

214

BE IT REMEMBERED that there was begun and held a regular meeting of the Mayor and Board of Aldermen of the City of Petal, Mississippi, at 7:30 P. M., on November 18, 1980, in the Board Room of said City.

Those present: Sidney O. Smith, Mayor
Thomas Tyner, City Attorney
Aldermen: W. E. Boutwell
W. H. Campbell
George B. Draughn
Bobby W. Runnels
Robert E. Russell

Others present: Charles Mauldin
Richard Wyckoff
Bill Hamilton
Leroy Scott
and others

The Mayor declared a quorum present and declared the City Council in session.

The invocation was offered by Bobby W. Runnels.

The minutes of the regular meeting of November 4, 1980, were read by Priscilla C. Daniel.

THEREUPON, Alderman Russell made a motion that the minutes be accepted as read. Alderman Campbell seconded the motion.

Those present and voting "AYE":
Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell
Alderman Bobby W. Runnels

Those present and voting "NAY":
None

WHEREAS, Mayor Smith called for public comment, but there was none.

WHEREAS, the hour of 7:30 P. M. having arrived, the Mayor and Board of Aldermen proceeded to publicly open and read the sealed bids for the trencher with trailer for the water department. The bids read as follows, to-wit:

Mauldin Company
Highway 49 North
Hattiesburg, Ms 39401

November 18, 1980

Mayor and Aldermen
City of Petal
Petal, Mississippi

Gentlemen:

In response to your invitation for bids to be opened November 18, 1980, on one service line trencher, we submit the following:

One New Ford 2600 Tractor.....Total Price \$14,785.00
with New Ford 709 Dozer Blade
and New Auburn FA 124H Trencher

Specifications:
Tractor-----Engine-36 Engine HP, 158 CID Diesel, Water-cooled,
Electric start with 12 volt electrical system
Steering-Power Assist
Transmission-8 forward, 2 reverse, 18 mph road speed
Brakes-Separate right and left with latch for simultaneous operation and brake lock
ROPS---Rollover Protective Structure with seat belt
Seat---Padded suspension seat
Instrument Panel-Tachometer-hourmeter, fuel guage, temperature guage, alternator and oil pressure warning lights, air restriction indicator
Tires--Rear 12.4-28 R1 4 Ply
Lights--Safety flasher lights, headlights and tail-light

Trencher---Mechanically driven through transmission. Digging depth 48 inches, trench width 12 inches. Replaceable teeth hard surfaced and heat treated. Hydraulic lifting and lowering boom.

Dozer Blade-78" wide, Hydraulic lift and angle

Parts and service for the above machine are available at Mauldin Company in Hattiesburg.

Delivery is possible within 30 days of bid acceptance. Terms of payment are net 10 days after delivery. This offer is good for 30 days.

Thank you for the opportunity to make this bid.

Sincerely,

/s/ Craig Mauldin
Craig Mauldin

* * * * *

Ditch Witch of Mississippi, Inc.
P. O. Box 6014
Jackson, Mississippi 39208

November 18, 1980

City of Petal - Re: Trencher and Trailer Bid

Model 2300 Ditch Witch Trencher with 30 H. P. Wisconsin Air Cooled Engine, 26 x 12 x 12 four ply bar lug tires, service brake, independent parking brake, R. O. P. S., seat belt, automotive type power steering, 4 foot boom, 12 inch chain, ditch cleaner attachment, safety flasher lights front and rear. Complete specifications attached. \$ 9,455.60

Model S-2 Ditch Witch Trailer with springs, six ply tires, 2 inch ball and coupler. Complete specifications attached.
\$ 995.00
\$10,450.60

Immediate Delivery.

The item herein bid upon is not contained on said Current Indexed List of Commodities.

DITCH WITCH OF MISSISSIPPI, INC.

/s/ Richard L. Wyckoff
Richard L. Wyckoff

* * * * *

Pedigo Equipment Corporation
Box 5616 Pearl Station
Jackson, Mississippi 39208

November 17, 1980

City of Petal, Mississippi
P. O. Box 564
Petal, Mississippi 39465

Re: Bid on Trencher with Trailer

Gentlemen:

We are pleased to present our bid on the CASE SERVICE LINE TRENCHING MACHINE AND TRAILER per your Notice to Bidders. This outstanding industrial unit is manufactured by the J. I. Case Light Equipment Division, specifically to meet your trenching requirements. It is a heavy duty industrial unit. It does not use automotive components nor automotive systems; rather, it provides you with hydrostatic drive, positive traction, limited slip four-wheel drive (standard), and heavy duty, industrial type articulated frame for maximum maneuverability in difficult working conditions. It has a complete factory warranty of six months.

The item herein bid upon is not contained on the Current Indexed List of Commodities.

1 CASE 25 + 4 TRENCHING MACHINE, with 30 H.P., VH4D Wisconsin Engine; 48" depth digging boom with 50,000 pound chain, and teeth to dig 12" wide; 26 x 12 x 12 four-ply tires, 2 post ROPS structure, and Industrial Tilt Ramp Trailer, Model JFWB1 with 4,000 pound capacity.

TOTAL BID \$9,840.00

Thank you for your consideration of this outstanding model.

Sincerely,

PEDIGO EQUIPMENT CORPORATION

/s/ Bill Hamilton
Bill Hamilton
Sales Representative

BH: vp "The bid herein made does not exceed the State Contract Price fixed by the current indexed list of commodities", or the item herein bid upon is not contained on said Current List".

* * * * *

THEREUPON, Alderman Russell made a motion to take the foregoing bids under advisement. Alderman Draughn seconded the motion.

Those present and voting "AYE":

- Alderman W. E. Boutwell
- Alderman W. H. Campbell
- Alderman Bobby W. Runnels
- Alderman Robert E. Russell
- Alderman George B. Draughn

Those present and voting "NAY":

None

WHEREAS, Mayor Smith requested the wishes of the Board concerning the bids for the pipe locator for the water department opened at the November 4, 1980, meeting.

THEREUPON, Alderman Draughn made a motion to accept Davis Meter Company's bid of \$397.00 for the pipe locator. Alderman Campbell seconded the motion.

Those present and voting "AYE":

- Alderman W. E. Boutwell
- Alderman W. H. Campbell
- Alderman Bobby W. Runnels
- Alderman Robert E. Russell
- Alderman George B. Draughn

Those present and voting "NAY":

None

WHEREAS, Mayor Smith stated that the Petal Booster Club has requested that the city purchase an ad in the program for the Jaycee Bowl Game that Petal High School Football team is participating in.

THEREUPON, Alderman Russell made a motion to purchase a full page ad for \$100 in the Jaycee Bowl Program. Alderman Runnels seconded the motion.

Those present and voting "AYE":

- Alderman W. E. Boutwell
- Alderman W. H. Campbell
- Alderman Bobby W. Runnels
- Alderman Robert E. Russell
- Alderman George B. Draughn

Those present and voting "NAY":

None

WHEREAS, Mayor Smith stated that the Petal Chamber of Commerce will be sponsoring a "SHOP PETAL FIRST" promotion and have requested that the City purchase an ad in the campaign.

THEREUPON, Alderman Runnels made a motion to purchase a \$200 ad in the promotion. Alderman Russell seconded the motion.

Those present and voting "AYE":

- Alderman W. E. Boutwell
- Alderman W. H. Campbell
- Alderman Bobby W. Runnels

Alderman Robert E. Russell
Alderman George B. Draughn

Those present and voting "NAY":

None

WHEREAS, Joe Barron presented the proration for the month of October.

WHEREAS, Mayor Smith presented the following proofs of publication:

- 1) Notice to Bidders-Trencher with Trailer
- 2) Amendment to Ordinance 1979 (42-M) Arthur Davis
- 3) Amendment to Ordinance 1979 (42-N) Mary T. Walker

THEREUPON, Alderman Russell made a motion that the foregoing proofs of publication be accepted and filed. Alderman Boutwell seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell
Alderman Bobby W. Runnels

Those present and voting "NAY":

None

WHEREAS, Alderman Runnels made a motion to enter into executive session. Alderman Campbell seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell
Alderman Bobby W. Runnels

Those present and voting "NAY":

None

THEREUPON, Alderman Boutwell made a motion to adjourn the executive session. Alderman Campbell seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell

WHEREAS, Mayor Smith stated that Great Southern Life Insurance, carrier for the city's group health and life insurance has increased the premium approximately 40% effective December 1, 1980.

THEREUPON, Alderman Russell made a motion to authorize the Mayor to obtain quotations and to enter into an agreement for the city's insurance with the company that presents the lowest and best quotation and to authorize the city clerk to pay the first month's premium in advance. Alderman Runnels seconded the motion. The quotes obtained were from Integon, Blue Cross and Equitable, and read as follows, to-wit:

SEE

THE

FOLLOWING

PAGES

FOR

QUOTATIONS

I N T E G O N

SCHEDULE OF COMPREHENSIVE BENEFITS AND COSTS

CITY OF PETAL, MS Date: 8-21-80

Class	Number of Employees	Description of Classes	Life	AD & D	Wkly A & S	Dependent Life
I	67		\$5,000	\$5,000	\$15 N	\$1,000 N

***Note: 60% dependent participation required**

Comprehensive Major Medical Maximum Benefit — \$1,000,000			In-Hospital Medical	Diagnostic X-Ray and Laboratory	Supplemental Accident
Hospital	Surgical	All Other Benefits	Daily Benefit	Maximum Benefit	Maximum Benefit
90%	90%	90%	\$ 90%	\$ 90%	\$ 90%
The above payments are subject to \$100.00 deductible.					

PLAN OUTLINE

(Specific benefits are described in more detail on the following pages)

LIFE BENEFIT

- Paid in the event of death from any cause.
- Reduced 35% upon attainment of age 65 and further reduces to 25% of the original amount at age 70.

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

- Written on a 24 hour basis.
- Reduced 35% upon attainment of age 65 and terminates at age 70.

WEEKLY ACCIDENT AND SICKNESS BENEFIT

- Paid beginning with the 1 day of disability due to accidental bodily injury and the 8 day of disability due to sickness.
- Paid for a maximum of 26 weeks for any one period of disability.
- Terminates upon attainment of age 70.
- Maternity benefits payable as any other sickness.

DEPENDENT LIFE BENEFIT

- Paid in the event of death from any cause.

IN HOSPITAL MEDICAL EXPENSE BENEFIT

- Paid for a maximum of _____ days for any one period of hospital confinement.

DIAGNOSTIC X-RAY AND LABORATORY EXPENSE BENEFIT

- Benefits are unscheduled.

SUPPLEMENTAL ACCIDENT EXPENSE BENEFIT

- Paid for covered expenses incurred as a result of an accidental bodily injury which are in excess of the amounts provided under the Comprehensive Medical Plan.

COMPREHENSIVE MAJOR MEDICAL EXPENSE BENEFIT

- Room Limit — Semi-private
- Deductible — \$100.00 (waived for accident)
- Deductible Accumulation Period — Calendar year
- Percentage Payable — 90%
- Waiver of pre-existing conditions for initial insureds insured with the prior carrier.
- Stop-loss provision — \$500 (out of pocket)
- Maternity benefits payable as any other sickness.
- Family Security Benefit
2 deductibles per family

	COST PROJECTION		
	Volume/No.	Rate	Monthly Cost
Life	328,000	\$.60 per \$1,000	\$ 196.80
Accidental Death and Dismemberment	328,000	.09 per \$1,000	29.52
Weekly Accident and Sickness	5,025	.69 per \$10	346.73
Employee Medical	67 ^{34.27}	30.31 per Emp.	2,030.77
Dependent Life	17	.48 per Dep. Unit	8.16
Dependent Medical	17 ^{1.74}	58.94 per Dep. Unit	1,001.98
TOTAL			3,613.96

The current rate basis will apply if the plan becomes effective within 45 days of the proposed effective date. The exact premiums to be charged will depend on the employees actually enrolled and the effective date agreed upon. Only those benefits indicated by amounts are proposed.

B L U E C R O S S

CITY OF PETAL

RESUME: Covered Medical Expenses	Calendar Year Deductible	Co-Insurance* (Percent)	Maximum Benefits
ROOM ALLOWANCE: (Semi-private room)		100%	
HOSPITAL SERVICES: In a Participating Hospital (Drugs, X-Ray & Laboratory Examinations, Oxygen and its Administration, etc.)		80%	\$1,000,000 LIFETIME MAXIMUM
PHYSICIAN SERVICES: (Consultations, Surgery, Assistants at Surgery, Radiation Therapy, Admin- istration of Anesthesia, In-Hospital Medical Care, etc.)	\$200 Calendar Year Deductible	80%	\$2,000 Automatic Restoration of Benefits Each January 1st Following Calendar Year When Maximum Benefits Exhausted
OTHER MEDICAL SERVICES: (Prescription Drugs, Phy- sical Therapist, Nurses (L.P.N. and R.N.), Pros- thetic Appliances, Ambulance, etc.)	(3 Per Family Maximum)	80%	
NERVOUS AND MENTAL CARE: Inpatient Care; Outpatient Care; (Limited \$1500 per Calendar Year)		80%	
MATERNITY CARE:** (Includes Hospital & Physician Services as listed above)		80%	

*Should "Covered Medical Expense" benefits exceed \$4,000 during a Benefits Period, Plan will pay 100% of covered charges for remainder of that calendar year, up to \$1,000,000 Lifetime Maximum.

**Regular contract benefits are available for maternity on covered female employees and covered dependent spouses of male employees. Benefits are not available to a newborn child unless born to a subscriber holding a Family Type Contract.

LIFE INSURANCE	\$5,000
ACCIDENTAL DEATH AND DISMEMBERMENT	\$10,000
MONTHLY BASIS:	
Employee Only	\$33.53
Dependent Cost	\$51.42
Includes spouse and all unmarried dependent children from birth (excluding routine nursery and well baby care) up to 19 years of age or up to 23 years if enrolled as a full-time student in an accredited high school, college or university	
Total Cost	\$84.95

burrell kyzar

XXXXXXXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXX
 XXXXXXXXXXXXXXX

W. B. Kyzar & Co.
 Suite 307, Forrest Towers
 Hattiesburg, MS 39401
 601/544-2322 office
 601/264-6387 Home

November 10, 1980

Mr. Sidney O. Smith
 Mayor
 City of Petal
 P. O. Box 564
 Petal, MS 39465

Dear Mayor:

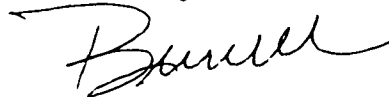
On the original group insurance proposal from Integon, the rates for medical insurance were as follows:

Employee Only	\$32.64
Dependent Cost	<u>53.66</u>
Total Employee & Family	\$86.30

Integon has agreed that the rates for an effective date of December 1, 1980 will be as follows:

<u>New Integon Rates</u>		<u>Present City Plan</u>	
Employee Only	\$34.27	Employee Only	\$32.14
Dependent Cost	<u>56.34</u>	Dependent Cost	<u>53.66</u>
Total Employee & Family	\$90.61	Total Employee & Family	\$85.80

Sincerely,



Burrell Kyzar

WBK/br

EQUITABLE

COST SUMMARY

Monthly saving to city
(67 Employees x \$2.16) \$144.72

Monthly saving to employee 2.24

BENEFIT SUMMARY:

(2) Differences in Benefits:

To increase from \$500,000 maximum to \$1,000,000 maximum
To increase from \$100 deductible to \$200 deductible

RECOMMENDATION

We recommend using the monthly savings to the city and converting this savings to whole life for Mayor, Alderman, and Department Heads as additional benefits.

OPTIONAL BENEFITS

\$50 weekly disability benefits, payable for (13) weeks, beginning 1st day for accidents and 8th day for sickness.

MONTHLY COST

Employee \$2.60

PLAN I

COST ESTIMATE

HEALTH AND DENTAL INSURANCE BENEFITS
AND ENTIRE INSURANCE PLAN

	Monthly Rate Per Employee or Dependent Unit	Monthly Premium
EMPLOYEES (60)		
Health Benefits	\$ 30.13	\$ 807. ⁸⁰
Dental Benefits #	\$ _____	\$ _____
TOTAL	\$ 30.13	\$ _____
DEPENDENTS (15 Units)		
Health Benefits	\$ 60.41	\$ 926. ¹⁵
Dental Benefits #	\$ _____	\$ _____
TOTAL	\$ 60.41	\$ _____
TOTAL MONTHLY COST \$		_____
MONTHLY COST OF ENTIRE INSURANCE PLAN		\$ 2713. ⁹⁵ 2803. ⁷⁵

Date November 20, 1980

Benefits marked "#" are not included in this offer.

WHEREAS, City Attorney, Thomas Tyner, presented the following ordinance providing for the establishment of the Police Auxiliary Force. The Ordinance read as follows, to-wit:

ORDINANCE 1980 (50)

AN ORDINANCE TO PROVIDE FOR THE CREATION OF A
POLICE AUXILIARY UNIT FOR THE CITY OF PETAL,
MISSISSIPPI, TO PROVIDE FOR THE POWERS AND
DUTIES OF SUCH POLICE AUXILIARY: TO PROVIDE
FOR THE APPOINTMENT, QUALIFICATIONS, TRAINING,
BY-LAWS, COMPENSATION, UNIFORMS, INSURANCE
AND WAIVER OF LIABILITY OF SUCH POLICE AUXILIARY
MEMBERS FOR RELATED PURPOSES

BE IT ORDAINED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI, AS FOLLOWS:

ARTICLE 1.

Section 1. CREATION - APPOINTMENTS - QUALIFICATIONS

There is hereby created a police auxiliary unit, to be known as the City of Petal Police Auxiliary, the membership of which shall not exceed more than fifty (50) persons. Such auxiliary unit shall be limited to persons who are residents of Forrest County, Mississippi, and have been residents thereof for a period of at least six (6) months prior to their appointment. Each member shall be in good physical condition and shall not be less than eighteen (18) years of age. Appointments to the Police Auxiliary shall be made by the Chief of Police. Any member may be discharged at any time with or without cause by the Chief of Police. Regular, full-time members of the Police Department of the City shall not be eligible for membership in the Police Auxiliary. An appointment by the Chief of Police to membership in the Police Auxiliary shall be signified by a card or other written instrument stating such appointment, dated and signed by the Chief of Police and a person shall not enter upon the duties of a member of the Police Auxiliary until such appointive instrument is in the physical custody of such member and such shall be maintained on his person at all times.

Section 2. POWERS AND DUTIES

The Police Auxiliary shall function under the immediate direction of the Chief of Police or in his absence, the senior police officer on duty. When on duty and performing official duties on behalf of the City of Petal, Mississippi, members of the Police Auxiliary shall have all the power and authority and immunities and shall be subject to all the duties of members of the regularly constituted Police Department of the City and shall be subject to the rules and regulations governing the Police Department, provided, however, that membership in the Police Auxiliary shall not constitute membership in the regularly constituted Police Department of the City nor shall any member of the Police Auxiliary be entitled to any right or privilege of compensation, pension or any other similar right or privilege or benefit of members of the regularly constituted Police Department, nor shall said individual be considered an employee of said City. A

278

at the Police Department. Before going on duty, a Police Auxiliary member shall sign said log book and enter the time and his/her signature, and upon going off duty shall enter the time of going off duty. The Police Auxiliary will report to the Lieutenant on duty for assignment and instructions.

Section 3. TRAINING AND BY-LAWS

The Chief of Police shall determine the program for training members of the Police Auxiliary in police work. The Police Auxiliary may adopt its own by-laws and rules and regulations and amendments thereto, all of which shall not conflict with any provisions of this article, and shall be subordinate to and in conformity with the ordinances or regulations of the City and the laws of the State of Mississippi. By-laws must be submitted to and signed by the Chief of Police before same shall be effective.

Section 4. COMPENSATION

No member of the Police Auxiliary shall receive nor be entitled to compensation or other benefits from the City for services as a member of the Police Auxiliary. The Police Auxiliary may accept and charge reasonable fees for its services in providing protection at private or public functions such as balls, ball games, dances and other like events and such fees may be used for the benefit of the Police Auxiliary.

Section 5. UNIFORMS AND EQUIPMENT

Members of the Police Auxiliary shall furnish their own uniforms and other necessary equipment without reimbursement from the City except for such sums as are paid to the Police Auxiliary for its use and benefit by order of the City Council. Except for items of personal equipment, all other equipment shall be owned by the Police Auxiliary.

Section 6. OFFICERS - Elections and Terms

Offices of the Police Auxiliary shall consist of the Chief thereof and such other officers as shall be provided for in its by-laws who shall be elected from the membership of the Police Auxiliary in accordance with its by-laws.

Section 7. INSURANCE

The Police Auxiliary shall maintain and keep in force at all times a group accident and death benefits insurance policy, providing insurance coverage for all members of the Police Auxiliary. Such policy shall be subject to prior approval of the City Council and a certificate of such insurance shall be delivered to the City Council. Premiums for said insurance shall be paid by the Police Auxiliary and may be paid from funds received from the City or any other source.

Section 8. WAIVER OF LIABILITY

Each member shall upon being appointed as a member of the Police Auxiliary execute and deliver to the Chief of Police an

November 11, 1980. The letter read as follows, to-wit:

L E T T E R

November 14, 1980

TO WHOM IT MAY CONCERN:

I hereby submit this as my resignation to become effective at the end of my tour of duty Wednesday, November 19th, 1980.

Having been offered another position which I feel I cannot refuse to accept. I regret I am unable to give a longer advance notice of my intentions to resign.

/s/ Danny Easterling
Danny Easterling

* * * * *

THEREUPON, Alderman Runnels made a motion to accept Mr. Easterling's resignation. Alderman Boutwell seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell
Alderman Bobby W. Runnels

Those present and voting "NAY":

None

WHEREAS, Mayor Smith presented the request for reimbursement for invoice number six from Smith and Sanders for the 201 Facility Plan.

THEREUPON, Alderman Russell made a motion to authorize the Mayor to execute the request and to forward it to EPA. Alderman Boutwell seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell
Alderman Bobby W. Runnels

Those present and voting "NAY":

None

WHEREAS, Mayor Smith requested the wishes of the Board concerning the employee's appreciation dinner.

THEREUPON, Alderman Runnels made a motion to set December 22, 1980, as the date for the employee dinner. Alderman Draughn seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell
Alderman Bobby W. Runnels

Those present and voting "NAY":

None

WHEREAS, Mayor Smith presented a request for the city clerk to attend the certification update in Jackson on December 10, through December 12, 1980.

THEREUPON, Alderman Runnels made a motion to authorize the city clerk to attend the seminar and to pay the registration fee and expenses incurred. Alderman Draughn seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
 Alderman W. H. Campbell
 Alderman George B. Draughn
 Alderman Robert E. Russell
 Alderman Bobby W. Runnels

Those present and voting "NAY":

None

WHEREAS, Mayor Smith and city attorney, Thomas Tyner, reported that negotiations have been concluded for the sale of the combined water and sewer revenue bond subject to final closing instructions from the Farmer's Home Administration and requested the wishes of the Board.

THEREUPON, Alderman Draughn made a motion to sell the \$1,100,000 bond to Farmer's Home Administration and to adopt the following resolution. Alderman Runnels seconded the motion. The resolution read as follows, to-wit:

RESOLUTION

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF A COMBINED INTEREST-BEARING WATER AND SEWER SYSTEM JUNIOR LIEN REVENUE BOND OF THE CITY OF PETAL, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF ONE MILLION, ONE HUNDRED THOUSAND DOLLARS (\$1,100,000) TO PROVIDE FUNDS FOR THE PAYMENT OF THE COST OF IMPROVING, REPAIRING, AND EXTENDING THE COMBINED WATER AND SEWER SYSTEM OF SAID CITY; PRESCRIBING THE FORM AND INCIDENTS OF SAID BOND: AND PROVIDING FOR THE COLLECTION, SEGREGATION, AND DISTRIBUTION OF THE REVENUES TO BE DERIVED FROM THE OPERATION OF THE COMBINED WATER AND SEWER SYSTEM OF SAID CITY IN AMOUNTS SUFFICIENT TO PAY THE COST OF OPERATION AND MAINTENANCE THEREOF AND THE PRINCIPAL OF AND INTEREST ON SAID BOND, AND MAKING PROVISION FOR A DEPRECIATION AND A CONTINGENT FUND: SAID BOND TO BE JUNIOR AND SUBORDINATE TO THE OUTSTANDING WATERWORKS AND SEWER REVENUE BOND OF SAID CITY DATED JUNE 1, 1962.

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, heretofore have found and determined that it is necessary and advisable and in the best interest of the City and of its inhabitants to improve, repair and extend the combined water and sewer system of said City; and

WHEREAS, the Mayor and Board of Aldermen heretofore have found and determined that it is advisable that the cost to the City of such improvements, repairs and extensions should be met through the issuance of bonds of the City payable from the revenues to be derived from the operation of the combined water and sewer system of said City; and

WHEREAS, the City of Petal is authorized under the provisions of Chapter 494, Laws of Mississippi, 1950, as amended, being also Sections 21-27-11, et seq., Mississippi Code 1972 Annotated, to issue its Water and Sewer System Junior Lien Revenue Bond to provide funds for the making of such improvements; said bond to be payable solely from the revenues to be derived from the operation of the combined water and sewer system of said City, subject to the prior pledge of said revenues to the payment, both principal and interest, under the terms of certain outstanding Waterworks and Sewer Revenue Bonds of said City (then the East Forrest Utility District of Forrest County, Mississippi, dated June 1, 1962; and

WHEREAS, under the laws of the State of Mississippi and the aforesaid combined water and sewer system revenue bonds may be issued as hereinafter provided; and

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, proceeding under the authority of the aforesaid Section 21-27-11, et seq., on the 21st day of August, 1978, did adopt a certain resolution entitled: "A RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI, TO ISSUE COMBINED WATER AND SEWER SYSTEM REVENUE BONDS OF SAID MUNICIPALITY IN THE PRINCIPAL AMOUNT OF ONE MILLION, ONE HUNDRED THOUSAND DOLLARS (\$1,100,000) TO RAISE MONEY FOR THE FOLLOWING PURPOSE: FOR IMPROVING, REPAIRING AND EXTENDING THE COMBINED WATER AND SEWER SYSTEM OF THE CITY OF PETAL, MISSISSIPPI," and

WHEREAS, as required by law and as directed by the aforesaid Resolution, notice of said intention was published in the Hattiesburg American, a newspaper in Forrest County, Mississippi, and having a general circulation in said City of Petal; and

WHEREAS, said notice was published in the aforesaid newspaper on the 23rd day and the 30th day of August, 1978; and

WHEREAS, within a period of ten (10) days after the last publication of the aforesaid notice, no petition of any kind or character signed by qualified voters of the City of Petal was filed objecting to or protesting against the issuance of bonds, and the issuance of said bond thereupon became legally authorized without submitting the question of the issuance of said bond to a special election; and

WHEREAS, on the 4th day of November, 1980, pursuant to publication of Notice of Bond Sale, as required by law, no bid was received for said bonds; and

WHEREAS, thereafter, as authorized by law, the Mayor and Board of Aldermen did enter into negotiations for the sale of said bond and on the 18th day of November, 1980, did accept an offer of the Farmer's Home Administration for the purchase of said bond at par, for bond bearing interest at the rate of 5% per annum; and

WHEREAS, the said City of Petal is now fully authorized by Section 21-27-11 et seq., Mississippi Code of 1972 Annotated, to issue its single revenue bond in the amount and in the manner all as hereinafter in this resolution set forth; and

WHEREAS, the Mayor and Board of Aldermen of the City of Petal do now find and determine that it is necessary and advisable and in the public interest that a single bond for the principal sum of One Million, One Hundred Thousand Dollars (\$1,100,000) be issued at this time as hereinafter provided:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND BOARD OF

278

ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI, AS FOLLOWS:

SECTION I. That the combined water and sewer system of said City be extended and improved in accordance with plans and specifications therefore prepared and recommended by Shows and Dearman, and heretofore approved for and on behalf of said City, and that the existing water and sewer system as so extended and improved henceforth continue to be operated as the combined waterworks and sewer system of the said City of Petal.

SECTION 2. That the estimated life of the said combined waterworks and sewer system as so extended and improved is hereby found to be fifty (50) years.

SECTION 3. That the negotiable interest-bearing revenue bond of the City of Petal, Mississippi, be and the same is hereby authorized, ordered, and directed to be issued in the principal sum of One Million, One Hundred Thousand Dollars (\$1,100,000) to provide funds for the purpose of improving, repairing and extending the combined water and sewer system of said City. The principal of and the interest on said revenue bond shall be payable solely from the revenues derived and to be derived by the City of Petal from the operation of said combined water and sewer system as improved, repaired and extended, all in accordance with and as authorized by Section 21-27-11, et seq., Mississippi Code of 1972, subject to the prior pledge of said revenues to the payment, both principal and interest, under the terms of certain outstanding Waterworks and Sewer Revenue Bonds dated June 1, 1962, issued by the East Forrest Utility District of Forrest County, Mississippi, and thereafter assumed by the City of Petal, Mississippi.

SECTION 4. That the said revenue bond shall be issued in fully-registered form, without interest coupons, and registered in a suitable book kept for that purpose by the City Clerk and a certificate of such registration shall be endorsed thereon. Thereafter, principal of and interest on said bond shall be payable in accordance with the entry on the said registration book, and no transfer of the bond shall be valid unless the same be noted on both the registration book and on the bond. The said bond shall bear date on the date of delivery thereof, and shall bear interest from the date thereof at the rate of five per centum (5%) per annum and shall be payable both as to principal and interest in the years and in the amounts as set forth in the form of bond contained in Section 7 of this resolution, subject to prior redemption as likewise set forth in said form of bond.

SECTION 5. That the principal of and interest on said revenue bond shall be payable from the revenues derived from the operation of the combined water and sewer system of the City of Petal, subject to the prior pledge referred to in Section 3 above, and shall not constitute an indebtedness of the City within the meaning of

any constitutional or statutory limitation, restriction or provision, and shall not be subject to or secured by a pledge of the taxing power of said City.

SECTION 6. That the Mayor be and he is hereby authorized and directed to execute the revenue bond for and on behalf of the City of Petal and the City Clerk is hereby authorized and directed to attest the signature of the Mayor and affix the corporate seal of the City thereto.

SECTION 7. That the aforesaid revenue bond shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
COUNTY OF FORREST
CITY OF PETAL
5%

COMBINED WATER AND SEWER SYSTEM JUNIOR LIEN REVENUE BOND
NO. R-I \$1,100,000

The City of Petal, a municipal corporation in the County of Forrest, State of Mississippi, acknowledges itself indebted and, for value received, hereby promises to pay to the registered holder hereof solely from the revenues to be derived by said City from the operation of the combined water and sewer system of said City, as hereinafter provided, the principal sum of

ONE MILLION, ONE HUNDRED THOUSAND DOLLARS
(\$1,100,000) together with interest thereon at the rate of five per centum (5%) per annum; said principal and interest to be paid in annual installments as follows:

- On the first anniversary of the date of issue
the sum of----- \$55,000
- On the second anniversary of the date of issue
the sum of----- \$55,000
- On the third anniversary of the date of issue
and on each subsequent anniversary thereof to
and including the thirty-fifty anniversary of
the date of issue the sum of----- \$68,750

Payments of principal and interest, including prepayments of installments of principal as hereinafter provided, shall be noted on the Payment Record made a part of this bond, and written notice of the making of such notations shall be sent to the City promptly; and such payments shall fully discharge the obligation of the City hereon to the extent of the payments so made. Upon final payment of principal and interest due, this bond shall be surrendered to the City for cancellation.

Both principal of and interest on this bond are payable to the registered holder hereof in lawful money of the United States of America at the address of such registered holder appearing on the bond registration book of the City and on the reverse side hereof. Dur-

Administration both principal and interest shall be payable at the District Office of the Farmers Home Administration in the City of Hattiesburg, State of Mississippi.

The City shall have the right to prepay on the 10th anniversary of the date of issue hereof or on any subsequent anniversary of said date thereafter prior to maturity, the entire principal amount hereof then remaining unpaid, or such lesser portion thereof as it may determine upon in inverse chronological order of said installments and in multiples of One Thousand Dollars (\$1,000), at par plus accrued interest to date of prepayment. During the time this bond is held by the Farmers Home Administration it may be redeemed in whole or in part by the City on any interest payment date prior to maturity at the price of par and accrued interest, without premium. Notice of the exercise of the option to pay said installments prior to due dates shall be delivered, in writing, to the registered holder hereof at the address appearing on the bond registration book of the City and on the reverse side hereof not more than sixty (60) days nor less than thirty (30) days prior to the date set for such prepayment. The foregoing limitation as to date of prepayment to the contrary notwithstanding, the said installments shall be prepaid on the next occurring interest payment date, in inverse chronological order, at par and accrued interest, from any proceeds from the sale of the bond remaining after the completion of the construction of the improvements for which such bond was issued; provided, however, if such remaining funds amount to less than One Thousand Dollars (\$1,000), such funds shall be deposited in the Bond and Interest Fund.

This bond in the principal amount of One Million, One Hundred Thousand Dollars (\$1,100,000) is issued to provide funds for the purpose of improving, repairing and extending the combined water and sewer system of said City, and is issued pursuant to resolutions of the Mayor and Board of Aldermen of said City. This bond does not constitute an indebtedness of said City of Petal within the meaning of any constitutional or statutory limitation or provision, and the taxing power of said City is not pledged to the payment thereof, either as to principal or interest. This bond is subject to the prior pledge of said revenues to the payment of both principal and interest, under the terms of certain outstanding Waterworks and Sewer Revenue Bonds dated June 1, 1962, issued by the East Forrest Utility District of Forrest County, Mississippi, and there-

after assumed by the City of Petal, Mississippi.

The City of Petal covenants and agrees that it will perform all duties required by law and by the resolution which authorized this bond; that it will apply the proceeds of this bond to the purpose above set forth, and that as long as any installment of this bond is outstanding and unpaid, it will operate and maintain the combined water and sewer system of said City; that as long as any installment of this bond is outstanding and unpaid, it will fix and maintain rates and make and collect charges for the services of said system, sufficient to provide for the operation and maintenance of said combined waterworks and sewer system in good repair and working order, to provide a depreciation fund, to provide for the payment of the principal of and the interest on this bond as the same shall mature and accrue and to provide a contingent fund, all as set forth in the resolution pursuant to which this bond is issued, and that such an amount of the gross revenues of the aforesaid system as will maintain an interest and sinking fund sufficient to pay the principal of and the interest on this bond, as the same shall mature and accrue, is hereby irrevocably pledged to said purpose.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, to happen, and to be performed precedent to and in the issuance of this bond, in order to make the same a legal and binding obligation of said City, according to the terms thereof, do exist, have happened, and have been performed in due and regular time, form, and manner, as required by law; that this bond, together with all indebtedness of said City of Petal, Mississippi, does not exceed any limit of indebtedness prescribed by law; and that for the performance in due time and manner of all covenants herein, and for the prompt payment of the principal of and the interest on this bond, and for the performance in due time and manner of each and every official act necessary therefor, the full faith of the City of Petal is hereby irrevocably pledged.

This bond may be registered in the name of the owner, the registry to be certified hereon by the City Clerk of the City of Petal, and the name and mailing address of the registered owner to be written in the registration clause on the back hereof, with the signature of said City Clerk, after which no transfer of this bond shall be valid unless made by the registered owner in person or by attorney on the books of the said City Clerk, and the name and mailing address of the new registered owner similarly written on

the back of this bond.

The interest commencement date of this bond is reflected by the Record of Payment of Advances attached hereto.

IN TESTIMONY WHEREOF, the City of Petal, Mississippi, acting by and through its Mayor and Board of Aldermen, has caused this bond to be executed by the Mayor of said City, under the corporate seal of said City, attested by the City Clerk, and this bond to be dated as of the 1st day of _____, _____, but actually on the date of delivery hereof to the purchaser, namely, the _____ day of _____, 198__.

CITY OF PETAL, MISSISSIPPI

By: _____
MAYOR

ATTEST:

CITY CLERK

(FORM FOR REGISTRATION OF OWNERSHIP - TO APPEAR ON REVERSE OF BOND)

(Notice: NO writing on this bond except by the City Clerk of the City of Petal, Mississippi)

In accordance with a provision of this bond, this bond may be registered in the name of the owner, the registry to be certified hereon by the City Clerk of the City of Petal, after which no transfer shall be valid unless made by the registered owner in person or by attorney upon the books of the said City Clerk and the name and mailing address of the new registered owner similarly placed in the registration clause herein.

DATE OF REGISTRATION	NAME AND MAILING ADDRESS OF REGISTERED OWNER	CITY CLERK
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI)
) ss1
COUNTY OF FORREST)

I, the undersigned City Clerk, within and for the City of Petal, Forrest County, Mississippi, do hereby certify that the within bond has been validated and confirmed by decree of the Chancery Court of Forrest County, Mississippi, rendered on the _____ day of _____, 1980, and I do further certify that the within bond is...

registered in my office in a book provided for that purpose in the manner required by law.

CITY CLERK

(FORM OF SCHEDULE - TO BE ATTACHED TO BOND AS SEPARATE SHEET)
PRINCIPAL INSTALLMENTS OF WHICH PAYMENTS HAVE BEEN
MADE PRIOR TO MATURITY

<u>Date</u>	<u>Principal Due Amount</u>	<u>Principal Payment</u>	<u>Balance</u>	<u>Date Paid</u>
-------------	-----------------------------	--------------------------	----------------	------------------

(FORM OF PAYMENT RECORD - TO BE ATTACHED TO BOND)

PAYMENT RECORD

<u>Number of Installments</u>	<u>Amount of Installments Due</u>	<u>Date Paid</u>
1	\$55,000	_____
2	55,000	_____
3	68,750	_____
4	68,750	_____
5	68,750	_____
6	68,750	_____
7	68,750	_____
8	68,750	_____
9	68,750	_____
10	68,750	_____
11	68,750	_____
12	68,750	_____
13	68,750	_____
14	68,750	_____
15	68,750	_____
16	68,750	_____
17	68,750	_____
18	68,750	_____
19	68,750	_____
20	68,750	_____
21	68,750	_____
22	68,750	_____
23	68,750	_____
24	68,750	_____
25	68,750	_____
26	68,750	_____
27	68,750	_____
28	68,750	_____
29	68,750	_____
30	68,750	_____
31	68,750	_____
32	68,750	_____
33	68,750	_____
34	68,750	_____
35	68,750	_____

SECTION 8. That the bond herein authorized and directed to be issued shall be payable, both as to principal and interest, solely from the revenues derived by the City of Petal from the operation of the aforesaid water and sewer system of said City, subject to the prior pledge of said revenues to the payment, both principal and interest, under the terms of certain outstanding Combined Waterworks and Sewer Revenue Bonds of said City, dated June 1, 1962, originally issued by the East Forrest Utility District of Forrest County, Mississippi, and subsequently assumed by the City of Petal. The bond issued hereunder shall not constitute an indebtedness of said City within the meaning of any constitutional or statutory restriction, limitation or provision, and the taxing power of said City is not pledged to the payment of the bond authorized hereby, either as to principal or interest.

of the bond thereunder, the said water and sewer system shall continue to be operated on a fiscal year basis, commencing on the first day of _____ and ending on the last day of _____ in each year, and all revenues derived from the operation of the said water and sewer system of the City of Petal shall be set aside as collected and shall continue to be deposited in a fund designated the "WATERWORKS AND SEWER SYSTEM REVENUE FUND" of the City of Petal, Mississippi, heretofore created under Section 8 of a certain resolution pursuant to which the presently outstanding bonds dated June 1, 1962, were issued.

SECTION 10. That the sums in the Waterworks and Sewer Revenue Fund shall continue to be set aside for, allocated to and deposited in the separate funds created under Section 9 of the aforesaid resolution, as amended on the 18th day of September, 1979; provided that surplus revenues referred to in paragraph (d) of Section 9 of said resolution as amended, shall be used to improve and extend the combined water and sewer system of said City by transferring the same to a fund hereby created and designated "JUNIOR LIEN WATER AND SEWER BOND AND INTEREST FUND." The City Clerk of the City of Petal, without further direction of or action by the Mayor and Board of Aldermen or other authority of said City, shall make such transfers on the fifteenth day of each and every month as long as any of the bonds authorized hereby, or the coupons attached hereto, shall remain outstanding and unpaid. In addition, there shall be paid into said Junior Lien Water and Sewer Bond and Interest Fund, the sum of One Hundred Ten Thousand Dollars (\$110,000), or so much thereof as may be necessary to be taken from the proceeds of the sale of the bond issued hereunder, for the payment of interest prior and subsequent to the development period of said water and sewer system as improved, repaired and extended. Thereafter, there shall be deposited to the credit of said Junior Lien Bond and Interest Fund the following amounts:

- (1) Beginning with and including the month in which interest shall last be payable from the proceeds of the sale of the bond issued hereunder, a sum equal to 1/12th of the next succeeding installment of the bond issued hereunder.
- (2) After the fulfillment of the requirement specified in paragraph (1) above, there shall be transferred monthly the sum of Eleven Hundred Dollars (\$1,100) from the said surplus revenues and be deposited to the credit of said Junior Lien Bond and Interest Fund, and such monthly transfer shall continue until the funds and/or investments of funds in the cushion fund shall equal Sixty-eight Thousand, Seven Hundred Fifty Dollars (\$68,750). Thereafter, in like manner and amount, such transfers as are necessary shall be made to build up and maintain said debt service cushion fund equal to \$68,750. The said cushion fund shall be used only to pay maturing installments only whenever and to the extent that funds otherwise provided are insufficient for that purpose, and no funds paid into said cushion fund shall be used to pay installments called in for redemption prior to maturity unless the installments so called in are the last outstanding installments of the

280

SECTION 11. That after payment in full of all of the outstanding Waterworks and Sewer System Revenue Bonds, dated June 1, 1962, the funds created for the payment of said bonds, and all funds created under Section 9 of the resolution under which said outstanding bonds were issued shall continue to be maintained for the benefit and security of the Junior Lien Bond herein authorized to be issued, and the said funds are hereby pledged for that purpose.

SECTION 12. That if the revenues derived from the operation of the waterworks and sewer system shall be insufficient at any time to make the payments or deposits required by Section 10 of this resolution, the deficiency shall be made good by additional payments to be made out of the first available revenues of said system received during any succeeding month or months. Whenever and as long as sums actually on deposit in the Junior Lien Bond and Interest Fund, including the cushion fund therein, shall equal the principal amount outstanding on the bond issued hereunder, plus the amount of all interest due thereon until the respective due dates of all outstanding installments, then no further deposits need to be made into said Funds. All sums in the Funds referred to in Section 10 hereof shall be kept on deposit in bank accounts separate from all other bank accounts of the City and in a bank or banks which are members of the Federal Deposit Insurance Corporation and at all times shall be continuously secured as provided by the Laws of the State of Mississippi for other funds of said City, or, in the discretion of the Mayor and Board of Aldermen, may be invested in negotiable bonds or other negotiable obligations of the United States of America maturing or being redeemable at or prior to the time when said funds may be required for use under the terms of this resolution.

SECTION 13. That the City of Petal covenants and agrees with the holder or holders of the bond herein authorized to be issued that it will perform all duties with respect to the operation and maintenance of said waterworks and sewer system and with respect to the fixing, maintaining, and collecting of the rates, fees, and charges for the services thereof, and the establishment of the funds herein referred to, and all other matters and things required by law and by this resolution, and that it will do or cause to be done, in apt time and season, each and every official act necessary for the payment of the installments due on the bond herein authorized to be issued, as the same shall mature and accrue.

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

(a) That as long as the bond authorized by this resolution is outstanding and unpaid, it will operate and maintain the said waterworks and water system.

(b) That as long as any of said installments remain outstanding and unpaid, the said City will fix

and maintain rates and make and collect charges for the use and service of the system sufficient to pay the cost of maintenance and operation thereof, to provide the sums required to maintain the several funds referred to in Sections 10 and 11 hereof, and to provide ample funds to meet all requirements of this Resolution.

(c) INSURANCE

(1) Fire and Extended Coverage Insurance: That as to any part of the system which includes structures above ground level, upon acceptance from the contractor of the improvements contemplated by this resolution, if such insurance is not already in force, the City shall procure Fire and Extended Coverage Insurance on the insurable portions of the project, and upon receipt of funds in consideration for the issuance of the bond hereunder, if such insurance is not already in force, the City shall procure Fire and Extended Coverage Insurance on the insurable portion of any other of its facilities, the revenues of which are pledged to the security of the bond hereunder. The foregoing Fire and Extended Coverage Insurance shall be maintained so long as the bond is outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty per centum (80%) of the full insurable value of the damaged facilities.

In the event of any damage to or destruction of any of said facility or facilities, the City shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof.

(2) Liability Insurance on Facilities: That upon receipt of any funds in consideration for the issuance of the bond hereunder, if such insurance is not already in force, the City shall procure and maintain, so long as the bond is outstanding, Public Liability Insurance relating to the operation of the project facilities with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the City from claims for bodily injury and/or death; and not less than \$10,000 from claims for damage to property of others which may arise from the City's operation of the project or any other facilities the revenues of which are pledged hereunder.

(3) Vehicle Liability Insurance. That if at any time the City owns or operates a vehicle in the operation of the project, including any non-owned Vehicles operated for the benefit of the City, upon receipt of any funds in consideration for the issuance of the bond hereunder, if such insurance is not already in force, the City shall procure and maintain, so long as the bond is outstanding, Vehicular Public Liability Insurance, with limits of not less than \$100,000 for one person and \$300,000 for more than one person involved in one accident to protect the City from claims for bodily injury and/or death, and not less than \$10,000 against claims for damage to property of others which may arise from the City's operation of vehicles.

(d) That said City shall set up and maintain a proper system of accounts showing the amount of revenue received from the waterworks and sewer system and the application of such revenue. Such accounts shall be separate and distinct from the other accounts of said City, and at least once a year shall be properly audited by independent auditors who shall be certified public accountants. The report of such audit shall be open to the public and to all bondholders and, without further request, shall be furnished to the purchaser of the bond authorized hereby.

(e) That any holder or holders or any purchaser of said bond shall be furnished all data and information relating to said system which reasonably may be requested.

(f) That any holder or holders or any purchaser of said bond shall be permitted, at all reasonable times, to inspect said system and all records, accounts, and data relating thereto.

(g) That, so long as the bond is outstanding, it will not sell or otherwise dispose of any of the waterworks and sewer system facilities or any part thereof, and except as by this resolution provided for, it will

not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of said bond. Notwithstanding the foregoing, the City at any time may permanently abandon said facilities, provided that:

- (1) It is in compliance with all covenants and undertakings in connection with the bond issued hereunder then outstanding and payable from the revenues of the system and the debt service reserve for such bond has been established;
- (2) It will, in the event of sale, apply the proceeds to either (i) redemption of outstanding installments in accordance with the provisions governing repayment thereof in advance of maturity, or (ii) replacement of the facility so disposed of by another facility the revenues of which shall be incorporated into the system as hereinbefore provided;
- (3) It certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and
- (4) It certifies that the estimated net revenues of the remaining system facilities for the then next succeeding fiscal year, plus the estimated net revenues of the facility, if any, to be added to the system satisfy the earnings test provided in this resolution governing issuance of additional bonds.

SECTION 14. Prior to the commencement of each fiscal year of the City, the Mayor and Board of Aldermen shall cause to be prepared a budget, setting out the estimated receipts and expenditures of the waterworks and sewer system of the City for the then ensuing fiscal year. This budget shall contain:

- (a) An estimate of the receipts expected to be derived from the operation of the said System.
- (b) A statement of the estimated cost of operating said system during the next ensuing fiscal year.
- (c) A statement of the amount of principal and interest due during the ensuing year on the Revenue Bond then outstanding.
- (d) A statement of what replacements to the system may be anticipated and the estimated cost thereof.
- (e) A statement of any unusual and extraordinary expenses of operation and maintenance which might be reasonable and anticipated and an estimate of the cost thereof.
- (f) A statement of the total amount anticipated to be payable from the revenues of the system during the next ensuing year.
- (g) A statement of the amount on deposits in each of the Funds referred to in Section 10 and 11 of this Resolution.

SECTION 15. That, from and after the issuance of the bond authorized hereunder, no additional bond shall be issued or obligations incurred by said City which are in whole or in part payable from or chargeable to the revenues derived or to be derived from the operation of said waterworks and sewer system (except obligations incurred in the operation and maintenance thereof), unless such additional bonds or obligations are in all respects junior and subordinate to the bond authorized hereunder; provided, that the restrictions upon the issuance of additional bonds or other obligations set out in this Section shall not apply

in the following circumstances and in such circumstances only:

(a) That the waterworks and sewer system of the City of Petal hereafter should be destroyed or damaged by disaster to such extent that it cannot be operated.

(b) That all funds received from insurance or otherwise available shall be insufficient to pay the cost of the restoration of said system to such a condition that it again can be operated. The cost of such restoration shall be determined by the estimate of a reputable and competent engineer or engineering firm or corporation selected by the City.

(c) That the holder or holders of the bond authorized by this resolution then outstanding shall give written consent to the issuance of additional bonds on a parity with the bond authorized hereby and shall file such written consent with the City Clerk of the City of Petal. Such consents shall be acknowledged before a notary public and shall state the precise amount of additional bonds which may be issued.

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

In the event the cost of construction or completion of the project referred to herein shall exceed the estimated cost thereof, the City agrees to deposit into the Construction Fund, in addition to any other funds deposited therein, to cover the estimated cost of the project, such funds as may be necessary to pay the excess costs not already provided for. If necessary, the City may provide such excess, and only such excess, through the issuance of parity bonds and the sale thereof to purchasers other than the purchasers of the bond hereinbefore directed to be issued, provided that it has obtained the consent of the Farmers Home Administration.

Provided, further, that the City of Petal shall have the right to add new waterworks and sewer facilities and related auxiliary facilities by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable from the revenues and any other security pledged to this bond, provided in each instance that:

(d) The facility or facilities to be built from the proceeds of the additional parity bonds is or are made a part of the system and its or their revenues are pledged as additional security for the additional parity bonds and the outstanding bonds of the City.

(e) The City is in full compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the system, or any part thereof.

(f) The annual net revenues, defined as gross revenues less current expenses of the system for the fiscal year next preceding the issuance of additional parity bonds, are certified by an independent public accountant employed by the City to have been equal to at least one and fifty hundredths (1.50) times the average annual requirements for principal and interest on all bonds then outstanding and all bonds then to be issued payable from the revenues of the system.

The City hereby covenants and agrees that in the event additional series of parity bonds are issued, it shall:

(a) Adjust the deposits into the Junior Lien Bond

and Interest Fund on the same basis as that prescribed in Section 10 hereof, establishing such fund.

(h) Adjust the amount of the debt service reserve cushion fund to a sum equal to not less than the maximum annual debt service on the bond then outstanding and such additional parity bonds, the additional debt service to be accumulated in the manner hereinbefore provided.

If in any subsequently issued series of bonds secured by a parity lien on the revenues of the waterworks and sewer system it is provided that excess revenues in the Bond and Interest Fund shall be used to redeem bonds in advance of scheduled maturity or if the City, at its option, undertakes to redeem outstanding bonds in advance of scheduled maturity, it is agreed and understood (i) that calls of bonds will apply to each series of bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of bonds outstanding at the time of such call) and (ii) that calls of bonds for each series of bonds will be in accordance with the call provisions of the respective bond series. However, the City shall have the right to call, subject to the call provisions of the respective bond series, any or all outstanding bonds which may be called at par prior to calling any bonds that are callable at a premium.

SECTION 16. That the provisions of this resolution shall constitute a contract between the City of Petal and the holders from time to time of the bond herein authorized to be issued, and after the issuance of the bond no changes, additions or alterations of any kind shall be made hereto in any manner except upon consent of the holder or holders of the bond then outstanding hereunder; such consent to be evidenced by an instrument or instruments of such holder or holders and duly acknowledged in the manner of a deed for the conveyance of real estate in the State of Mississippi, and such other instrument or instruments shall contain or be accompanied by proof of ownership of the bond concerning which such consent is given and shall be filed in the office of the City Clerk of said City of Petal and shall be a public record; provided, however, that no such modification or alteration shall exceed the maturity of or reduce the interest rate on or otherwise alter or impair the obligation to pay the principal of or the interest on any bond at the time and place and at the rate and in the currency as provided therein, without the express consent of the holder of such bond, nor alter or impair the covenants set forth in Section 12 of this resolution. Any and all modifications or alterations made in the manner hereinabove provided shall not become effective until there shall have been filed with the said City Clerk proof of the consent to such modification or alteration by

290

the holder or holders of the bond then outstanding.

SECTION 17. That the sum of \$110,000, or so much thereof as may be necessary, arising out of the principal proceeds derived from the sale of the bond hereby authorized shall be paid into the Junior Lien Bond and Interest Fund as hereinbefore provided, and the remaining proceeds derived from the sale of said bond shall be deposited in a separate fund hereby created and designated the "WATER AND SEWER CONSTRUCTION FUND" and shall be applied solely and only for the purposes for which the said bond is herein directed to be issued. The said remaining proceeds shall be disbursed only upon proper warrant issued pursuant to certification by the Consulting Engineer or Consulting Engineers for the City of Petal stating (a) that the purpose for which the payment is to be made is within the scope of the work contemplated by this resolution; (b) that the work done is or the materials furnished are in accordance with the contract therefor (if such work is done or such materials furnished under a contract), or that such work is or that such materials are suitable for the purpose (if such payments are not covered by an express contract), and that the amount of such payment is in accordance with the contract or is reasonable. Nothing herein shall be construed to prohibit the payment without such a certification of the expenses necessarily incident to the issuance and sale of the bond herein authorized. The words "principal proceeds derived from the sale of said bond" as used in this Section shall not include any sum representing accrued interest received upon delivery of said bond. Sums, if any, received as accrued interest shall be deposited in the Junior Lien Bond and Interest Fund referred to in Section 10 of this resolution. Any balance remaining in the said Construction Fund after the improvements herein directed to be made shall have been fully paid for, shall be transferred to the Bond and Interest Fund.

SECTION 18. That, when the bond authorized hereby shall have been prepared and executed, it shall be lodged with the City Clerk, who shall deliver it to the purchaser thereof upon payment of the purchase price in accordance with the contract of sale.

SECTION 19. That the bond herein authorized to be issued shall be submitted to validation as provided by Section 31-13-1 et seq., Mississippi Code 1972 Annotated, and for that purpose the City Clerk is hereby authorized and directed to transmit to the State's Bond Attorney, a certified copy of all the legal papers pertaining to the issuance of said bond, including transcripts of records, resolutions, proofs of

publication, and tabulation of votes, and all facts pertaining to the issuance of said bond.

SECTION 20. That if any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any or other provision of this resolution.

SECTION 21. That all resolution, or parts thereof, in conflict with this resolution, to the extent of such conflict only, are hereby repealed.

SECTION 22. That the preparation of said bond for delivery being now immediately necessary, this resolution shall become effective immediately upon the adoption thereof.

The foregoing resolution having previously been reduced to writing, was read and considered by sections at a public meeting of the Mayor and Board of Aldermen of the City of Petal, Mississippi, on the 18th day of November, 1980, and was adopted by the unanimous vote of all members present, by the following roll call vote.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Bobby W. Runnels
Alderman Robert E. Russell

Those present and voting "NAY":

None

SO RESOLVED, ORDERED, AND APPROVED on this the 18th day of November, A. D., 1980.

CITY OF PETAL, MISSISSIPPI

By: /s/ Sidney O. Smith
Sidney O. Smith, Mayor

(SEAL)

ATTEST:

/s/ Priscilla C. Daniel
Priscilla C. Daniel, City Clerk

* * * * *

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell
Alderman Bobby W. Runnels

Those present and voting "NAY":

None

THEREUPON, Alderman Russell made a motion to adjourn. Alderman Runnels seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn

Those present and voting "NAY":

None

There being no further business, the regular meeting of the Mayor and Board of Aldermen was adjourned on this the 18th day of November, A. D., 1980, at 10:15 o'clock P. M.

Sidney O. Smith

SIDNEY O. SMITH, MAYOR

(SEAL)

ATTEST:

Priscilla C. Daniel

Priscilla C. Daniel, City Clerk

BE IT REMEMBERED that there was begun and held a regular meeting of the Mayor and Board of Aldermen of the City of Petal, Mississippi, on December 2, 1980, at 7:30 P. M., in the Board Room of said City.

Those present:	Sidney O. Smith Mayor	Aldermen:
	Thomas Tyner City Attorney	Bobby W. Runnels George B. Draughn Robert E. Russell
Others present:	Dorman Shaffer Paul Shows	W. E. Boutwell W. H. Campbell

The Mayor declared a quorum present and declared the city council in session.

The invocation was offered by Robert E. Russell.

The minutes of the regular meeting of November 18, 1980, were read by Priscilla C. Daniel.

THEREUPON, Alderman Campbell made a motion that the minutes be accepted as read. Alderman Boutwell seconded the motion.

Those present and voting "AYE":

Alderman W. E. Boutwell
Alderman W. H. Campbell
Alderman George B. Draughn
Alderman Robert E. Russell
Alderman Bobby W. Runnels

Those present and voting "NAY":

None

WHEREAS, Mayor Smith called for public comment, but there was none.

WHEREAS, Mayor Smith stated that it will be necessary to readvertise for the test for the proposed new well for the water department.

THEREUPON, Alderman Russell made a motion to authorize the city clerk to advertise for bids for the test well. Alderman Boutwell seconded the motion. The notice to bidders read as follows, to-wit:

ADVERTISEMENT FOR BIDS

Separate sealed BIDS for the construction of One Water Test

Well 1,000 feet in depth will be received by the Board of Al...