

1 Introduced February 11, 2020, by
2 Councilman Borchert, seconded by
3 Councilman Tamborella, (by request of
4 Administration)
5

6 **Item No. 20-02-3312**
7

8 **ORDINANCE NO. 3974**
9

10 An ordinance authorizing the issuance by the City of Slidell, State of
11 Louisiana, of its Taxable Utilities Revenue Bonds (LDH) in an amount not
12 to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000),
13 prescribing the form, terms and conditions of said Bonds; providing for the
14 payment thereof; entering into certain other covenants and agreements in
15 connection with the security and payment of said Bonds; authorizing the
16 execution of a Loan and Pledge Agreement and other loan documents
17 with the Louisiana Department of Health; providing for the delivery of the
18 Bonds to said Department; and providing for other matters in connection
19 therewith.

20 **WHEREAS**, the City of Slidell, State of Louisiana (the "City"), now owns and
21 operates a combined waterworks system and sewer system (the "Utilities System") as a
22 revenue-producing work of public improvement, and proposes to construct, acquire,
23 extend and/or improve the waterworks component of the combined Utilities System (the
24 "Project"); and
25

26 **WHEREAS**, the City proposes to finance the cost of the Project through the
27 issuance of its Taxable Utilities Revenue Bonds, payable as to principal and interest
28 solely from the income and revenues to be derived by the City from the operation of the
29 Utilities System, after provision has been made for the payment therefrom of the
30 reasonable and necessary expenses of administering, operating and maintaining the
31 Utilities System, pursuant to the provisions of Part XIII, Chapter 4, Title 39 of the
32 Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1011, et seq.), and other
33 constitutional and statutory authority (the "Act"); and
34

35 **WHEREAS**, pursuant to the authority of the Act, this Slidell City Council (the
36 "Governing Authority"), acting as the governing authority of the City, by a resolution
37 adopted on July 25, 2017, gave notice of its intention to issue Taxable Utilities Revenue
38 Bonds of the City in an amount not exceeding \$23,000,000 without the necessity of the
39 holding of an election thereon, which notice of intention was published on August 2nd,
40 9th, 16th and 23rd, 2017, and thereafter this Governing Authority held a public hearing on
41 September 12, 2017 at which no objections were made to the issuance of such bonds
42 and no petitions were filed requesting an election thereon; and
43

44 **WHEREAS**, it is now the wish of this City to authorize the issuance of its Taxable
45 Utilities Revenue Bonds (LDH), Series 2020, in an amount not to exceed Two Million
46 Six Hundred Thousand Dollars (\$2,600,000) (the "Bonds") in accordance with the terms

ORDINANCE NO. 3974

ITEM NO. 20-02-3312

PAGE 2

1 and provisions of the Act and for the purposes set forth above, the Bonds being the
2 second emission of bonds issued pursuant to the aforesaid notice of intention; and
3

4 **WHEREAS**, at this time, the City has no outstanding indebtedness that is
5 payable from a pledge and dedication of the Net Revenues (hereinafter defined)
6 EXCEPT its outstanding (i) Utilities Revenue Refunding Bonds, Series 2012 and (ii)
7 Taxable Utilities Revenue Bonds (DEQ), Series 2018 (collectively, the "Outstanding
8 Parity Bonds"); and
9

10 **WHEREAS**, the United States of America, pursuant to the Safe Drinking Water
11 Act Amendments of 1996, specifically Section 300j-12 of Title 42 of the United States
12 Code (the "Federal Act"), is authorized to make capitalization grants to states to be
13 used for the purpose of providing loans or loan guarantees, or as a source of reserve
14 and security for leveraged loans, the proceeds of which are deposited in a State
15 Revolving Fund, or to provide other financial assistance authorized under the Federal
16 Act to community water systems and nonprofit non-community water systems, other
17 than systems owned by Federal agencies; and

18 **WHEREAS**, the State of Louisiana (the "State"), pursuant to Chapter 32 of Title
19 40 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 40:2821, et seq.)
20 (the "State Act"), has established a Drinking Water Revolving Loan Fund (the "State
21 Revolving Fund") in the custody of the Louisiana Department of Health (the
22 "Department") to be used for the purpose of providing financial assistance for the
23 improvement of public drinking water systems in the State, as more fully described in
24 Section 2825(A)(2) of the State Act, and has authorized the Department's Office of
25 Public Health to establish assistance priorities and perform oversight and other related
26 activities with respect to the State Revolving Fund; and

27 **WHEREAS**, the City has made application to the Department for a loan from the
28 State Loan Fund to finance a portion of the costs of the Project, and the Department
29 has approved the City's application for such loan; and
30

31 **WHEREAS**, the Bonds will be issued to represent the City's obligation to repay
32 the loan from the State Loan Fund; and
33

34 **WHEREAS**, the State Bond Commission approved the issuance of the Bonds at
35 its October 19, 2017 meeting; and
36

37 **WHEREAS**, the City desires to fix the details necessary with respect to the
38 issuance, sale and delivery of the Bonds and to provide for the authorization and
39 issuance thereof, as hereinafter provided.
40

41 **NOW, THEREFORE, BE IT ORDAINED** by the Slidell City Council, acting as the
42 governing authority of the City, that:
43

44 SECTION 1. **Definitions.** As used herein, the following terms shall have the
45 following meanings, unless the context otherwise requires:

1
2 **"Act"** means Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of
3 1950, as amended (La. R.S. 39:1011, et seq.), and other constitutional and statutory
4 authority.

5
6 **"Additional Parity Bonds"** shall mean any *pari passu* additional bonds that may
7 hereafter be issued pursuant to Section 19 hereof on a parity with the Bonds.

8
9 **"Administrative Fee"** means the annual fee equal to one-half of one percent
10 (0.50%) per annum of the outstanding principal amount of the Bonds, or such lesser
11 amount as the Department may approve from time to time, which shall be payable each
12 year in semi-annual installments on each Interest Payment Date.

13
14 **"Bond"** or **"Bonds"** means the City's Taxable Utilities Revenue Bonds,
15 authorized to be issued pursuant to this Bond Ordinance in the total principal amount of
16 not exceeding Two Million Six Hundred Thousand Dollars (\$2,600,000), and any Bond
17 of said issue, whether initially delivered or issued in exchange for, upon transfer of, or *in*
18 *lieu* of any previously issued.

19
20 **"Bond Ordinance"** means this ordinance authorizing the issuance of the Bonds.

21
22 **"Bond Register"** means the registration books of the Paying Agent (initially the
23 Council Administrator of the City), in which registration of the Bonds and transfers of the
24 Bonds shall be made as provided herein.

25
26 **"Bond Year"** means the one year period ending on each Principal Payment
27 Date.

28
29 **"Business Day"** means a day of the year on which banks located in the City of
30 New Orleans are not required or authorized to remain closed and on which the New
31 York Stock Exchange is not closed.

32
33 **"City"** means the City of Slidell, State of Louisiana, a political subdivision of the
34 State of Louisiana, and its successors or assigns.

35
36 **"Completion Date"** means the earlier of (i) the date of the final disbursement of
37 the purchase price of the Bonds to the City, or (ii) the date the operation of the Project is
38 initiated or capable of being initiated, as certified by an Authorized Officer in accordance
39 with the Loan Agreement.

40
41 **"Consulting Engineer"** means a regionally known consulting engineer or firm of
42 consulting engineers with skill and experience in the construction and operation of
43 publicly owned drinking water and wastewater disposal systems.

44
45 **"Defeasance Obligations"** means cash and/or non-callable Government
46 Securities.

47

1 **"Department"** means the Louisiana Department of Health, an executive
2 department and agency of the State, and any successor to the duties and functions
3 thereof with respect to the State Loan Fund.
4

5 **"Executive Officers"** means the Mayor of the City and the President, Vice
6 President and/or Council Administrator of the Governing Authority.
7

8 **"Fiscal Year"** means the City's one-year accounting period determined from time
9 to time by the Governing Authority as the fiscal year of the City, currently being the year
10 ending each June 30.
11

12 **"Governing Authority"** means the Slidell City Council.
13

14 **"Government Securities"** means direct obligations of, or obligations the timely
15 payment of the principal of and interest on which are fully and unconditionally
16 guaranteed by the United States of America, which are non-callable prior to their
17 maturity and may be United States Treasury Obligations such as the State and Local
18 Government Series and may be in book entry form.
19

20 **"Interest Payment Date"** means each April 1 and October 1, commencing on
21 the first such date to occur following the delivery of the Bonds.

22 **"Loan Agreement"** means the Loan and Pledge Agreement to be entered into
23 by and between the Department and the City prior to the delivery of the Bonds, in
24 substantially the form attached hereto as **Exhibit B**, which will contain certain additional
25 agreements relating to the Bonds and the Project, as it may be supplemented or
26 amended from time to time in accordance with the provisions thereof.
27

28 **"Net Revenues"** means the income and revenues derived or to be derived from
29 the operation of the Utilities System, after provision has been made for the payment
30 therefrom of the reasonable and necessary expenses of administering, operating and
31 maintaining the Utilities System (excluding depreciation).
32

33 **"Outstanding"** when used with respect to Bonds means, as of the date of
34 determination, all Bonds theretofore issued and delivered under this Bond Ordinance,
35 except:

- 36 (a) Bonds theretofore canceled by the Paying Agent or delivered to the
37 Paying Agent for cancellation;
- 38 (b) Bonds for whose payment or prepayment sufficient funds have been
39 theretofore deposited in trust for the Owners of such Bonds as provided in
40 Section 27 herein provided that, if such Bonds are to be prepaid,
41 irrevocable notice of such redemption has been duly given or provided for
42 pursuant to this Bond Ordinance, to the satisfaction of the Paying Agent,
43 or waived;
- 44 (c) Bonds in exchange for or *in lieu* of which other Bonds have been
45 registered and delivered pursuant to this Bond Ordinance; and

1 (d) Bonds alleged to have been mutilated, destroyed, lost or stolen which
2 have been paid as provided in this Bond Ordinance.
3

4 **"Outstanding Parity Bond Ordinance"** collectively, means Ordinance No.
5 3656, adopted by the Governing Authority on May 22, 2012 and Ordinance No. 3885,
6 adopted by the Governing Authority on April 24, 2018, which authorized the issuance of
7 the Outstanding Parity Bonds.
8

9 **"Outstanding Parity Bonds"** means the City's outstanding (i) Utilities Revenue
10 Refunding Bonds, Series 2012 and (ii) Taxable Utilities Revenue Bonds (DEQ), Series
11 2018.

12 **"Owner" or "Owners"** when used with respect to any Bond means the Person in
13 whose name such Bond is registered in the Bond Register.
14

15 **"Paying Agent"** means the Council Administrator of the City, unless and until a
16 successor Paying Agent shall have assumed such responsibilities pursuant to this Bond
17 Ordinance.
18

19 **"Person"** means any individual, corporation, partnership, joint venture,
20 association, joint stock company, trust, unincorporated organization, or government or
21 any agency or political subdivision thereof.

22 **"Principal Payment Date"** means each April 1, commencing not later than one
23 year after the Completion Date provided that in no event shall the final maturity of the
24 Bonds be more than twenty-two (22) years from the date of the Bonds.
25

26 **"Purchaser"** means the Department, being the original purchaser of the Bonds.
27

28 **"Project"** means constructing, acquiring, extending and/or improving the water
29 component of the combined Utilities System, as further described in the Loan
30 Agreement.

31 **"Qualified Investments"** shall mean those investments permitted under State
32 Law, including but not limited to La. R.S. §33:2955.

33 **"Record Date"** for the interest payable on any Interest Payment Date means the
34 15th calendar day of the month next preceding such Interest Payment Date, whether or
35 not such day is a Business Day.
36

37 **"Series 2020 Bonds Reserve Account"** means the account in the Reserve
38 Fund established in such name and maintained pursuant to Section 14 of this Bond
39 Ordinance.
40

41 **"Series 2020 Bonds Reserve Fund Requirement"** means as of any date of
42 calculation, a sum equal to one-half of the maximum principal and interest requirements
43 for any succeeding Bond Year on the Bonds. The Reserve Fund Requirement for any
44 issue(s) of Additional Parity Bonds shall be defined in the ordinance(s) authorizing the
45 issuance of such Additional Parity Bonds.

1
2 **"State Loan Fund"** means the Drinking Water Revolving Loan Fund established
3 by the State of Louisiana pursuant to Chapter 32 of Title 40 of the Louisiana Revised
4 Statutes of 1950, as amended (La. R.S. 40:2821, et seq.) in the custody of the
5 Department, which is to be used for the purpose of providing financial assistance for the
6 improvement of public drinking water systems in the State, as more fully described in
7 La. R.S. 40:2825(A)(2).
8

9 **"Utilities System"** means the revenue producing public utility comprised of the
10 combined waterworks system and sewer system of the City, presently servicing
11 substantially all of the potable water and sewerage users in the City, and any future
12 additions thereto, as said systems now exist and as the same may be improved,
13 extended or supplemented from any source while any of the Bonds remain outstanding,
14 including all real estate, personal and intangible properties, contracts, franchises, leases
15 and choices in action, and including specifically all properties now or hereafter operated
16 by the City under lease or agreement with any other individual, partnership or
17 corporation, public or private, as a part of the Utilities System, whether lying within or
18 without the boundaries of the City.
19

20 **"Utilities System Fund"** means the fund of such name described in Section 14
21 hereof.
22

23 SECTION 2. **Authorization of Bonds.** In compliance with and under the
24 authority of the Act, and other constitutional and statutory authority, there is hereby
25 authorized the incurring of an indebtedness of not exceeding Two Million Six Hundred
26 Thousand Dollars (\$2,600,000) for, on behalf of and in the name of the City, for the
27 purpose of financing the Project and for paying costs of issuance of the Bonds. To
28 represent said indebtedness, the City does hereby authorize the issuance of its
29 "Taxable Utilities Revenue Bonds (LDH), Series 2020," in an amount not to exceed Two
30 Million Six Hundred Thousand Dollars (\$2,600,000). The Bonds shall be initially issued
31 in the form of a single fully registered Bond numbered R-1, shall be dated the date of
32 delivery thereof and shall be in substantially the form attached hereto as **Exhibit A**. It is
33 expressly provided that if the Bonds are delivered in a calendar year other than the
34 2020, the series designation shall change accordingly on the Bonds and throughout this
35 Bond Ordinance.

36 The Bonds shall mature in twenty (20) installments of principal, payable annually
37 on each April 1, and each annual installment shall be the applicable percentage shown
38 in the following table, rounded to the nearest One Thousand Dollars (\$1,000), of the
39 outstanding principal amount of the Bonds on the day before the applicable Principal
40 Payment Date:
41

ORDINANCE NO. 3974

ITEM NO. 20-02-3312

PAGE 7

	<u>Date</u> <u>(April 1)</u>	<u>Percentage</u> <u>of Principal</u>	<u>Date</u> <u>(April 1)</u>	<u>Percentage</u> <u>of Principal</u>
4	2022	3.934%	2032	8.946%
5	2023	4.196	2033	10.066
6	2024	4.487	2034	11.467
7	2025	4.813	2035	13.270
8	2026	5.180	2036	15.675
9	2027	5.597	2037	19.044
10	2028	6.074	2038	24.100
11	2029	6.625	2039	32.530
12	2030	7.269	2040	49.395
13	2031	8.031	2041	100.000

14
15 In the event that the Completion Date of the Project being financed with the
16 Bonds is on or after April 1, 2022, the principal payment schedule may be adjusted so
17 that each principal payment shall be due on the Principal Payment Date that is one year
18 later than shown above, provided that in no event shall the final Principal Payment Date
19 be later than twenty-two years from the date of delivery of the Bonds. To exercise the
20 option to defer the principal repayment schedule, the City must so notify the Department
21 in writing prior to October 1, 2021, and certify that the Completion Date will not have
22 occurred prior to April 1, 2022.

23
24 The unpaid principal of the Bonds shall bear interest from the date thereof, or the
25 most recent Interest Payment Date to which interest has been paid or duly provided for,
26 at the rate of 1.95% per annum, said interest to be calculated on the basis of a 360-day
27 year consisting of twelve 30-day months and payable on each Interest Payment Date.
28 Interest on the Bonds on any Interest Payment Date shall be payable only on the
29 aggregate amount of the purchase price which shall have been paid theretofore to the
30 City and is outstanding and shall accrue with respect to each purchase price installment
31 only from the date of payment of such installment.

32
33 In addition to interest at the rate set forth above, at any time that the Department
34 owns the Bonds the City will pay the Administrative Fee to the Department on each
35 Interest Payment Date. In the event (i) the Department owns any Bonds or the
36 Department has pledged or assigned any Bonds in connection with the State Loan Fund
37 and (ii) the Administrative Fee payable by the City to the Department under the terms of
38 the Loan Agreement is declared illegal or unenforceable by a court or an administrative
39 body of competent jurisdiction, the interest rate borne by the Bonds shall be increased
40 by one-half of one percent (0.50%) per annum, effective as of the date declared to be
41 the date from which the Administrative Fee is no longer owed because of such illegality
42 or unenforceability. The Administrative Fee shall be calculated in the same manner as
43 interest on the Bonds.

44
45 SECTION 3. **Prepayment.** The principal installments of the Bonds are subject to
46 prepayment at the option of the City at any time, in whole or in part, at a prepayment

1 price of par plus accrued interest and accrued Administrative Fee, if any, to the
2 prepayment date and in such case the remaining principal of the Bonds shall continue
3 to mature in installments calculated using the percentages shown in Section 2 above.
4 Official notice of such call for prepayment shall be given by means of first class mail,
5 postage prepaid by notice deposited in the United States Mail or via accepted means of
6 electronic communication not less than thirty (30) days prior to the prepayment date
7 addressed to the Owner of each Bond to be prepaid at his address as shown on the
8 registration records of the Paying Agent. In the event a portion of the Bonds is to be
9 prepaid, such Bonds shall be surrendered to the Paying Agent, who shall note the date
10 and amount of such prepayment in the space provided therefor on the Bonds.

11 SECTION 4. **Security for Payment of Bonds.** The Bonds shall be secured and
12 payable in principal and interest exclusively by a pledge of the Net Revenues. The Net
13 Revenues are hereby irrevocably and irrepealably pledged in an amount sufficient for
14 the payment of the Bonds and the Outstanding Parity Bonds in principal and interest as
15 the installments thereof fall due, and the income and revenues thus pledged shall
16 remain so pledged for the security of the Bonds and the Outstanding Parity Bonds in
17 principal and interest until they shall have been fully paid and discharged.

18 In providing for the issuance of the Bonds, the City does hereby covenant and
19 warrant that it is lawfully seized and possessed of the Utilities System, that it has a legal
20 right to pledge the Net Revenues therefrom as herein provided, that the Bonds will have
21 a lien and privilege on the Net Revenues on a parity with the Outstanding Parity Bonds,
22 and that the City will at all times maintain the Utilities System in first-class repair and
23 working order and condition.

24 SECTION 5. **Bond Ordinance a Contract.** The provisions of this Bond
25 Ordinance shall constitute a contract between the City and the Owner from time to time
26 of the Bonds, and any Owner may either at law or in equity, by suit, action, mandamus
27 or other proceedings, enforce and compel the performance of all duties required to be
28 performed by the City as a result of issuing the Bonds.
29

30 SECTION 6. **Sale and Delivery of Bonds.** The Bonds are hereby awarded to
31 and sold to the Department at a price of par plus accrued interest, if any, under the
32 terms and conditions set forth in the Loan Agreement, and after their execution the
33 Bonds shall be delivered to the Department or its agents or assigns, upon receipt by the
34 City of the agreed first advance of the purchase price of the Bonds. Pursuant to R.S.
35 39:1426(B), the City has determined to sell the Bonds at a private sale without necessity
36 of publication of a notice of sale. It is understood that the purchase price of the Bonds
37 will be paid by the Department to the City in installments, in the manner and under the
38 terms and conditions set forth in the Loan Agreement.

39 SECTION 7. **Manner of Payment.** The principal and interest on the Bonds will
40 be payable by check mailed to the Owner (determined as of the Interest Payment Date)
41 at the address shown on the registration books kept by the Paying Agent for such
42 purpose, provided that payment of the final installment of principal on the Bonds shall
43 be made only upon presentation and surrender of the Bonds to the Paying Agent.

1 SECTION 8. **Execution of Bonds and Documents.** The Executive Officers are
2 each hereby empowered, authorized and directed to do any and all things necessary
3 and incidental to carry out all of the provisions of this Bond Ordinance, to execute and
4 deliver the Loan Agreement, and to cause the Bonds to be prepared and/or printed, to
5 issue, execute and seal the Bonds and to effect delivery thereof as hereinafter provided.
6 If facsimile signatures are used on the Bonds, then such signatures shall be registered
7 with the Louisiana Secretary of State in the manner required by La. R.S. 39:244.

8 In connection with the issuance and sale of the Bonds, the Executive Officers are
9 each authorized, empowered and directed to execute on behalf of the City such
10 additional documents, certificates and instruments as they may deem necessary, upon
11 the advice of counsel, to effect the transactions contemplated by this Bond Ordinance,
12 including a Commitment Agreement with the Department. The signatures of said
13 officers on such documents, certificates and instruments shall be conclusive evidence of
14 the due exercise of the authority granted hereunder.

15
16 SECTION 9. **Registration.** The City shall cause the Bond Register to be kept at
17 the principal office of the Paying Agent in which registration of the Bonds and transfers
18 of the Bonds shall be made as provided herein. The Bonds may be transferred,
19 registered and assigned only on the Bond Register, and such registration shall be at the
20 expense of the City. The Bonds may be assigned by the execution of an assignment
21 form on the Bonds or by other instruments of transfer and assignment acceptable to the
22 Paying Agent. A new Bond will be delivered by the Paying Agent to the last assignee
23 (the new Owner) in exchange for such transferred and assigned Bond after receipt of
24 the Bond to be transferred in proper form.

25 SECTION 10. **Effect of Registration.** The City, the Paying Agent, and any
26 agent of either of them may treat the Owner in whose name any Bond is registered as
27 the Owner of such Bond for the purpose of receiving payment of the principal of and
28 interest on such Bond and for all other purposes whatsoever, and to the extent
29 permitted by law, neither the City, the Paying Agent, nor any agent of either of them
30 shall be affected by notice to the contrary.

31 SECTION 11. **Recital of Regularity.** This Governing Authority, having
32 investigated the regularity of the proceedings had in connection with this issue of
33 Bonds, and having determined the same to be regular, the Bonds shall contain the
34 following recital, to wit:

35 "It is certified that this Bond is authorized by and is issued in
36 conformity with the requirements of the Constitution and statutes of
37 this State."

38 SECTION 12. **Deposit of Bond Proceeds.** The proceeds derived from the sale
39 of the Bonds shall constitute a trust fund to be used exclusively for the purposes for
40 which the Bonds are issued, but the purchaser of the Bonds shall not be obliged to see
41 to the application thereof. All of the proceeds derived from the sale of the Bonds, which
42 shall be paid in installments by the Department in the manner set forth in the Loan
43 Agreement, shall be deposited by the City in a Construction Fund (the "Construction
44 Fund"). The funds in the Construction Fund shall be used solely for the purpose of

1 paying costs of the Project, in the manner set forth in the Loan Agreement, and costs of
2 issuance of the Bonds.

3 SECTION 13. **Davis-Bacon Wage Rate Requirements**. The City agrees that all
4 laborers and mechanics employed by contractors and subcontractors on the portion of
5 the project that is funded in whole or in part with the Bonds purchased by the
6 Department shall be paid wages at rates not less than those prevailing on projects of a
7 character similar in the locality of the City as determined by the Clerk of the United
8 States Department of Labor ("DOL") in accordance with Subchapter IV of Chapter 31 of
9 Title 40, United States Code. DOL provides all pertinent information related to
10 compliance with the foregoing requirements, including prevailing wage rates and
11 instructions for reporting. The City will ensure that all construction contracts relating to
12 the portion of the Project that is funded in whole or in part with Bonds purchased by the
13 Department will require that the contractor comply with the aforesaid wage and
14 reporting requirements. This Section shall not apply to situations where the City may
15 perform construction work using its own employees rather than any contractor or
16 subcontractor.

17 SECTION 14. **Flow of Funds**. In order that the principal of, premium, if any,
18 and the interest on the Bonds, the Outstanding Parity Bonds and any Additional Parity
19 Bonds will be paid in accordance with the terms and for the other objects and purposes
20 hereinafter provided, the City further covenants that all income and revenues of every
21 nature derived from the operation of the Utilities System shall be deposited daily as the
22 same may be collected in the Utilities System Fund established in the Outstanding
23 Parity Bond Ordinance, and said Utilities System Fund shall continue to be maintained
24 and administered in the following order of priority and for the following express
25 purposes:

26 (a) The payment of all reasonable and necessary expenses of administering,
27 operating and maintaining the Utilities System not paid from other
28 revenues, including, specifically, ad valorem or sales and use taxes;
29

30 (b) The maintenance of the Revenue Refunding Bond Sinking Fund
31 established in the Outstanding Parity Bond Ordinance (the "Sinking Fund")
32 in which shall be deposited periodically an amount sufficient to pay
33 promptly and fully the principal of and the interest on the Bonds, the
34 Outstanding Parity Bonds, and any Additional Parity Bonds issued
35 hereafter in the manner provided by this Bond Ordinance, as they
36 severally become due and payable, by transferring from the Utilities
37 System Fund to the Sinking Fund monthly in advance on or before the
38 twentieth (20th) day of each month of each year, a fractional amount of the
39 interest on the Bonds, the Outstanding Parity Bonds, and any Additional
40 Parity Bonds falling due on the next Interest Payment Date and a
41 fractional amount of the principal of the Bonds and the Outstanding Parity
42 Bonds falling due on the next principal payment date, such fractions being
43 equal to the number one (1) divided by the number of months preceding
44 such Interest Payment Date or principal payment date, as the case may
45 be, since the last interest or principal payment date, as the case may be,

1 so that by making equal monthly payments the City will always provide the
2 necessary sums required to be on hand at each interest and principal
3 payment date, together with such additional proportionate sum as may be
4 required so that sufficient moneys will be available in the Sinking Fund to
5 pay said principal and interest as the same respectively become due. The
6 depository bank for the Sinking Fund shall transfer from the Sinking Fund
7 to the Paying Agent, at least three (3) days in advance of the date on
8 which each payment of principal and interest falls due, funds sufficient to
9 pay promptly the principal and interest so falling due on such date; and

10
11 (c) The maintenance of the Series 2012 Revenue Refunding Reserve Fund
12 established by the Outstanding Parity Bonds Ordinance, which Series
13 2012 Revenue Refunding Reserve Fund is not currently and will not be
14 funded.

15
16 (d) The maintenance of the "Utilities Revenue Bond Reserve Fund" (the
17 "Reserve Fund"), previously established by Ordinance No. 3885, in which
18 there shall be a separate account for the exclusive benefit of the Bonds
19 (the "Series 2020 Bonds Reserve Account") and in which other accounts
20 may be established at the option of the City in connection with any
21 Additional Parity Bonds in the future (each account established within the
22 Reserve Fund being a "Reserve Account"). The money in each Reserve
23 Account shall be retained solely for the purpose of paying the principal of
24 and interest on the bonds secured by such Reserve Account as to which
25 there would otherwise be default and shall be managed pursuant to the
26 ordinance authorizing such bonds. All deposits required to be made in the
27 Reserve Fund shall be transferred into each Reserve Account as needed
28 on a pro rata basis; provided, however, that no transfers shall be made
29 from the Revenue Fund into the Reserve Fund until after the payments
30 required under paragraphs (a) through (c) above.

31
32 There is hereby established the Series 2020 Bonds Reserve Account,
33 which shall be maintained with any designated fiscal agent bank of the
34 City and which will be used to satisfy the Series 2020 Reserve
35 Requirement for the Bonds. The Series 2020 Bonds Reserve Account
36 shall be funded to the Series 2020 Reserve Requirement on or before the
37 first anniversary of the dated date of the Bonds.

38
39 If at any time it shall be necessary to use moneys in a Reserve Account
40 for the purpose of paying the principal of and interest on the bonds
41 secured by such Reserve Account as to which there would otherwise be
42 default, then funds shall be withdrawn from such Reserve Account and
43 transferred to the paying agent for the bonds secured thereby. Any
44 moneys so used shall be replaced from the revenues of the Utilities
45 System first thereafter received and not hereinabove required for the
46 purposes described in (a) and (b) of this Section 14, it being the intention
47 hereof that there shall as nearly as possible be at all times on deposit in

ORDINANCE NO. 3974

ITEM NO. 20-02-3312

AGE 12

1 each Reserve Account an amount equal to the reserve requirement
2 applicable to such Reserve Account.

3
4 A Reserve Account may be funded with a surety bond, debt service
5 reserve insurance policy, letter of credit, or any other credit enhancement
6 device, and the replenishment of any draws made thereon shall be treated
7 as a withdrawal from such Reserve Account for the purposes of this
8 Section.

9
10 All or any part of the moneys in the Utilities System Fund, Sinking Fund, and
11 Reserve Fund, at the written request of the issuer, may be invested in Qualified
12 Investments and such investments shall, to the extent at any time necessary, be
13 liquidated and the proceedings thereof applied to the purposes for which such funds are
14 created. All income or earnings from such investments shall be deposited in the Utilities
15 System Fund as income and revenues for the Utilities System.

16
17 Any moneys in remaining the Utilities System Fund after making the above
18 required monthly payments may be used by the City for such other lawful corporate
19 purposes as this Governing Authority may determine, without regard to whether such
20 purposes are related to the Utilities System.

21
22 In the case of issues involving term bonds, all principal maturity calculations will
23 be based on mandatory sinking fund payment installments rather than term bond
24 maturities.

25
26 In computing the amount in any fund provided for in this Section, Qualified
27 Investments shall be valued at the lower of the cost or the market price, exclusive of
28 accrued interest. With respect to all funds and accounts (except the Reserve Fund),
29 valuation shall occur annually. The Reserve Fund shall be valued semi-annually, except
30 in the event of a withdrawal from the Reserve Fund, whereupon it shall be valued
31 immediately after such withdrawal.

32
33 **SECTION 15. Replenishment of Funds.** If at any time it shall be necessary to
34 use moneys in any Reserve Account for the purpose of paying principal of or interest on
35 bonds secured by such Reserve Account as to which there would otherwise be default,
36 then the moneys so used shall be replaced from the Net Revenues first thereafter
37 received, not hereinabove required to be used for the purposes described in (a) through
38 (c) of Section 14 above. If at any time there are sufficient moneys on deposit in the
39 Sinking Fund and the Reserve Fund to retire all outstanding bonds payable from the
40 Sinking Fund by defeasance, by exercising the prepayment option provided by such
41 bonds or by purchase on the open market, the City may utilize such funds for such
42 purpose. If more than one Reserve Account is required to be replenished, then such
43 replenishment shall be made ratably to each such account in proportion to the
44 remaining amount that is required to be so replenished.

45 **SECTION 16. Notification of Deficiencies.** As required by La. R.S. 39:1410.62
46 the City will notify the State Bond Commission, in writing, whenever (i) transfers to any
47 fund required to be established by this Bond Ordinance or any resolution or ordinance

1 authorizing the issuance of indebtedness of the City have not been made timely or (ii)
2 principal, interest, or other payments due on the Bonds or any other outstanding
3 indebtedness of the City have not been made timely.

4 SECTION 17. **Investments.** All or any part of the moneys in the Utilities System
5 Fund and the Sinking Fund shall at the written request of this Governing Authority be
6 invested in Qualified Investments and all of the moneys in the Reserve Fund shall be
7 invested in Government Securities maturing in five (5) years or less, in which event all
8 income derived from such investments shall be added to any Revenue Account, with
9 the exception that any interest earnings from invested funds of the Reserve Fund shall
10 be retained therein until an amount equal to the applicable reserve fund requirement is
11 on deposit therein, and such investments shall, to the extent at any time necessary, be
12 liquidated and the proceeds thereof applied to the purposes for which the respective
13 fund or account has been created.

14 SECTION 18. **Rate Covenant.** The Issuer, through the Governing Authority,
15 hereby covenants to fix, establish and maintain such rates and collect such fees, rents
16 or other charges for the services and facilities of the Utilities System and all parts
17 thereof, and to revise the same from time to time whenever necessary, as will always
18 provide revenues in each Fiscal Year at least sufficient to pay (i) the necessary
19 expenses of administering, operating and maintaining the Utilities System in such year,
20 (ii) the principal and interest maturing on the Bonds, the Outstanding Parity Bonds and
21 any Additional Parity Bonds in such year, (iii) all Reserve or Sinking Fund or other
22 payments required for such year by this Bond Ordinance and the ordinances governing
23 the Outstanding Parity Bonds and any Additional Parity Bonds, and (iv) all other
24 obligations and indebtedness payable out of the income and revenues of the Utilities
25 System during such year, and which will in any event provide Net Revenues at least
26 equal to 120% of the largest amount of principal and interest maturing on the Bonds, the
27 Outstanding Parity Bonds and any Additional Parity Bonds in any future Fiscal Year,
28 and that such rates, fees, rents and other charges shall not at any time be reduced so
29 as to be insufficient to provide adequate revenues for such purposes.
30

31 In the event and to the extent that the revenues of the Utilities System are
32 insufficient to satisfy the obligations payable from the funds and accounts described in
33 Section 14 above, or the rate covenant contained in this Section, the City may take into
34 account other lawfully available sources of funding, provided that the amount of such
35 funding shall be actually budgeted for such purposes at the beginning of each Fiscal
36 Year.

37 SECTION 19. **Issuance of Additional Parity Bonds.** All of the Bonds shall
38 enjoy complete parity of lien along with the Outstanding Parity Bonds on the Net
39 Revenues despite the fact that any of the Bonds may be delivered at an earlier date
40 than any other of the Bonds. The City shall issue no Additional Parity Bonds having
41 priority over or parity with the Bonds or the Outstanding Parity Bonds, provided,
42 however, that Additional Parity Bonds may hereafter be issued on a parity with the
43 Bonds and the Outstanding Parity Bonds under the following conditions:

- 44 (a) The Net Revenues must in each of the two (2) completed Fiscal Years
45 immediately preceding the issuance of the additional bonds have been not

1 less than one and three-tenths (1.3) times the highest combined principal
2 and interest requirements for any succeeding Fiscal Year period on the
3 Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds
4 theretofore issued and then outstanding (but not including bonds which
5 have been refunded or provision otherwise made their full and complete
6 payment and redemption) and the bonds so proposed to be issued; and
7

8 (b) There must be no delinquencies in payments required to be made into the
9 various funds maintained pursuant to Section 14 hereof; and

10
11 (c) The existence of the facts required by paragraph (a) and (b) above must
12 be determined and certified to by the Director of Finance of the City; and
13

14 (d) The proceeds of the additional bonds must be used solely for the making
15 of improvements, extensions, renewals, replacements or repairs to the
16 Utilities System.
17

18 For the purpose of this section, (i) debt service calculations shall include
19 mandatory sinking fund redemptions or principal installments, if any, and (ii) so long as
20 the Outstanding Parity Bonds are no longer outstanding pursuant to the terms of the
21 Outstanding Parity Bond Ordinance, if a rate increase has been effected or a new
22 dedicated millage or sales tax will be effective prior to the issuance of the Additional
23 Parity Bonds or the project to be funded with the proceeds of the proposed Additional
24 Parity Bonds will result in additional customers of the Utilities System, and a recognized
25 engineer or firm of engineers employed by the City certifies as to the amount of
26 additional Net Revenue that would have been realized by the City in the preceding two
27 (2) Fiscal Years if such rate increase, new tax or additional customers had been in
28 effect during such time, then the coverage calculations for the preceding two Fiscal
29 Years immediately preceding the issuance of the Bonds may be made as if such
30 additional Net Revenue had been in effect during such period.
31

32 Notwithstanding the foregoing, the Bonds, the Outstanding Parity Bonds or any
33 Additional Parity Bonds hereafter issued may be refunded in accordance with the terms
34 thereof and such refunding bonds or other obligations issued for such purpose shall
35 enjoy complete equality of lien with the portion of the Bonds, Outstanding Parity Bonds
36 or Additional Parity Bonds, as applicable, which is not refunded, if there be any, and
37 shall continue to enjoy whatever priority of lien over subsequent issues as may have
38 been enjoyed by the Bonds, Outstanding Parity Bonds or Additional Parity Bonds, as
39 applicable, refunded, provided, however, that if the refunding bonds or other obligations
40 require total principal and interest payments during any year in excess of the principal
41 and interest which would have been required in such year to pay the Bonds,
42 Outstanding Parity Bonds or Additional Parity Bonds, as applicable, refunded thereby,
43 then such refunding bonds or other obligations shall not enjoy the lien priority
44 established by this paragraph unless the City shall satisfy the foregoing conditions of
45 this Section.
46

47 SECTION 20. **Schedule of Rates and Charges.** Except as otherwise provided,
48 nothing in this Bond Ordinance or in the Bonds shall be construed to prevent the City

1 from altering, amending or repealing from time to time as may be necessary any
2 ordinances setting up and establishing a schedule or schedules of rates and charges for
3 the services and facilities to be rendered by the Utilities System, said alterations,
4 amendments or repeals to be conditioned upon the continued preservation of the rights
5 of the Owners with respect to the income and revenues of the Utilities System, not
6 alone for the payment of the principal and interest on the Bonds, but to give assurance
7 and to insure that the income and revenues of the Utilities System shall be sufficient at
8 all times to meet and fulfill the other provisions stated and specified in this Bond
9 Ordinance. It is understood and agreed, however, that the City shall fix, establish and
10 maintain such rates and collect such fees, rents or other charges for the services and
11 facilities of the Utilities System, irrespective of the user thereof, that no free services or
12 facilities shall be furnished to any person, association or persons or corporation, public
13 or private, except the City itself, and that, except for those existing unmetered accounts
14 permitted by the Outstanding Parity Ordinance, all services shall be metered, and that
15 no discrimination shall be made as to rates and charges for the services and facilities of
16 the Utilities System as between users of the same type or class, provided, however, the
17 City shall not be required to meter water used for firefighting purposes through its fire
18 hydrants, but the City hereby agrees to pay from its general revenues a minimum
19 annual rental of Twenty-Five Dollars (\$25.00) per year for each fire hydrant connected
20 to the Utilities System and available for firefighting. The City agrees that all charges
21 owed by any individual, partnership or corporation for water and sewer rendered by the
22 Utilities System shall be billed and collected as a unit; that failure of any individual,
23 partnership or corporation to pay said combined charge within twenty (20) days of the
24 date on which it is billed shall cause such charge to become delinquent; that if such
25 delinquent charge, with penalties accrued thereon, is not paid within thirty (30) days
26 from the date on which it became delinquent, the City will shut off water service to the
27 affected premises, provided, however, that the City maintains the discretion to make
28 reasonable decisions as to the timing of disconnections; and that the City and its
29 officials, agents and employees will do all things necessary and will take advantage of
30 all remedies afforded by law to collect and enforce the prompt payment of all charges
31 made for utilities services rendered by the Utilities System. All delinquent charges for
32 such services shall on the date of the delinquency have added thereto a penalty of ten
33 percent (10%) of the amount of the charge. If service shall be discontinued as above
34 provided, the customer shall in addition to paying the delinquent charges and penalties,
35 pay as a conditions precedent to the resumption of service, a reasonable re-connection
36 charge of not less than Fifteen Dollars (\$15.00) for each service resumed. It is further
37 understood and agreed that the schedule of rates, fees, rents and other charges being
38 charged as of the date of the adoption of this Bond Ordinance for services and facilities
39 rendered by the Utilities System shall remain in effect and neither said existing schedule
40 nor any subsequent schedule shall be reduced at any time unless all payments required
41 for all funds by this Bond ordinance, including any deficiencies for prior payments, have
42 been fully made, and unless such schedule as so reduced will in each year thereafter
43 produce sufficient revenues to meet and fulfill the other provisions stated and specified
44 in this Bond Ordinance.

45
46 SECTION 21. **Rights of Owners; Appointment of Receiver in Event of**
47 **Default.** The Owners from time to time shall be entitled to exercise all rights and powers
48 for which provision is made in the laws of the State of Louisiana. Any Owners or any

ORDINANCE NO. 3974

ITEM NO. 20-02-3312

PAGE 16

1 trustee acting for such Owners in the manner hereinafter provided, may, either at law or
2 in equity, by suit, action, mandamus or other proceeding in any court of competent
3 jurisdiction, protect and enforce any and all rights under the laws of the State of
4 Louisiana, or granted and contained in this Bond Ordinance, and may enforce and
5 compel the performance of all duties required by this Bond Ordinance, or by any
6 applicable statutes to be performed by the City or by any agency, board or officer
7 thereof, including the fixing, charging and collecting of rentals, fees or other changes for
8 the use of the Utilities System and in general to take any action necessary to most
9 effectively protect the right of the Owners.

10 In the event that default shall be made in the payment of the interest on or the
11 principal of any of the Bonds as the same shall become due, or in the making of the
12 payments into any of the funds or accounts described in Section 14 above, or any other
13 payments required to be made by this Bond Ordinance, or in the event that the City or
14 any agency, board, officer, agent or employee thereof shall fail or refuse to comply with
15 the provisions of this Bond Ordinance or shall default in any covenant made herein, and
16 in the further event that any such default shall continue for a period of thirty (30) days
17 after written notice, any Owner or any trustee appointed to represent such Owners as
18 hereinafter provided, shall be entitled to the appointment of a receiver of the Utilities
19 System in an appropriate judicial proceeding in a court of competent jurisdiction.

20
21 The receiver so appointed shall forthwith directly or by his agents and attorneys,
22 enter into and upon and take possession of the Utilities System, and each and every
23 part thereof, and shall hold, operate and maintain, manage and control the Utilities
24 System, and each and every part thereof, and in the name of the City shall exercise all
25 the rights and powers of the City with respect to the Utilities System as the City itself
26 might do. Such receiver shall collect and receive all rates, fees, rentals and other
27 revenues, shall maintain and operate the Utilities System in the manner provided in this
28 Bond Ordinance, and shall comply under the jurisdiction of the court appointing such
29 receiver, with all of the provisions of this Bond Ordinance.

30
31 Whenever all that is due upon the Bonds and interest thereon, and under any
32 covenants of this Bond Ordinance for reserve, sinking or other funds, and upon any
33 other obligations and interest thereon, having a charge, lien or encumbrance upon the
34 fees, rentals or other revenues of the Utilities System, shall have been paid and made
35 good, and all defaults under the provisions of this Bond Ordinance shall have been
36 cured and made good, possession of the Utilities System shall be surrendered to the
37 City upon the entry of an order of the court to that effect. Upon any subsequent default,
38 any Owner, or any trustee appointed for Owners as hereinafter provided, shall have the
39 same right to secure the further appointment of a receiver upon any such subsequent
40 default.

41
42 Such receiver, in the performance of the powers hereinabove conferred upon him
43 by and under the direction and supervision of the court making such appointment, shall
44 at all times be subject to the orders and decrees of such court and may be removed
45 thereby and a successor receiver appointed in the discretion of such court. Nothing
46 herein contained shall limit or restrict the jurisdiction of such court to enter such other

1 and further orders and decrees as such court may deem necessary or appropriate for
2 the exercise by the receiver of any function not specifically set forth herein.

3 Any receiver appointed as provided herein shall hold and operate the Utilities
4 System in the name of the City and for the joint protection and benefit of the City and
5 the Owners. Such receiver shall have no power to sell, assign, mortgage or otherwise
6 dispose of any property of any kind or character belonging or pertaining to the Utilities
7 System but the authority of such receiver shall be limited to the possession, operation
8 and maintenance of the Utilities System for the sole purpose of the protection of both
9 the City and the Owners and the curing and making good of any default under the
10 provisions of this Bond Ordinance, and the title to and the ownership of the Utilities
11 System shall remain in the City, and no court shall have any jurisdiction to enter any
12 order or decree permitting or requiring such receiver to sell, mortgage or otherwise
13 dispose of any property of the Utilities System except with the consent of the City and in
14 such manner as the court shall direct.

15
16 The Owner or Owners in an aggregate principal amount of not less than twenty-
17 five percent (25%) of the Bonds then outstanding may by a duly executed certificate
18 appoint a trustee for the Owners with authority to represent such Owners in any legal
19 proceedings for the enforcement and protection of the rights of such Owners. Such
20 certificate shall be executed by such Owners, or by their duly authorized attorneys or
21 representatives, and shall be filed in the office of the Council Administrator of the City.

22
23 Until an event of default shall have occurred, the City shall retain full
24 possession and control of the Utilities System with full right to manage, operate and
25 use the same and every part thereof with the rights appertaining thereto, and to
26 collect and receive and, subject to the provisions of this Bond Ordinance, to take,
27 use and enjoy and distribute the earnings, income, rent, issue and profits accruing
28 on or derivable from the Utilities System.

29
30 SECTION 22. **Specific Covenants.** The City does hereby covenant and
31 warrant so long as any of the Bonds are outstanding and unpaid in principal and/or
32 interest:

33 (a) That it will at all times maintain the Utilities System in first-class repair and
34 working order and condition.

35 (b) That it will carry full coverage of insurance on the Utilities System at all times
36 against those risks and in those amounts normally carried by privately owned
37 public utility companies engaged in the operation of utilities similar to the Utilities
38 System. Said policies of insurance shall be issued by a responsible insurance
39 company or companies duly licensed to do business under the laws of the State
40 of Louisiana; provided, however, that the City may self-insure to the extent
41 allowed by the laws of the State. In case of loss, any insurance money received
42 by the City shall be used for the purpose of promptly repairing or replacing the
43 property damaged or destroyed.

44 (c) That it will not sell, lease or in any manner dispose of the Utilities System or
45 any substantial part thereof, provided that the City may dispose of property which

1 in its judgment is worn-out, unserviceable, unsuitable, or unnecessary in the
2 operation of the Utilities System, when other property of equal value is
3 substituted therefor, or the proceeds derived from the disposal of such property
4 are used for constructing and acquiring extensions and improvements to the
5 Utilities System or repairing the Utilities System.

6 (d)That except as provided in Section 19 hereof, it will not voluntarily create or
7 cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance,
8 or any other charges having priority over or parity with the lien of the Bonds upon
9 the income and revenues of the Utilities System pledged as security therefor.

10 (e)That to the extent permitted by law, it will not grant a franchise to any other
11 company or organization for operation within the boundaries of the City which
12 would render services or facilities in competition with the Utilities System, and will
13 oppose the granting of such franchise by any other public body having
14 jurisdiction over such matters.

15 (f)That it will not sell, lease, encumber or in any manner dispose of the Utilities
16 System or any substantial part thereof; provided, however, that this covenant
17 shall not be construed to prevent the disposal by the City of property which in its
18 judgment has become worn out, unserviceable, unsuitable or unnecessary in the
19 operation of the Utilities System, when other property of equal value is
20 substituted therefor.

21 SECTION 23. **Audit Requirements.** The City will establish and maintain
22 adequate financial records as required by the laws of the State of Louisiana governing
23 financial record-keeping by political subdivisions and in accordance with generally
24 accepted accounting principles ("GAAP") and will make these and the following records
25 and reports available to the Owners or their authorized representatives upon request.

26 The City will cause an audit of its financial statements to be made by an
27 independent firm of certified public accountants in accordance with the requirements of
28 Chapter 8 of Title 24 of the Louisiana Revised Statutes of 1950, as amended, and for so
29 long as the Department owns the Bonds, or any part thereof, in accordance with the
30 requirements of the Single Audit Act Amendments of 1996, as implemented by 2 CFR
31 200, Subpart F, and Section 66.468 of the Catalog of Federal Domestic Assistance
32 (CFDA #66.468 - Capitalization Grants for Drinking Water State Revolving Funds), if
33 applicable. Upon completion, the City shall file a copy of such audited financial
34 statements with any Owner requesting same.

35
36 SECTION 24. **Fidelity Bonds for Officers and Employees.** So long as any of
37 the Bonds are outstanding and unpaid, the City shall require all of its officers and
38 employees who may be in a position of authority or in possession of money derived
39 from the collection of revenues of the Utilities System, to obtain or be covered by a
40 blanket fidelity or faithful performance bond, or independent fidelity bonds written by a
41 responsible indemnity company in amounts adequate to protect the City from loss.
42

1
2 SECTION 25. Retention and Duties of Consulting Engineer in Event of
3 Failure to Make Required Payments. The City covenants and agrees that in the event
4 it should fail to derive sufficient income from the operation of the Utilities System to
5 make the required monthly payments into the funds and accounts established and
6 maintained in accordance with Section 14 hereof, it will retain a Consulting Engineer on
7 a continuous basis until all defaults are cured, for the purpose of providing for the City
8 continuous engineering counsel in the operation of its Utilities System. Such Consulting
9 Engineer shall be retained under contract at such reasonable compensation as may be
10 fixed by this Governing Authority, and the payment of such compensation shall be
11 considered to be one of the costs of administrating, maintaining and operating the
12 Utilities System. Any Consulting Engineer appointed under the provisions of this Section
13 may be replaced at any time by another Consulting Engineer appointed or retained by
14 the City, with the consent and approval of the Owners.

15
16 The Consulting Engineer shall prepare within ninety (90) days after the close
17 of each Fiscal Year a comprehensive operating report, which report shall contain
18 therein or be accompanied by a certified copy of an audit of the preceding Fiscal Year
19 prepared by the City's certified public accountants, and in addition thereto, shall
20 report upon the operations of the Utilities System during the preceding Fiscal Year,
21 the maintenance of the properties, the efficiency of the management of the Utilities
22 System; the property and adequate keeping of books of record and account, the
23 adherence to budget and budgetary control provisions, the adherence to the
24 provisions of this Bond Ordinance and all other things having a bearing upon the
25 efficient and profitable operation of the Utilities System, and shall include whatever
26 criticism of any phase of the operation of the Utilities System the Consulting Engineer
27 may deem proper, and such recommendations as to changes in operations and the
28 making of repairs, renewals, replacements, extensions, betterments and
29 improvements as the Consulting Engineer may deem proper. Copies of such report
30 shall be placed on file with the Council Administrator of the City and sent to the
31 Owner, and shall be open to inspection by any Owner. It shall be the duty of the
32 Consulting Engineer to pass upon the economic soundness or feasibility of any
33 extensions, betterments, improvements, expenditures or purchases of equipment and
34 materials or supplies, which will involve the expenditure of more than Twenty
35 Thousand Dollars (\$20,000), whether in one or more than one order, and whether
36 authorized by a budget or not, and the Consulting Engineer shall devise and
37 prescribe form or forms wherein shall be set forth his or its approval in certificate
38 form, copies of which shall be filed with the Council Administrator of the City.

39
40 Sixty (60) days before the close of each Fiscal Year, the Consulting Engineer
41 shall submit to this Governing Authority a suggested budget for the ensuing year's
42 operation of the Utilities System and shall submit recommendations as to the
43 schedule of rates and charges for services supplied by the Utilities System, taking
44 into account any other lawfully available funds of the City that may be available of
45 such purposes. A copy of said suggested budget and recommendations shall also be
46 furnished by said Consulting Engineer directly to the Owner. Such recommendations
47 as to rates and charges consistent with the requirements relating thereto contained
48 herein, shall be followed by this Governing Authority insofar as practicable and all

ORDINANCE NO. 3974

ITEM NO. 20-02-3312

PAGE 20

1 other recommendations shall be given careful consideration by this Governing
2 Authority and shall be substantially followed, except for good and reasonable cause.
3 No expenditures for the operation, maintenance and repair of the Utilities System in
4 excess of the amounts stated in said budget shall be made in any year, except upon
5 the certificate of the Consulting Engineer that such expenditures are necessary and
6 essential to the continued operation of the Utilities System.
7

8 It shall be the duty of the Consulting Engineer to prescribe a system of
9 budgetary control along with forms for exercising of such control which shall be
10 utilized by the manager or superintendent of the Utilities System and his staff and the
11 manager or superintendent shall cause to prepare monthly reports not later than the
12 twentieth (20th) day of each month, for the preceding months business and operation
13 of the Utilities System, which reports shall be submitted to the Consulting Engineer,
14 who shall prepare an analysis of each such report, which analysis shall be filed
15 monthly as expeditiously as possible with the Director of Finance of the City, the
16 Mayor and with the Owner or Owners.
17

18 In the event this Governing Authority shall fail to select and retain a Consulting
19 Engineer in accordance with the first paragraph of this Section within thirty (30) days
20 after the occurrence of the conditions prescribed thereby, then upon the petition of
21 the Owners of the twenty-five percent (25%) of the aggregate principal amount of the
22 Bonds then outstanding, this Governing Authority shall select and retain such
23 Consulting Engineer as is named in the petition of said Owners unless a Receiver
24 had been appointed pursuant to Section 21 hereof.
25

26 SECTION 26. **Discharge of Bond Ordinance.** If the City shall pay or cause to
27 be paid, or there shall be paid to the Owners, the principal of and interest (including the
28 Administrative Fee) on the Bonds, at the times and in the manner stipulated in this Bond
29 Ordinance are paid in full for all amounts due and owing, then the pledge of the Net
30 Revenues or any other money, securities, and funds pledged under this Bond
31 Ordinance and all covenants, agreements, and other obligations of the City to the
32 Owners shall thereupon cease, terminate, and become void and be discharged and
33 satisfied.
34

35 SECTION 27. **Defeasance.** Bonds or interest installments (including the
36 Administration Fee) for the payment of which money shall have been set aside and shall
37 be held in trust (through deposit by the City of funds for such payment or otherwise) at
38 the maturity or prepayment date thereof shall be deemed to have been paid within the
39 meaning and with the effect expressed above in this Section. Bonds shall be deemed to
40 have been paid, prior to their maturity, within the meaning and with the effect expressed
41 above in this Section if they have been defeased pursuant to the laws of the State of
42 Louisiana.
43

44 SECTION 28. **Cancellation of Bonds.** All Bonds paid or prepaid either at or
45 before maturity, together with all Bonds purchased by the City, shall thereupon be
46 promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly
47 furnish to the Council Administrator of the City an appropriate certificate of cancellation.
48

1 SECTION 29. **Lost, Destroyed or Improperly Cancelled Bonds.** Lost,
2 destroyed or improperly cancelled Bonds may be replaced in the manner set forth in
3 Part XI, Chapter 4, Subtitle II, Title 39 of the Louisiana Revised Statutes of 1950, as
4 amended (La. R.S. 39:971 et seq.). In case any such lost, destroyed or improperly
5 cancelled Bond has become or is about to become due and payable, the City in its
6 discretion may, instead of issuing a new Bond, pay such Bond.

7 Upon the issuance of any replacement Bond under this Section, the City may
8 require the payment by the Owner of a sum sufficient to cover any tax or other
9 governmental charge that may be imposed in relation thereto and any other expenses
10 (including the fees and expenses of the Paying Agent) connected therewith. Every new
11 Bond issued pursuant to this section in lieu of any lost, destroyed or improperly
12 cancelled Bond shall constitute a replacement of the prior obligation of the City, whether
13 or not the lost, destroyed or improperly cancelled Bond shall be at any time enforceable
14 by anyone. The obligation of the City on any replacement bonds shall be identical as its
15 obligation upon the original Bonds, and the rights of the registered owner shall be the
16 same as those conferred by the original Bonds.

17
18 SECTION 30. **Successor Paying Agent; Paying Agent Agreement.** The City
19 will at all times maintain a Paying Agent for the performance of the duties hereunder for
20 the Bonds. The designation of the initial Paying Agent in this Bond Ordinance is hereby
21 confirmed and approved. The City reserves the right to appoint a successor Paying
22 Agent by (a) filing with the Person then performing such function a certified copy of a
23 resolution of ordinance giving notice of the termination and appointing a successor and
24 (b) causing notice to be given to each Owner. Every successor Paying Agent appointed
25 hereunder shall at all times be an officer of the City or a bank or trust company
26 organized and doing business under the laws of the United States of America or of any
27 state, authorized under such laws to exercise trust powers, and subject to supervision
28 or examination by Federal or State authority. If required, the Executive Officers are
29 hereby authorized and directed to execute an appropriate agreement with the Paying
30 Agent for and on behalf of the City in such form as may be satisfactory to said officers,
31 the signatures of said officers on such Agreement to be conclusive evidence of the due
32 exercise of the authority granted hereunder. No resignation or removal of the Paying
33 Agent shall become effective until a successor has been appointed and has accepted
34 the duties of Paying Agent.

35
36 SECTION 31. **Notice to Owners.** Wherever this Bond Ordinance provides for
37 notice to Owners of any event, such notice shall be sufficiently given (unless otherwise
38 herein expressly provided) if in writing and sent via accepted means of electronic
39 communication or mailed, first class postage prepaid, to each Owner, at the address of
40 such Owner as it appears in the Bond Register. In any case where notice to Owners is
41 given by mail, neither the failure to mail such notice to any particular Owner, nor any
42 defect in any notice so mailed, shall affect the sufficiency of such notice with respect to
43 all other Bonds. Where this Bond Ordinance provides for notice in any manner, such
44 notice may be waived in writing by the Owner entitled to receive such notice, either
45 before or after the event, and such waiver shall be the equivalent of such notice.
46 Waivers of notice by Owners shall be filed with the Paying Agent, but such filing shall
47 not be a condition precedent to the validity of any action taken in reliance upon such
48 waiver.

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SECTION 32. **Publication; Peremption.** This Bond Ordinance shall be published one time in the official journal of the City, or if there is none, in a newspaper having general circulation in the City. It shall not be necessary to publish the exhibits to this Bond Ordinance but such exhibits shall be made available for public inspection at the offices of the Governing Authority at reasonable times and such fact must be stated in the publication within the official journal. For a period of thirty days after the date of such publication any persons in interest may contest the legality of this Bond Ordinance and any provisions herein made for the security and payment of the Bonds. After such thirty day period no one shall have any cause or right of action to contest the regularity, formality, legality, or effectiveness of this Bond Ordinance and the provisions hereof or of the Bonds for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the Bonds within the thirty days herein prescribed, the authority to issue the Bonds or to provide for the payment thereof, and the legality thereof, and all of the provisions of this Bond Ordinance and such Bonds shall be conclusively presumed, and no court shall have authority or jurisdiction to inquire into any such matter.

SECTION 33. **Disclosure Under SEC Rule 15c2-12.** The City is not required at this time to comply with the continuing disclosure requirements described in the Rule 15c2-12(b) of the Securities and Exchange Commission [17CFR '240.15c2-12(b)].

SECTION 34. **Severability.** In case any one or more of the provisions of this Bond Ordinance or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Bond Ordinance or of the Bonds, but this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Bond Ordinance which validates or makes legal any provision of this Bond Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Bond Ordinance and to the Bonds.

SECTION 35. **Section Headings.** The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

The foregoing Ordinance having been submitted to a vote, the vote thereon was as follows:

MEMBERS:	YEAS:	NAYS:	ABSENT	ABSTAINING:
Leslie Denham	x			
Kim Harbison	x			
Glynn Pichon	x			
David William Dunham	x			
Warren Crocket	x			
Val Vanney Jr.	x			
Kenneth Tamborella	x			
Cynthia E. King	x			
Bill Borchert	x			

And the ordinance was declared adopted on this the 10th day of March, 2020.

Bill Borchert
 President of the Council
 Councilman-at-Large

Greg Cromer
 Mayor

Thomas P. Reeves
 Council Administrator

DELIVERED	3/11/20
10:00 am	to the Mayor
RECEIVED	3/18/20
1:30 pm	from the Mayor

ORDINANCE NO.

ITEM NO.

PAGE 24

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STATE OF LOUISIANA

PARISH OF ST. TAMMANY

I, the undersigned Council Administrator of the City of Slidell, State of Louisiana (the "City"), do hereby certify that the foregoing pages constitute a true and correct copy of an ordinance adopted by the Slidell City Council, acting as the governing authority of the City on March 10, 2020, authorizing the issuance by the City of Slidell, State of Louisiana, of its Taxable Utilities Revenue Bonds (LDH) in an amount not to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000), prescribing the form, terms and conditions of said Bonds; providing for the payment thereof; entering into certain other covenants and agreements in connection with the security and payment of said Bonds; authorizing the execution of a Loan and Pledge Agreement and other loan documents with the Louisiana Department of Health; providing for the delivery of the Bonds to said Department; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature on this, the 10th day of March, 2020.



Council Administrator