

**UTILITY SERVICE BOARD
OF THE CITY OF BLOOMINGTON, INDIANA
RESOLUTION NO. 2023-23**

**A RESOLUTION AUTHORIZING CERTAIN CAPITAL PROJECT FOR THE CITY OF
BLOOMINGTON’S WATERWORKS UTILITY, AND APPROVING THE ISSUANCE
OF REVENUE BONDS THEREFOR**

WHEREAS, the City of Bloomington, Indiana (the “City”), has previously established and constructed and now owns and operates, through its Utility Service Board (the “Board”), a waterworks system pursuant to Indiana Code 8-1.5 (the “Waterworks”), through the City of Bloomington Utilities Department; and

WHEREAS, the Board hereby finds that certain improvements and extensions to said works are necessary; that plans, specifications and estimates have been prepared and filed by the City’s engineers for the construction of said improvements and extensions (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (the “Project”), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and will be approved by the aforesaid governmental authorities and are incorporated herein by reference and will be open for inspection at the office of the City as required by law; and

WHEREAS, the Board further finds that the City has obtained estimates prepared and delivered by the engineers employed by the City for the construction of said Project and will advertise for and receive construction bids therefor; that on the basis of said estimates, the maximum estimated cost of the Project, as defined in Indiana Code 8-1.5, as amended, including all authorized expenses relating thereto, including the costs of issuance of bonds on account of the financing of all or a portion thereof, is in the amount of Ninety-Five Thousand (\$95,000); and

WHEREAS, the Board further finds that there are not sufficient funds on hand from the Waterworks to pay the costs of the Project, and that the financing of the costs of the Project should be accomplished by the issuance of revenue bonds of the Waterworks, in an aggregate principal amount not to exceed Ninety-Five Thousand (\$95,000), and, if necessary, bond anticipation notes, all on the terms and conditions set forth herein; and

WHEREAS, this Board finds that it would be beneficial to finance the costs of the Project and hereby authorizes the same by issuance of one or more series of the City of Bloomington, Indiana Waterworks Revenue Bonds (collectively, the “Bonds”) and, pending the issuance of such Bonds, one or more series of bond anticipation notes (collectively, the “BANs”) for such purpose; and

WHEREAS, the Board finds that to the extent there are any outstanding bonds of the waterworks (“Outstanding Parity Bonds”) that constitute a first charge on the Net

Revenues (as defined herein), prior to issuing the bonds to be issued pursuant to the Bloomington Common Council (the “Common Council”) Ordinance (as hereinafter defined), at the request of the Indiana Finance Authority (the “Authority”), the Common Council, if necessary, shall adopt an ordinance satisfying the conditions for the issuance of additional parity bonds, as described in the ordinance that authorized the Outstanding Parity Bonds. To the extent the City is required to issue bonds pursuant to the Common Council Ordinance to meet its obligations to redeem and retire any bond anticipation notes issued pursuant to the Common Council Ordinance and the Financial Assistance Agreement with the Authority that are not able to not satisfy the conditions for the issuance of additional parity bonds (as described in the ordinance that authorized the Outstanding Parity Bonds), even after taking all possible steps to meet such conditions, such bonds shall, at the request of the Authority, be issued pursuant this Ordinance as a second charge on the Net Revenues, junior and subordinate to any Outstanding Parity Bonds; and

WHEREAS, this Board finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds have been complied with in accordance with the provisions of the Act; and

WHEREAS, this Board now desires to recommend to the Common Council that it adopt an ordinance authorizing the issuance of the Bonds upon the terms set forth below; and

WHEREAS, the Common Council has previously adopted its ordinances (the “Rate Ordinances”), imposing fees and charges for the several classes of users or property to be served by the Waterworks utility, which Rate Ordinances, as the same may be amended from time to time, are incorporated herein by reference as if fully included and set forth in this Resolution; and

WHEREAS, the City expects to pay for certain costs of the Project (collectively, the “Expenditures”) prior to the issuance of the Bonds from the Waterworks operating account, and to reimburse the Expenditures with proceeds received by the City upon the issuance of the Bonds or the BANs, and the Board, on behalf of the City, desires to declare its intent to reimburse the Expenditures pursuant to Treas. Reg. §1.150-2 and Indiana Code §5-1-14-6(c); and

WHEREAS, this Board now desires to recommend to the Common Council that it adopt an ordinance authorizing the issuance of the proposed Bonds in substantially the form attached as Exhibit B hereto and incorporated herein (the “Ordinance”).

NOW, THEREFORE, BE IT RESOLVED BY THE UTILITY SERVICE BOARD OF THE CITY OF BLOOMINGTON, INDIANA, AS FOLLOWS:

1. The Board hereby recommends and requests that the Common Council adopt an ordinance authorizing the issuance of the Bonds, in one or more series, in a maximum aggregate principal amount not to exceed \$95,000 with a maximum interest rate of 7.00%

and with a final maturity date no later than January 1, 2029, for the purpose of providing funds to (i) pay all or a portion of the costs of the Project, (ii) fund a debt service reserve fund or pay the premium for a debt service reserve surety policy, and (iii) pay the costs incurred on account of the issuance and sale of the Bonds, including any premiums for any municipal bond insurance policies.

2. The Board hereby estimates that the fees for the several classes of users or property to be served by the Waterworks utility are equal to the fees and charges set forth in the Rate Ordinances.
3. The Board hereby declares its official intent, to the extent permitted by law, to issue the Bonds in one or more series, in an aggregate principal amount not to exceed \$95,000, and to reimburse costs of the Project consisting of the Expenditures from proceeds of the sale of such Bonds or the BANs.
4. The Secretary of the Board is hereby authorized and directed to present a copy of this Resolution to the Bloomington City Clerk for presentation to the Common Council as soon as may be done.
5. This Resolution shall be in full force and effect after its adoption by the Board.

Resolution 2023-23

PASSED AND ADOPTED THIS 6th DAY OF NOVEMBER, 2023.

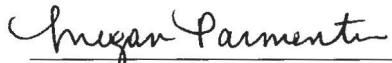
CITY OF BLOOMINGTON, INDIANA

By and Through its Utility Service Board

 11-8-23

Amanda Burnham, President

Jeff Ehman, Member



Megan Parmenter, Vice President

Seth Debro, Member



Jim Sherman, Member

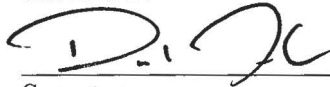


Kirk White, Member



Molly Stewart, Member

ATTEST:



Secretary

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of (i) purchasing a Swordfish (product of Electro Scan Inc.) as a method of quickly and effectively identifying service line composition using measures of conductivity and electrical resistance and (ii) acquiring the tools necessary to rapidly input and update our service line inventory from the field by multiple users, including iPads and corresponding GIS user licenses that will allow our crews in the field to identify and input data directly into the service line database.

EXHIBIT B
FORM OF ORDINANCE

(Attached)



State Revolving Fund Loan Programs

Drinking Water, Clean Water, Nonpoint Source

FACT SHEET

October 2023

GENERAL PROGRAM INFORMATION

What is the State Revolving Fund (SRF) Loan Program?

The State Revolving Fund (SRF) Loan Program provides low interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure and for nonpoint source projects. The Indiana Finance Authority administers this program to protect public health and the environment.

Who is eligible?

- Cities, towns, counties, regional sewer/water districts, conservancy districts are eligible for wastewater, drinking water and nonpoint source SRF loans.
- In addition, private, not-for-profit and water authorities are eligible for drinking water SRF loans.

Where does SRF's funding originate?

The State applies to the U.S. Environmental Protection Agency (U.S. EPA) annually for capitalization grants to fund its SRF Programs. To increase available funds, the State leverages its U.S. EPA capitalization grants in the municipal bond market. These funds are combined with the U.S. EPA required state match and are then made available to Indiana communities in the form of low interest loans.

What types of projects are eligible for funding?

Wastewater projects may include:

- Treatment plant improvements,
- Sewer line extensions to existing or platted unsewered properties,
- Combined sewer overflow corrections,
- Infiltration/inflow projects,
- Sewer/Pump Station Rehabilitation or Replacement, and/or
- Projects defined in the Water Resources Reform and Development Act.

Drinking water projects may include:

- Drinking water wells and surface water intakes,
- Treatment plant improvements,
- Water line replacements and extensions to existing or platted un-served properties, and/or
- Water storage facilities.

Nonpoint source projects may include:

- Wetland protection and restoration measures,
- Providing sewer service to properties served by on-site sewage disposal systems,
- Best Management Practices for agriculture and stormwater runoff,
- Brownfield Remediation,
- Riparian Buffers and Conservation Easements, and/or
- Wellhead and Source Water Protection measures.

What types of projects are not eligible for funding?

Ineligible projects include those projects solely intended for economic development and projects primarily for fire suppression.

How does a community apply for an SRF loan?

- An eligible entity can submit an application at any time to the SRF Loan Program at: 100 N. Senate Ave., Rm. 1275, Indianapolis, IN 46204.
- Application forms are available on SRF's website at <http://www.srf.in.gov>.

What are the loan terms?

- The SRF loan is a fixed rate, 20-year loan. However, up to 35-year loan terms are available for qualifying projects.
- Interest rates reset quarterly and are at or below 90% of the average 20-year AAA-rated, general obligation bond Municipal Market Data. Rates are further discounted based on the applicant's median household income (gathered from census data) and local user rates.
- Interest rates can be further reduced by up to 0.5% if the project has Green Project Reserve components or nonpoint source features. In addition, interest rates may be reduced to 0.0% for qualifying projects that include lead line replacement.

Where can I get more information about SRF loans?

For information regarding wastewater projects or drinking water projects, please contact SRF's Clean Water and Drinking Water Program Manager, Brett Roberts, at broberts@ifa.in.gov or (317) 232-8623.