, in a newspaper of general circulation, published in the City of Chicago, State of Illinois, and such notice shall be fully sufficient. Interest shall cease on any bond so called from the redemption date, provided that provision shall have been made for its payment on this date.

Said bonds shall be numbered and shall mature as follows:

<u>BOND NUMBERS</u>	<u>AMOUNT</u>	<u>MATURITY</u>
1 to 5, incl.	\$ 4,500	May 1, 1953
6 to 10, "	5,000	May 1, 1954
11 to 15, "	5,000	May 1, 1955
16 to 20, "	5,000	May 1, 1956
21 to 25, "	5,000	May 1, 1957
26 to 30, "	5,000	May 1, 1958
31 to 36, "	6,000	May 1, 1959
37 to 42, "	6,000	May 1, 1960
43 to 48, "	6,000	May 1, 1961
49 to 54, "	6,000	May 1, 1962
55 to 61, "	7,000	May 1, 1963
62 to 68, "	7,000	May 1, 1964
69 to 75, "	7,000	May 1, 1965
76 to 82, "	7,000	May 1, 1966
83 to 90, "	8,000	May 1, 1967
91 to 98, "	8,000	May 1, 1968
99 to 106, "	8,000	May 1, 1969
107 to 115, "	9,000	May 1, 1970
116 to 124, "	9,000	May 1, 1971
125 to 133, "	9,000	May 1, 1972
134 to 143, "	10,000	May 1, 1973
144 to 153, "	10,000	May 1, 1974
154 to 164, "	11,000	May 1, 1975
165 to 175, "	11,000	May 1, 1976
176 to 187, "	12,000	May 1, 1977
188 to 199, "	12,000	May 1, 1978
200 to 211, "	12,000	May 1, 1979
212 to 224, "	13,000	May 1, 1980
225 to 237, "	13,000	May 1, 1981

That any of said bonds may be registered as to principal, as provided in the form of bond set out herein.

SECTION 7. That said bonds shall be executed by the manual signature of the Mayor of said City and attested by the signature of the City Clerk, with the seal of said City impressed thereon, and the interest coupons to be attached thereto shall be executed by the facsimile signatures of said officials, who, by the execution of said bonds, shall be held to have adopted such facsimile signatures as their own proper signatures.

SECTION 8. That said bonds and the coupons attached thereto shall be in substantially the following form:

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF MONTGOMERY

CITY OF NOKOMIS

4%

WATERWORKS AND SEWERAGE IMPROVEMENT  
AND REFUNDING REVENUE BOND

NO. \_\_\_\_\_

\$ \_\_\_\_\_

The City of Nokomis, Montgomery County, Illinois, for value received hereby promises to pay to bearer, or if this bond be registered as hereinafter

provided, to the registered holder hereof, solely from the revenues of the combined waterworks and sewerage system of said City of Nokomis and not otherwise, the sum of

\_\_\_\_\_ DOLLARS

(\$ \_\_\_\_\_) on the first day of May, 19\_\_\_\_, with interest thereon from the date hereof at the rate of four per centum (4%) per annum, payable on the first day of November, 1951, and semi-annually thereafter on the first day of May and the first day of November in each year until the principal of this bond shall have been fully paid. Interest to and including maturity shall be payable upon presentation and surrender of the annexed interest coupons as they severally become due.

Both principal of and interest on this bond are payable in lawful money of the United States of America at the Harris Trust & Savings Bank, in the City of Chicago, State of Illinois.

The right is reserved unto the City of Nokomis, at its option, to call in, pay and redeem any or all of bonds numbered 176 through 237, prior to their maturity, in the inverse order of their numbers, at par and accrued interest, on May 1, 1966 or on any interest payment date thereafter. Notice of the call of any bonds shall be given as follows: if the bonds so called be then registered as to principal, as herein provided, then notice of their call shall be given by registered mail to the registered owner. Such notice, addressed to the registered owner, shall be deposited in the United Statesmail, postage prepaid, at least thirty (30) days before the redemption date and such notice shall be fully sufficient. If the bonds so called be not registered, then notice of the call thereof shall be published at least once and at least thirty (30) days but not more than One Hundred Eighty (180) days before the redemption date, in a newspaper of general circulation, published in the City of Chicago, State of Illinois, and such notice shall be fully sufficient. Interest shall cease on any bonds so called from the redemption date, provided that provision shall have been made for its payment on this date.

This bond is one of an authorized issue of Two Hundred Thirty-seven (237) bonds, numbered from One (1) to Two Hundred Thirty-seven (237), both inclusive, all of like date, tenor and effect, except as to denomination, date of

maturity and provision for redemption prior to maturity, aggregating the sum of Two Hundred Thirty-six Thousand Five Hundred Dollars (\$236,500), issued by the City of Nokomis for the purposes of paying the cost of constructing improvements and extensions to the combined waterworks and sewerage system of said City, and in connection therewith of refunding outstanding bonds of said City payable from the revenues of the waterworks system included in such combined system, under authority of Article 62 of The Revised Cities and Villages Act of the State of Illinois, and pursuant to an ordinance of said City duly adopted on the 19<sup>TH</sup> day of MARCH, 1951, which is hereby incorporated herein as fully as if set out herein.

This bond and the issue of which it is one are payable solely from the revenues derived from said combined waterworks and sewerage system and not otherwise, and do not constitute an indebtedness of said City within any constitutional or statutory limit.

Under said Act and the ordinance adopted pursuant thereto, the entire revenues derived from the operation of the combined waterworks and sewerage system shall be set aside as collected and be deposited in a separate fund designated the "Waterworks and Sewerage Fund" of said City, and a sufficient amount thereof shall be used only in paying the cost of maintenance and operation of such combined system, of providing an adequate depreciation fund, and of paying the principal of and the interest on all bonds of said City payable from the revenues of said system.

The City of Nokomis hereby covenants that it will perform all duties required by law and by the ordinance which authorized this bond; that it will continuously operate said combined waterworks and sewerage system, and that it will fix and maintain rates for the services thereof and will collect and account for revenues therefrom sufficient at all times to pay promptly the cost of maintenance and operation of said combined system, to provide an adequate depreciation fund, to pay the principal of and the interest on the bonds authorized hereby, and to pay the principal of and interest on any and all other bonds or obligations chargeable to the revenues of said system.

It is hereby certified, recited and represented that all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance of this bond and of the issue of which it is one, in order

to make the same valid and binding obligations of said City, do exist, have happened and have been performed in regular and due time, form and manner, as required by law. For the performance in apt time and manner of every official act necessary for the prompt payment of this bond, both as to principal and interest, the full faith of said City of Nokomis is hereby irrevocably pledged.

This bond may be registered as to principal in the name of the holder on the books of said City in the office of the City 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 registration by being transferred to bearer, after which it shall be transferable by delivery, but it may again be registered as before. The registration of this bond shall not affect the negotiability of the coupons hereto attached, which shall continue negotiable by delivery merely, notwithstanding the registration hereof.

IN WITNESS WHEREOF, the City of Nokomis, Montgomery County, Illinois, has caused this bond to be signed by its Mayor, its corporate seal to be hereto affixed, and attested by the City Clerk, and the coupons hereto attached to be signed by the facsimile signatures of said Mayor and said City Clerk, who, by the execution of this bond shall be held to have adopted such facsimile signatures as their own proper signatures, and this bond to be dated the first day of April, 1951.

CITY OF NOKOMIS, ILLINOIS

BY \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

(FORM OF COUPON TO BE ATTACHED TO BONDS  
NUMBERED 1 to 175, INCLUSIVE.)

NO. \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of <sup>May,</sup> November, 19\_\_\_\_, the City of Nokomis, Montgomery County, Illinois, will pay to bearer, solely out of the revenues of the combined waterworks and sewerage system of said City \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in lawful money of the United States of America at the Harris Trust & Savings Bank, in the City of Chicago, State of Illinois,

being interest then due on its Waterworks and Sewerage Improvement and Refunding Revenue Bond, dated April 1, 1951, and numbered \_\_\_\_\_.

CITY OF NOKOMIS, ILLINOIS

BY \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

(FORM OF COUPON TO BE ATTACHED TO BONDS  
NUMBERED 176 TO 237, INCLUSIVE.)

NO. \_\_\_\_\_ \$ \_\_\_\_\_

On the first day of <sup>May,</sup> November, 19\_\_\_\_, unless the hereinafter mentioned bond be then callable for redemption and shall theretofore have been called for redemption and provision for such redemption duly made, the City of Nokomis, Montgomery County, Illinois, will pay to bearer, solely out of the revenues of the combined waterworks and sewerage system of said City \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in lawful money of the United States of America at the Harris Trust & Savings Bank, in the City of Chicago, State of Illinois, being interest then due on its Waterworks and Sewerage Improvement and Refunding <sup>REVENUE</sup> Bond, dated April 1, 1951, and numbered \_\_\_\_\_.

CITY OF NOKOMIS, ILLINOIS

BY \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

The following shall appear on the reverse of the bonds:

(FORM OF REGISTRATION CERTIFICATE)

No writing below except by the Treasurer of the City of Nokomis, Illinois.

<u>DATE OF REGISTRATION</u>	<u>IN WHOSE NAME REGISTERED</u>	<u>SIGNATURE OF CITY TREASURER</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION 9. That the bonds authorized hereby, and the interest thereon, shall be payable equally and ratably, solely from the revenues derived from the operation of the combined waterworks and sewerage system of said City, including any improvements and extensions thereto, and shall not constitute an indebtedness of the City of Nokomis within the meaning of any constitutional or statutory limitation.

SECTION 10. That from and after the delivery of any bonds issued under the provisions of this ordinance, the combined waterworks and sewerage system shall be operated on the basis of a fiscal year corresponding to the fiscal year established for other affairs of the City, which now begins on MAY 1 of each year and ends on APRIL 30 of the ensuing year. All revenues derived from the operation of the combined waterworks and sewerage system shall be deposited in a separate fund to be designated as the "WATERWORKS AND SEWERAGE FUND"; and a sufficient amount thereof shall be used only for and is pledged to the payment of (1) the cost of maintenance and operation of the system, (2) the payment of the principal of and the interest on all revenue bonds of said City which may be payable from the revenues of the combined system, and (3) the creation of an adequate depreciation fund; and such funds shall at all times be sufficient for the above purposes. All sums in the Waterworks and Sewerage Fund shall at all times be held in bank accounts separate and distinct from the bank accounts in which other City funds are held.

SECTION 11. That sums in the Waterworks and Sewerage Fund shall be set aside for, allocated to and deposited in the following separate accounts which are hereby created in said fund by the financial officer of the City of Nokomis without further direction of or action by the Council or other authority of said City. Such allocations and deposits shall be made on the first business day of each and every month as long as any of the bonds authorized hereby or the coupons attached hereto shall remain outstanding and unpaid.

(a) Into an account designated as the "WATERWORKS AND SEWERAGE MAINTENANCE ACCOUNT" there shall be deposited in each month a sum sufficient to pay the estimated cost of operating and maintaining the system in good repair and working order during the next ensuing month in an efficient and economical manner.

(b) Into an account designated the "WATERWORKS AND SEWERAGE INTEREST AND PRINCIPAL ACCOUNT" there shall be deposited in each month sums at least equal to one-sixth of the amount of interest that will come

due on all bonds then outstanding on the next interest payment date occurring after the date of such deposit, plus one-twelfth of the amount of principal that will come due on said bonds on the next maturity date occurring after the date of such deposit. Sums in this account shall be used only for the payment of the principal of and the interest on the bonds authorized hereby as the same shall come due. Deposits made prior to the first interest payment date and the first maturity date shall be adjusted to provide sufficient funds for the purpose.

(c) Into an account designated the "WATERWORKS AND SEWERAGE BOND RESERVE ACCOUNT" there shall be deposited for each month the sum of Two Hundred Dollars (\$200.00). Such monthly deposits shall be continued until the sum of Fourteen Thousand Five Hundred Dollars (\$14,500) has accumulated in said account. If said account should thereafter be depleted for any cause, including payments therefrom made in accordance with this ordinance, then such monthly deposits of Two Hundred Dollars (\$200.00) shall be resumed until said account shall be restored to the sum of Fourteen Thousand Five Hundred Dollars (\$14,500). Sums in said Reserve Account should be disbursed only for the payment of the bonds authorized hereby or the interest thereon, and then only when and to the extent that other funds are not available for the purpose; sums in this account shall not be used to pay bonds called for payment prior to their maturity unless all bonds then outstanding are then retired.

(d) Into an account designated the "WATERWORKS AND SEWERAGE DEPRECIATION ACCOUNT" there shall be deposited in each month the sum of One Hundred Dollars (\$100.00) until the sum of Fifteen Thousand Dollars (\$15,000) has been accumulated in said account. When and as long as said amount shall be on deposit in said account, no further deposits need be made therein. If said account should be depleted for any cause, including payments therefrom made in accordance with this ordinance, then such monthly deposits of One Hundred Dollars (\$100.00) shall be resumed until said account shall be restored to Fifteen Thousand Dollars (\$15,000).

Sums in this account shall be expended for such replacements to the system as may be necessary from time to time for the continued effective and efficient operation of the system.

Any surplus remaining in the Waterworks and Sewerage Fund after making all deposits into the above accounts (a), (b), (c) and (d) required by this ordinance may be used for any purpose permitted by law.

SECTION 12. All moneys received from the operation of the combined waterworks and sewerage system shall be deposited as received in a bank account separate from all other bank accounts in which City funds are held and in a bank to be designated by the Council, which shall be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation.

Sums in the Waterworks and Sewerage Depreciation Account and in the Waterworks and Sewerage Bond Reserve Account may, at the option of the City, be held in such bank as cash deposits or invested in bonds or other obligations of the United States Government or unconditionally guaranteed by that Government, which shall, however, mature within ten (10) years of the time such bonds or other obligations are purchased. Purchases and sale of any such securities shall

be made in conformity with the applicable law of the State of Illinois (now Chapter 102, Sections 29 to 33, Illinois Revised Statutes).

SECTION 13. That the amounts to be set aside for the payment of the bonds authorized hereby and deposited in the Waterworks and Sewerage Interest and Redemption Account are declared to be as follows:

<u>In the twelve months ending on April 30th in the year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1952		\$ 10,247.55	\$ 10,247.55
1953	\$ 4,500	9,460	13,960
1954	5,000	9,280	14,280
1955	5,000	9,080	14,080
1956	5,000	8,880	13,880
1957	5,000	8,680	13,680
1958	5,000	8,480	13,480
1959	6,000	8,280	14,280
1960	6,000	8,040	14,040
1961	6,000	7,800	13,800
1962	6,000	7,560	13,560
1963	7,000	7,320	14,320
1964	7,000	7,040	14,040
1965	7,000	6,760	13,760
1966	7,000	6,480	13,480
1967	8,000	6,200	14,200
1968	8,000	5,880	13,880
1969	8,000	5,560	13,560
1970	9,000	5,240	14,240
1971	9,000	4,880	13,880
1972	9,000	4,520	13,520
1973	10,000	4,160	14,160
1974	10,000	3,760	13,760
1975	11,000	3,360	14,360
1976	11,000	2,920	13,920
1977	12,000	2,480	14,480
1978	12,000	2,000	14,000
1979	12,000	1,520	13,520
1980	13,000	1,040	14,040
1981	13,000	520	13,520

If all bonds authorized hereunder be not issued, or if some of the bonds which are issued be retired before maturity, then the amounts to be deposited as above stated shall be correspondingly reduced. No error in stating the amounts due in any year shall impair the obligation upon said City to pay promptly all bonds and the interest thereon.

SECTION 14. That if the revenues derived from the operation of the combined waterworks and sewerage system should be insufficient at any time to make the payments or deposits required by Section 11 of this ordinance, the deficiency shall be made good by additional payments to be made out of the first available revenues of said system received during any succeeding month or months. Whenever and as long as sums actually on deposit in the Waterworks and Sewerage

Interest and ~~on~~ Principal Account and in the Waterworks and Sewerage Bond Reserve Account together shall equal the principal amount of all outstanding bonds, plus the amount of all interest due thereon until the respective maturity dates of all such bonds, then no further deposits need be made into said accounts.

SECTION 15. That the City of Nokomis covenants and agrees with the holder or holders of the bonds herein authorized to be issued that it will perform all duties with respect to the operation and maintenance of said combined waterworks and sewerage system, including all improvements and extensions thereto, and with respect to the fixing, maintaining and collecting of the rates, fees and charges for the services and facilities thereof, and the establishment of the accounts herein authorized and created, and all other matters and things required by law and by this ordinance, and that it will do or cause to be done, in apt time and season, each and every official act necessary for the payment of the principal of and the interest on the bonds herein authorized to be issued, as the same shall mature and accrue.

Said City further covenants with the holders of said bonds as follows:

(a) That it will construct the improvements to the combined waterworks and sewerage system contemplated by this ordinance, as expeditiously as possible, and that as long as any of the bonds or interest coupons authorized by this ordinance are outstanding and unpaid, it will operate and maintain said combined system and for that purpose will maintain its corporate existence.

(b) That as long as any of said bonds or the interest coupons pertaining thereto remain outstanding and unpaid, the City will fix and maintain rates and make and collect charges for the use and service of the combined waterworks and sewerage system, sufficient to pay the cost of maintenance and operation thereof and to pay the principal of and the interest on all revenue bonds or other obligations issued by said City chargeable to the revenues of said system, to provide the sums required to maintain the reserve account and the depreciation account created by Section 11 hereof, and to provide ample funds to meet all requirements of this ordinance. Such rates shall from time to time be revised so as fully to meet the requirements of this ordinance. No free service of the system shall be furnished to any person, firm, organization, or corporation, public or private, and all rates and charges shall be non-discriminatory, provided that the Council reserves the right to impose special rates and charges in cases where particular circumstances render the regular rates inadequate or unjust. No such special charges or rates shall operate to reduce the revenues of the system so that they shall be insufficient to provide ample funds to meet all requirements of this ordinance.

(c) That if the City of Nokomis should elect to supply itself with water for any purpose, or shall avail itself of the service of the sewerage system, reasonable rates therefor shall be charged against the City and payment made from the funds thereof. Such payment shall be deemed as a part of the revenues of said system, shall be deposited in the Waterworks and Sewerage Fund and allocated as provided in Section 11 hereof.

(d) That as long as any of said bonds or interest coupons shall remain outstanding and unpaid, the said City shall carry and maintain all-risk insurance, including public liability insurance, upon all of the properties forming a part of said combined waterworks and sewerage system which may be of an insurable nature; such insurance to be of the type and kind and for such amount or amounts as carried and maintained by other municipalities or private companies rendering services of a similar character in similar communities. The proceeds of all such insurance, except public liability insurance, shall be used only for the maintenance and restoration of said combined system, or for the payment of the principal of and the interest on the bonds authorized to be issued by this ordinance.

(e) That said City shall set up and maintain a proper system of accounts and records separate from all other accounts and records, showing the amount of revenue received from its combined waterworks and sewerage system and the application of such revenues and all financial transactions in connection therewith. Such accounts, at least once a year, shall be audited properly by an independent public accountant employed for the purpose. A report of such audit shall be furnished each year, without further request, to the original purchaser of the bonds authorized hereby, within sixty (60) days after the close of the fiscal years and, upon request, to any bondholder. The annual audit of the waterworks and sewerage system shall include:

- (1) A classified statement of the gross revenues received, of the operating expenditures, of the net operating revenue, of the amount of any capital expenditures in connection with the system for the fiscal year;
- (2) A balance sheet as of the end of each fiscal year, including a statement of the amount on hand at the end of the fiscal year in each of the accounts created by Section 11 of this ordinance;
- (3) A statement of the profit or loss for such fiscal year;
- (4) A statement of the number of customers served by the waterworks system and of the number served by the sewerage system at the beginning and the ending of the fiscal year;
- (5) A statement of the number of gallons of water pumped and sold during the fiscal year;
- (6) A statement of the amount and character of insurance carried by the City on the property of the system, and of the names of the insurers and of the expiration dates of the several policies;
- (7) Such comments regarding the City's methods of operation and accounting practices as the auditor may deem desirable.

(f) That any holder or holders or the original purchaser of said bonds shall be permitted, at all reasonable times, to inspect said combined system and all records and data relating thereto and shall be furnished all data and information relating to said combined system which may reasonably be requested.

(g) That as long as any of said bonds or the coupons pertaining thereto shall remain outstanding and unpaid, the said City shall not sell, lease, loan, mortgage, pledge or otherwise encumber or in any manner dispose of or permit any lien to attach to said combined waterworks and sewerage system, or any part thereof, unless the bonds authorized hereby shall have been paid in full both as to principal and interest, or unless adequate provision shall have been made which shall assure the full payment of said bonds and the interest thereon to maturity in full, according to their terms.

(h) That said City shall employ a competent, experienced and qualified person to supervise and manage the operation of said combined waterworks and sewerage system and such further employees as may be required for its efficient and economical operation.

(i) That the Council shall require that accounts be rendered to it monthly as of the first of each month showing the revenues, disbursements and other transactions in connection with its combined waterworks and sewerage system. Copies of such statements shall be mailed to the original purchaser of the bonds without further request.

SECTION 16. That any holder of a bond or bonds or any of the coupons of any bond or bonds issued hereunder may, either in law or equity, by suit, mandamus or other proceedings, enforce or compel performance of all duties required by this ordinance, including the making and collecting of sufficient rates for water and sewerage service and application of income and revenue therefrom.

SECTION 17. That from and after the delivery of the bonds authorized hereby no further bonds shall be issued or obligations incurred by said City which are in whole or in part payable from or chargeable to the revenues derived or to be derived from the operation of said combined waterworks and sewerage system (except obligations incurred in the operation and maintenance thereof) except upon compliance with the conditions hereinbelow set out in paragraphs I, II and III.

I.

First, that the City shall have made, at the time of the delivery of any such additional bonds or obligations, all allocations and payments into the Waterworks and Sewerage Bond Reserve Account and into the Waterworks and Sewerage Depreciation Account required by paragraphs (c) and (d) of Section 11 of this ordinance.

Second, that the average revenues derived from the operation of the waterworks and sewerage system for the then next preceding three fiscal years shall be equal to the sum of the following:

- (a) The average expenses of operation and maintenance of said system incurred during such fiscal years; plus
- (b) The sum of \$1,200 per year (the amount provided to be deposited in the Depreciation Account); plus
- (c) 125% of the highest amount which shall thereafter become due in any one fiscal year as principal of and as interest on all bonds or other obligations then outstanding and the bonds or other obligations then to be issued, (not, however, including any amounts required to be paid into or held in the Waterworks and Sewerage Bond Reserve Account provided by Section 11 (c) of this ordinance or the Waterworks and Sewerage Depreciation Account created by Section 11 (d) of this Ordinance;)

in which case additional bonds or other obligations may be issued on a parity with the bonds authorized hereby.

Or

If the delivery of any such additional bonds shall be within a period of three years from the date of the adoption of this ordinance the above restrictions shall be computed on the basis of the revenues and expenditures for the period beginning on the date of the passage of this ordinance to the first day of the second month prior to the passage of the ordinance authorizing such additional bonds provided, however, that such period shall not be less than one year.

II.

Unless such additional bonds or other obligations are in all respects junior and subordinate to the bonds authorized hereby, and subject and subordinate to the provisions of Section 11 hereof, requiring certain payments to be made into the accounts therein established.

III.

The restrictions upon the issuance of additional bonds or other obligations set out in this section shall not apply in the following circumstances;

(a) That the waterworks or sewerage system of the City of Nokomis should hereafter be destroyed or damaged to such extent that it cannot be operated.

(b) That all funds received from insurance or otherwise available shall be insufficient to pay the cost of the restoration of said waterworks or sewerage system to such a condition that it can again be operated. The cost of such restoration shall be determined by the estimate of a reputable and competent engineer or engineering firm or corporation selected by the City, with the approval of the holders of 75% of the outstanding bonds. This estimate shall be based upon plans and specifications for the restoration of the system prepared for that purpose.

(c) That the holders of at least 75% of the principal amount of the bonds authorized by this ordinance then outstanding shall give written consent to the issuance of additional bonds on a parity with the bonds authorized hereby and shall file such written consents with the Clerk of the City of Nokomis. Such consents shall be acknowledged before a notary public and shall state the precise amount of additional certificates of indebtedness or bonds which may be issued.

Upon the occurrence of all of the circumstances set out above, additional bonds may be issued solely for the purpose of paying the cost of restoring the waterworks and sewerage system to reasonable working order in an amount not greater than the amount stated in the consents filed by the holders of the outstanding bonds.

SECTION 18. That the provisions of this ordinance shall constitute a contract between the City of Nokomis and the holders of the bonds herein authorized to be issued, and after the issuance of the bonds, no changes, additions or alterations of any kind shall be made hereto in any manner except in accordance with the provisions of this ordinance, or until such time as all of said bonds issued hereunder and the interest thereon shall be paid in full, or unless and until such provision shall have been made as will assure the full payment of all such bonds and interest thereon to maturity.

SECTION 19. That all bonds issued hereunder shall be payable equally and ratably, without regard to the date when said bonds shall actually be de-

livered, and shall enjoy parity of lien, one with the other, upon the revenues of said combined system.

SECTION 20. That at least five (5) days prior to May 1st and November 1st in each year the financial officer of the City of Nokomis shall remit to the paying agent designated for the bonds authorized hereby the sums due on such dates as principal and interest, together with the customary charges of such paying agent for its services and responsibility.

SECTION 21. The principal proceeds of the bonds authorized hereby, not exchanged for outstanding bonds as hereinafter provided, shall be deposited in a special account to be designated the "WATERWORKS AND SEWERAGE CONSTRUCTION ACCOUNT". Disbursements from the Waterworks and Sewerage Construction Account shall be made only for the purpose of constructing the improvements and extensions to the waterworks and sewerage system contemplated by this ordinance. Such disbursements shall be made only upon order of the Council and pursuant to a certificate of the Engineer charged with the supervision of the improvement. Such certificate shall state;

- (a) That the work done or the materials obtained were within the contract or contracts for the construction of the improvements (if such work was done or materials and supplies obtained under a contract), or that the work which was done or the materials or supplies obtained were within the scope of the contemplated improvement;
- (b) That the work or the materials or supplies obtained meet all the requirements of the contract (if such work was done or materials supplied under contract), or that such work was done in an efficient manner, or that such supplies or materials are of proper quality;
- (c) That the amount to be paid is within the contract price (if such work was done or materials or supplies obtained under contract), or that it is a reasonable value of such work, material or supplies.
- (d) Whether the funds remaining in the Waterworks and Sewerage Construction Account will suffice to complete the construction of the proposed improvements and extensions.

Nothing in this section shall be construed to prevent the payment of all costs and expenses in connection with the issuance of the bonds without such certificate of the Engineer.

SECTION 22. That the bonds authorized hereby shall be delivered in accordance with further action of the Council of the City of Nokomis; such delivery shall be made to Messrs. Barcus, Kindred & Company and to J. T. Swartz & Company, Inc. in accordance with the contract of sale heretofore made by the Council, which is hereby ratified and confirmed.

SECTION 23. In determining the amount of the Treasurer's bond, the corporate authorities of the City, in estimating the largest amount which will be in the Treasurer's custody, shall include the amount of the revenues of the combined waterworks and sewerage system, which will be received and held by him.

SECTION 24. 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 other provision of this ordinance.

SECTION 25. That all ordinances or resolutions in conflict herewith shall be and are hereby repealed to the extent of such conflict.

SECTION 26. That this ordinance, after its passage, shall be published once in THE FREE PRESS PROGRESS, a newspaper published and having a general circulation in the City of Nokomis, and if no petition is filed with the Clerk of said City within ten days after the publication of this ordinance, signed by fifteen per centum (15%) of the number of electors who voted for Mayor of said City at the last general municipal election preceding the passage of this ordinance, asking that the question of extending and improving said combined waterworks and sewerage system, as provided by this ordinance, and the question of the issuance of revenue bonds therefor, be submitted to the electors of said City, then this ordinance shall be in full force and effect after the expiration of said period of ten days.

Introduced and filed for public inspection MARCH 12, 1951.

Passed: MARCH 19, 1951

Recorded: MARCH 20, 1951

Published: MARCH 22, 1951

ATTEST:

Jeff. G. Gierard  
CITY CLERK

Virgil K Adams.  
MAYOR

STATE OF ILLINOIS        )  
                                  )    ss.  
COUNTY OF MONTGOMERY    )

I, W.P. Gilbert, City Clerk of the  
City of Nokomis, Montgomery County, Illinois, hereby certify that  
the foregoing pages constitute a full, true and complete copy of  
Ordinance No. 424, adopted by the Council of said City on the  
19th day of March, 1951.

I further certify that prior to the making of this certi-  
ficate the said ordinance was spread at length upon the records of  
said City, where it now appears in City Ordinance.

IN TESTIMONY WHEREOF, I have hereunto set my hand and  
affixed the seal of said City of Nokomis, Illinois, this 20th day  
of March, 1951.

W.P. Gilbert  
City Clerk

(SEAL)