

be spread upon the minute book of the City of Russellville, Kentucky, and a copy thereof forwarded to his widow, Mrs. Ann Conn Johnson.

This 6th day of June, 1972.

The above resolution having been intruduced and publicly read aloud by the Honorable Bobby R. Sawyer, Mayor of the City of Russellville, Logan County, Kentucky, was upon motion of Councilman Tom Rhea, duly seconded by Councilman Bill Greer, unanimously carried by roll call vote, as follows:

<u>YEA</u>	<u>NAY</u>
Gordon Foster	None
Bob Murphy	
Bill Greer	
Ben Bailey	
Tom Rhea	
Willie Hampton	

Motion was made by Bob Murphy seconded by Gordon Foster to advertise for bids to furnish bulk gasoline to the city for one year beginning September 1, 1972. Motion passed unanimously.

Unanimous approval was given to payment of bills outstanding for the month of May upon motion of Bob Murphy seconded by Bill Greer.

Resolution was introduced by Bob Murphy seconded by Bill Greer and unanimously carried on roll call vote to appoint Willie Hampton to negotiate a monthly salary with Mr. David Smith to manage Greenwood Cemetery, same to be brought back before the Council if amount exceeds \$25 per month.

There being no further business to come before the council meeting was adjourned upon motion of Bob Murphy seconded by Bill Greer and unanimously carried upon roll call vote.

Bobby R Sawyer
MAYOR

ATTEST:

M E Greer
CITY CLERK

REGULAR MEETING=BOARD OF COUNCIL
June 20, 1972

The Board of Council of the City of Russellville met in regular session at City Hall in Russellville, Kentucky at 8:30 a.m. Tuesday, June 20, 1972 with the following Councilmen and the Mayor presiding:

Bob Murphy	Gordon Foster
Bill Greer	Willie Hampton
Tom Rhea	

ABSENT:

Ben Bailey

Minutes of the previous meeting were read and approved un-animously on motion of Bob Murphy seconded by Willie Hampton.

Motion by Willie Hampton seconded by Tom Rhea to pay David Smith \$30 per month to manage Greenwood Cemetery effective June 1, 1972 was passed unanimously on roll call vote.

Motion was made by Tom Rhea seconded by Willie Hampton and unanimously carried by roll call vote to enter into an agreement with the City of Lewisburg concerning property in Spa Lake area same being a part of these minutes.

Motion was made by Bob Murphy seconded by Willie Hampton and unanimously passed upon roll call vote of the members present that the resolution previously passed by this board authorizing the issuance of \$240,000.00 in water and sewer revenue bonds be rescinded, and same is hereby so ordered, and the following Ordinance be adopted lieu thereof.

City Attorney Milam then read Ordinance No. 72-3 to the Council and same was approved unanimously upon roll call vote of the members present.

ORDINANCE NO. 72-3

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF A TWO HUNDRED FORTY THOUSAND FOUR HUNDRED DOLLAR (\$240,400.00) WATER AND SEWER REVENUE BOND, SERIES 1972, FOR THE PURPOSE OF PAYING THE COST, NOT OTHERWISE PROVIDED, OF A MULTI-PURPOSE WATER RESERVOIR TO ENABLE THE CITY OF RUSSELLVILLE TO IMPOUND MUNICIPAL AND INDUSTRIAL WATER FOR ITS COMBINED AND CONSOLIDATED MUNICIPAL WATERWORK AND SEWER SYSTEMS; PRESCRIBING THE FORM AND DETAILS OF SAID BOND: PROVIDING FOR REVENUE SUFFICIENT TO PAY SAID BOND.

WHEREAS, the City of Russellville, Kentucky an incorporated municipality of Logan County, being the sponsoring local organization (hereinafter called the City) agrees to borrow the necessary funds for the purpose of developing and carrying out plans and programs concerned with construction of a water reservoir for municipal and industrial purposes as a part of its combined and consolidated municipal waterworks and sewer system (herein called system) and;

WHEREAS, the City and the Department of Natural Resources of Kentucky in collaboration with the Soil Conservation Service of the United States Department of Agriculture has developed the Mud River Watershed Work Plan contemplating certain works of improvement therein designated as Multi Purpose Structure 6-A (hereafter referred to as the project) as therein set forth and to which reference is hereby made; and

WHEREAS, the cost of constructing the project is estimated to be \$857,800.00 and the United States of America acting through the Administrator of the Soil Conservation Service

Agriculture has agreed to contribute \$467,400.00 of said costs pursuant to the Watershed Protection and Flood Prevention Act (P.L. 566, 83rd Cong., 68 Stat. 666, as amended) and \$150,000.00 contributed by the Commonwealth of Kentucky the balance thereof to be borne by the City, such construction to be accomplished in accordance with and subject to the Supplemental Watershed Work Plan and Supplemental Watershed Work Plan Agreement; and

WHEREAS, the City's share of the cost together with other costs and incidental expenses to be incurred in carrying out construction of the project is estimated to be \$240,400.00; and a project agreement and operation and maintenance agreement have been negotiated by the City and the United States, which agreements the Council of the City (hereinafter called Council) finds are in the best interests of the City; and

WHEREAS, the City has determined the need to construct such water reservoir for municipal and industrial purposes; and

WHEREAS, the City has outstanding \$ 1,226,000.00 in revenue bonds payable from the revenues from the system dated April 1, 1963 and April 1, 1967; and

WHEREAS, the City is without funds to defray its share of the cost of constructing a water reservoir and the City, acting through its Council, has determined pursuant to Chapter 58 of the Kentucky Revised Statute to issue a Watershed Revenue Bond(s) in an amount not to exceed \$240,400.00 representing its share of the costs which shall be subordinated to the outstanding bonds,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RUSSELLVILLE, LOGAN COUNTY, KENTUCKY, AS FOLLOWS:

Section 1. That the project be undertaken under the provisions of Kentucky Revised Statutes 58.010, et sec. That the project is necessary and should be constructed and equipped in accordance with the Supplemental Watershed Work Plan and the Supplemental Watershed Work Plan Agreement, or as the same may be amended. That to enable the City to sell its bond to set forth in this ordinance the form of the Watershed Project Revenue Bond, such agreements and covenants as may be required for the protection of the holder of such bond.

Section 2. For the purpose of defraying a portion of the cost of construction of the project, it is hereby declared necessary that the Council make and issue and there is hereby authorized to be issued under the provision of Section 58.010, et sec., of the Kentucky Revised Statutes, Water and Sewer Revenue Bond, Series 1972, without interest

and numbered 1, bearing interest at not exceeding 5% per annum payable annually as may be fixed by a supplemental resolution as a result of advertised sale and competitive bidding for such bond, and in substantially the form herein set forth. Principal and interest shall be paid in equal annual installments, except the first payment shall include all accrued interest, on April 1 each year commencing one year after water is first used from the storage reservoir to be constructed or at the end of ten years from the scheduled completion date of such reservoir, whichever date shall occur earlier. Provided, however, the entire indebtedness shall be paid not later than 40 years from the date of the bond. Interest shall commence to accrue on the bond when water is first used from said reservoir or the end of ten years from the completion date of the reservoir whichever is sooner. The City shall promptly notify, by certified mail, the registered holder of the bond of the scheduled completion date and date of first water usage.

Prepayments of installments, or any portion thereof, may be made at anytime at the option of the City. Prepayments shall, after payment of interest, be applied to the installments last to become due and shall not affect the obligation of the City to pay the remaining installments.

SECTION 3. The Bond shall be fully negotiable and shall be registered in the name of the holder in a book maintained for that purpose in the office of the Treasurer of the City, such registration shall be noted thereon by the Secretary as Bond Registrar; after which no transfer shall be valid unless made on said book and similarly noted on the bond. No charge shall be made for registration.

The bond shall be signed by the Mayor of the City, sealed with the corporate seal of the City, and attested by the City Clerk and sealed with the corporate seal. The bond shall be designated "Water and Sewer Revenue Bond, Series 1972".

SECTION 4. The revenue bond issued and sold pursuant to this resolution shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF KENTUCKY
CITY OF RUSSELLVILLE
WATER AND SEWER REVENUE BOND, SERIES 1972

No. 1 \$240,400.00

The City of Russellville, Logan County, Kentucky, (hereinafter called the City) for value received promises to pay to the order of the registered holder the principal sum of \$240,400.00, with interest

The principal and interest on this bond shall be paid in equal installments, except the first payment shall include all accrued interest, on April 1 each year commencing one year after water is first used from the storage reservoir to be constructed with the proceeds of this bond or at the end of ten years from the scheduled completion date of such reservoir, whichever date shall occur earlier, except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable 40 years from the date of this bond. Interest shall commence to accrue on the bond when water is first used from said reservoir or the end of ten years from the completion date of the reservoir whichever is sooner. Every payment made on any indebtedness computed to the effective date of payment and then to principal.

Both principal and interest shall be paid in legal tender of the United States to the Registered Holder at the address shown on the Registration Book of the City, except the final installment due on the bond shall be payable upon presentation and surrender of this bond.

Prepayments of installments, or any portion thereof, may be made at any time. Prepayments or extra payments shall, after payment of interest, be applied to the last installment to become due under the bond and shall not affect the obligation of the City to pay the remaining installments as scheduled herein.

This bond is issued by the City of Russellville pursuant to the provisions of Kentucky Revised Statute 58.010 to 58.140, pursuant to an ordinance dated June 30, 1972 as amended October 31, 1972.

This bond shall be registered as to principal and interest in the name of the holder on the books of said District in the office of the Clerk of the City, such registration being noted hereon by the Clerk as bond registrar, after which it shall be transferable only upon presentation to such registrar of a written transfer of title the registered holder duly acknowledged and approved, and such registrar shall thereupon register this bond in the name of the Transferee in his books and indorse a certificate of such registration.

This bond is payable from and is secured by a pledge of the income and revenues to be derived from the operation of the combined and consolidated water and sewer system, a sufficient portion of the gross income and revenues has been ordered set aside as a special fund and pledged for that purpose and identified as the "Water and Sewer Revenue Bond, Series 1972 Sinking Fund." This bond does not in any manner constitute an indebtedness of said City within the meaning of

the Constitution of Kentucky, and said City shall not be obligated to pay this bond or the interest thereon except from said special fund. Said City acting by and through its City Council covenants that it will fix and revise such rates and charges for the service and facilities of the water supply and distribution system and collect and account for income and revenues therefrom sufficient to promptly pay the principal of and interest on this bond as the same will become due, and also to pay when due all costs and expenses of operating and maintaining said system. This bond is junior to water and sewer Revenue Bonds dated April 1, 1963 and April 1, 1967.

It is hereby certified and recited that all acts, conditions, and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in legal and due form as provided by law. That this bond and said total issue is within every limit of the indebtedness prescribed by the constitution and laws of the State of Kentucky.

The City covenants that it will cause a special assessment for the payment of this bond and interest thereon to be levied, collected and applied for that purpose.

IN WITNESS WHEREOF, the City of Russellville has caused this bond to be signed by the Mayor, its corporate seal affixed, and attested by the Clerk of the City and this bond to be dated July 1, 1972.

(Seal)

CITY OF RUSSELLVILLE,
LOGAN COUNTY, KENTUCKY

By: Betty R. Long
Mayor

Attest: [Signature]
Clerk

PROVISIONS FOR REGISTRATION

This bond shall be registered on the books of the City, kept for that purpose by the City Clerk, upon presentation hereof to said City Clerk which shall make notation of such registration and in the registration blank and this bond may thereafter be transferred only upon an assignment duly executed by the Registered Holder or his attorney, such transfer to be made on said book and endorsed hereon.

REGISTRATION

(Entries to be made only by the Clerk of the City as Bond Registrar)

SECTION 5. The City Treasurer of said City shall be custodian of all funds belonging to and/or associated with the project and such shall be deposited in the Citizens National Bank, Russellville, Kentucky, which bank is a member of the Federal Deposit Insurance Corporation. All moneys in excess of \$20,000.00 in the supervised bank account shall be secured by the depository bank in advance in accordance with United States Treasury Department Circular No. 176.

The City treasurer shall execute a fidelity bond in an amount not less than \$15,000.00 with a surety company approved by the Registered Holder and the City shall be named as co-obligees in such bond. The said City treasurer is hereby directed to create the following funds and accounts into which the bond proceeds shall be deposited, which accounts shall be established and maintained, except as otherwise provided, so long as any of the bonds hereby authorized remain unpaid.

(A) CONSTRUCTION ACCOUNT. The proceeds of the bond hereby authorized shall be deposited in the Construction Account. If the bond is purchased by the Farmers Home Administration, United States Department of Agriculture, such account shall be established as a supervised bank account and such proceeds shall be withdrawn only on checks signed by the Clerk of the City and countersigned by the County Supervisor of the Farmers Home Administration.

Proceeds shall be withdrawn on the orders of the City Council only for the purposes for which said bonds were issued. When the Construction has been completed and/or construction costs paid in full, any balance remaining in the Construction Account shall be deposited in the

Series 1972, Sinking Fund

(B) WATER AND SEWER REVENUE BOND, SERIES 1972, SINKING FUND. The income and revenues of the combined and consolidated waterworks and sewer system shall continue to be set aside into the special and separate fund created by the Bond Ordinance adopted March 19, 1963 and designated "Water and Sewer Revenue Fund".

When interest commences to accrue on the bond authorized by this ordinance, the City shall transfer on or before the 20th day of each month from the Revenue Fund, after all transfers into the Sinking Fund required by Bond Ordinance adopted March 19, 1963 and Bond Ordinance adopted February 21, 1967, have been made, into the

"Water and Sewer Revenue Bond, Series 1972, Sinking Fund", which fund is hereby created, a sum equal to 1/12 (or such larger amount as if necessary) of the next succeeding installment to become due on the bond.

If the City for any reason shall fail to make any monthly deposit as required, then an amount equal to the deficiency shall be set apart and deposited in the Sinking Fund out of the First available gross revenues in the ensuing month or months, which amount shall be in addition to the monthly deposit required above during such succeeding month or months. As a part of the Sinking Fund there shall also be deposited each month as a reserve for paying installments as they become due in the event other funds are not sufficient the sum of \$_____ until a minimum reserve of \$_____ is established after which deposits may be discontinued except to replace withdrawals from such reserve.

SECTION 6: The rates and charges for all services and facilities rendered by the system shall be reasonable and just, taking into account and consideration the cost and value of said Project and the cost of maintaining, repairing and operating the same and the amounts necessary for the retirement of all bonds and the accruing interest on all bonds, and there shall be charged such rates and charges as shall be adequate to meet the requirements of this and the preceding section thereof.

SECTION 7: The City shall install and maintain a proper system of accounts relating to the operation of the system and its financial affairs and that the holder of said Bond or their authorized representatives shall have the right at all reasonable times to inspect the facilities and all records, accounts and data relating thereto. An annual audit on a fiscal year basis will be made of the books and accounts pertinent to said project by competent auditor. No later than 60 days after the close of each fiscal year copies of such audit reports certified by such accountant shall be promptly mailed to the Farmers Home Administration without request if it is holder of the bond.

SECTION 8: The City hereby covenants and agrees with the holder of the Bond that it will faithfully and punctually perform all duties with reference to the system required by the Constitution and laws of the State of Kentucky, including the making and collecting

of reasonable and sufficient rates and charges for services and facilities rendered by said system, and will segregate the revenue and income therefrom and make application thereof consistent with and as provided by this ordinance; and that unless the written consent of holder of the outstanding bond has been obtained, it agrees not to sell, lease, mortgage, or in any manner dispose of any integral part of said system, including any and all appurtenances thereto and extensions and additions that may be made thereto until all of said bonds shall have been paid in full, both principal and interest; and further covenant and agree to maintain in good condition and continuously operate said system and appurtenances rendered thereby so that the gross income and revenues will be sufficient at all times to pay the accruing interest and retire the bond when the same will become due and to provide reserves therefor, and also to pay all costs and expenses of operating and maintaining said system and to provide for an adequate depreciation account.

So long as any of the Bonds remain outstanding, as an expense of operation and maintenance of the system procure, the City shall carry and maintain insurance on properties subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other corporations which own and maintain water and sewer systems under similar conditions.

SECTION 9: The Board of Council shall cause notice for bids for the purchase of said bond to be published pursuant to all Kentucky Statutes. The notice shall state the number of binds to be sold, the time and place of sale, and that a certified good faith check representing at least 2% of the bond issue must accompany the bid, unless the bid is made by the United States. The bond will be awarded to the bidder offering the lowest net cost to the City, inclusive of interest. No bid of more than 5% interest to the lender will be considered or any bid not at par value of the principal amount nor any bid at other than the same interest rate for all bonds of this entire issue. In the event there is no bid or that all bids are rejected, the City may readvertise the sale pursuant to this resolution.

SECTION 10: The provisions of this resolution shall constitute a contract between the City and its Council and the holders of the bond and after the issuance of any of said bonds no change, alteration, or variation of any kind with the provisions of this resolution shall be made in any manner except with the written consent of all Bond Holders until such time as all of said bonds and interest thereon have paid in full.

SECTION 11: The provisions of this resolution are subject to the laws of the State of Kentucky and to the present and future regulations of the Farmers Home Administration.

SECTION 12: All ordinances, resolutions, and orders or parts thereof in conflict with the provisions of this resolution are to the extent of such conflict hereby repealed, and each section of this resolution and each subdivision thereof is hereby declared to be independent and the finding and holding of any section or subdivision thereof shall be held to be invalid or void and shall not be determined or held to affect the validity of any of the sections or subdivision of this resolution.

SECTION 13. The resolution shall be effective upon its adoption.

Adopted by the City of Russellville, Logan County, Kentucky, this 20th day of June, 1972.

Bobby R. Sawyer
Mayor

(SEAL)

ATTEST: Willie Hampton
Clerk

Motion was made by Bill Greer seconded by Bob Murphy to reappoint Mr. Jack Stengell to the Electric Plant Board for a period of four years. Same passed unanimously on roll call vote.

Motion was made by Gordon Foster and seconded by Bob Murphy to accept the resignation of Mr. James Meade from the Municipal Park Board and to appoint Mr. Carroll Riley to said vacancy was unanimously approved upon roll call vote.

Councilman Murphy moved that all bids received on employees life insurance be reviewed and restudied and awarding of contract be delayed until the next meeting.

Mayor Sawyer advised the Council of needed repairs needed to the building occupied by OEO. Upon a motion of Willie Hampton seconded by Bob Murphy it was unanimously agreed that the city would pay one half the cost of said repairs if Logan County would pay the other half.

There being no further business to come before the Council meeting was adjourned until 8:30 a.m., June 29, 1972 upon motion of Willie Hampton seconded by Thomas Rhea.

Bobby R. Sawyer
Mayor

ATTEST: