

Town of Farmerville
Regular Meeting
October 13, 2025

The Farmerville Town Council met in regular session at Farmerville Community Center, located at 407 South Main Street, Farmerville, Louisiana, October 13, 2025. The council members present were Mayor John Crow, Alderman Robert Allen, Caroline Gatson, Ricky Johnikin, and Thomas Nation. Kerry Hill was absent.

The roll was called and with a quorum present Mayor Crow called the meeting to order and invocation was offered by Oliver Neal.

As state law requires, Samantha Stephens, offered the public the opportunity to voice their opinion on all agenda items at this time. There were no comments.

On motion by Gatson, seconded by Nation and unanimously approved to approve the minutes from September 8, 2025, regular meeting.

On motion by Allen, seconded by Gatson and unanimously approved to approve the payables from September.

On motion by Gatson, seconded by Johnikin and unanimously approved to accept the monthly revenue and expenditure report for August as presented.

Alderman Hill arrived at this time.

A public hearing was held at this time to hear the views and opinions of citizens concerning the adoption of Ordinance No 06-25.

On motion by Allen, seconded by Johnikin and unanimously approved to adopt Ordinance No 06-25 pertaining to authorizing debt for WWTP.

The following ordinance, having been previously introduced on September 8, 2025 and a public hearing having been held thereon on this date, was offered by Allen and seconded by Johnikin:

ORDINANCE NO. 06-25

AN ORDINANCE AUTHORIZING THE ISSUANCE BY THE TOWN OF FARMERVILLE, STATE OF LOUISIANA OF ITS TAXABLE SEWER REVENUE BONDS, SERIES 2025, IN AN AMOUNT NOT TO EXCEED FOUR MILLION FIVE HUNDRED DOLLARS (\$4,500,000), 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; SELLING SAID BONDS TO THE CLEAN WATER STATE REVOLVING FUND; AUTHORIZING THE EXECUTION OF A LOAN AND PLEDGE AGREEMENT AND OTHER LOAN DOCUMENTS WITH THE LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY; PROVIDING FOR THE DELIVERY OF THE BONDS TO SAID DEPARTMENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Town of Farmerville, State of Louisiana (the "**Town**" or "**Issuer**") now owns and operates a wastewater collection, treatment and disposal system (the "**System**") as a revenue-producing work of public improvement; and

WHEREAS, the Town has applied for a loan from the Louisiana Department of Environmental Quality ("**LDEQ**" or the "**Department**") Clean Water State Revolving Fund Loan Program (the "**Loan Program**") to provide funding for repairs, rehabilitation and improvements to the System, including equipment and fixtures (the "**Project**"); and

WHEREAS, this Mayor and Town Council, acting as governing authority (the "**Governing Authority**") of the Town, pursuant to La. R.S. 39:1430, as amended (the "**Act**"), this ordinance (the "**Bond Ordinance**"), and other constitutional and statutory authority, desires to proceed with the issuance of not to exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) Taxable Sewer Revenue Bonds for the purposes of the Project and paying the costs of issuance of the Bonds. The Bonds will be secured by and payable from the income and revenues of the System, subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the System (the "**Net Revenues of the System**"); and

WHEREAS, the Bonds will be special and limited revenue obligations of the Issuer secured by and payable from a pledge and assignment of the Net Revenues of the System on a parity and any future obligations issued on a *pari passu* basis and secured by a pledge of the Net Revenues of the System; and

WHEREAS, the Issuer previously issued \$400,000 of its Utility Revenue Bonds Series 2010 (approximately \$140,000 principal outstanding) secured by a pledge and dedication of (i) sales tax revenues; and (ii) Net Revenues of the System (the "**Prior Bonds**").

NOW, THEREFORE, BE IT ORDAINED by this Governing Authority of the Town, that:

10 Definitions. As used herein, the terms used herein shall have the meanings ascribed to such terms as set forth herein, unless the context otherwise requires.

11. Rules of Interpretation. (a) Unless the context clearly indicates to the contrary, the following rules shall apply to the interpretation and construction of this Bond Ordinance:

- i. Words importing the singular number shall include the plural number and vice versa;
- ii. all references to particular articles or section herein are references to articles or sections of this Bond Ordinance;
- iii. the captions and headings are solely for convenience of reference and shall not constitute a part of this Bond Ordinance, nor shall they affect its meaning, construction or effect;
- iv. the terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms s used in this Bond Ordinance refer to the Bond Ordinance in its entirety and not the particular article or section of this Bond Ordinance in which they appear; and
- v. the term "hereafter" means after the date of execution of this Bond Ordinance and the term "heretofore" means before the date of the execution of this Bond Ordinance; and
- vi. In the event that any provisions of this Bond Ordinance conflict with any provisions of the Loan Agreement, then in the event that the Department owns any of the Bonds the provisions of the Loan Agreement shall control.

12. Authorization, Sale and Delivery of the Bond. Pursuant to the Act and other constitutional and statutory authority, the Town is hereby authorized to issue the Bonds for the purposes of: (i) the Project; and (ii) the costs related to the issuance of the Bonds. The Bonds shall be issued in the form of a single fully registered bond, dated the date of delivery thereof and numbered R-

1.

The Authorized Officers may approve a different series designation if the Bonds are delivered after the end of 2025 or if it is in their sole judgment preferable to do so.

13. The Bond shall mature in installments of principal, payable annually, and each annual installment shall be the applicable percentage in the manner and under the terms and conditions set forth in the Loan Agreement.

In the event that the Completion Date of the Project being financed with the Bonds is after the first Principal Payment Date stated in the Bonds, the principal payment schedule may be adjusted so that each principal payment shall be due on the Principal Payment Date that is one year later than shown above, provided that in no event shall the final Principal Payment Date be later than twenty years from the date of delivery.

The unpaid principal of the Bonds shall bear interest from the date thereof, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate of one and ninety-five hundredths percent (0.95%) per annum, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months and payable on each Interest Payment Date. Interest on the Bonds on any Interest Payment Date shall be payable only on the aggregate amount of the purchase price which shall have been paid theretofore to the Town and is outstanding and shall accrue with respect to each purchase price installment only from the date of payment of such installment.

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

Notwithstanding any law or contractual provision to the contrary, the forgiveness at any time of any or all of the principal of the Bond theretofore advanced by LDEQ shall in no way extinguish the Bond or the obligation thereof with respect to the yet-to-be advanced portion of the principal thereof.

Pursuant to the Act, the Town has determined to sell the Bonds at a private sale without the necessity of publishing any notice of sale. Accordingly, the Bond is hereby sold to LDEQ. The purchase price of the Bond shall be paid to the Town by LDEQ in installments on an "as-needed" basis, and the date and amount of each

installment of the purchase price shall be noted on the Bond and the obligation of the Town to repay the principal of the Bond shall only accrue to the extent of the purchase price of the Bond theretofore paid by LDEQ.

14. Form and Execution of Bond. The Bond shall be in substantially the form attached hereto as **Exhibit A**. The Town and its officers are authorized and directed on behalf of the Town to execute and deliver the Bond to LDEQ.

15. Security for Bond. The Bond shall be limited and special revenue bonds of the Town, secured by and payable from special revenues derived from any source from the Town, including the system, and shall not be payable from any source other than the Net Revenues of the System. The Bonds shall not be a charge on the other income and revenues of the Town, nor shall they constitute an indebtedness or pledge of the general credit of the Town.

In providing for the issuance of the Bonds, the Town does hereby covenant and warrant that it is lawfully seized and possessed of the System, that it has a legal right to pledge the Net Revenues of the System as herein provided, that the Bonds will have a lien and privilege on the Net Revenues of the System, and that the Town will at all times maintain the System in first-class repair and working order and condition.

16. Manner of Payment. The principal and interest on the Bonds will be payable by check mailed by the paying agent to the owner of the Bonds at the address shown on the Bond Register. The Bonds shall be surrendered to the paying agent for such purpose as shown on the Bond Register. The Bonds shall be made only upon presentation and surrender of the Bonds to the paying agent.

17. Prepayment. The principal installments of the Bonds are subject to prepayment at the option of the Town at any time, in whole or in part, at a prepayment price of par plus accrued interest and accrued Administrative Fee, if any, to the prepayment date and in such case the remaining principal of the Bonds shall continue to mature in installments as shown in the Loan Agreement. Official notice of such call for prepayment shall be given by means of first-class mail, postage prepaid by notice deposited in the United States Mail or accepted means of electronic communication not less than thirty (30) days prior to the prepayment date addressed to the Owner of each Bond to be prepaid at his address as shown on the Bond Register of the Paying Agent. In the event a portion of the Bonds is to be prepaid, such Bonds shall be surrendered to the Paying Agent, who shall note the date and amount of such prepayment in the space provided therefor on the Bonds.

SECTION 8. Recital of Regularity. This Governing Authority, having investigated the regularity of the proceedings had in connection with the Bond, and having determined the same to be regular, the Bond shall contain the following recital authorized by and having the effect set forth in R.S. 39:507, to wit:

"It is certified that this indebtedness is authorized by and is issued in conformity with the requirements of the Constitution and statutes of Louisiana."

SECTION 9. Authorization of Officers. The Authorized Officers are each hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Bond Ordinance, to execute and deliver the Loan Agreement, and to cause the Bonds to be prepared and/or printed, to issue, execute the Bonds and to effect delivery as hereinafter provided. If electronic signatures are used on the Bonds, then such signatures shall be in accordance with the Louisiana Uniform Electronic Transactions Act (La. R.S. 9:2601, *et seq.*), and will be deemed binding and legal on all parties to the extent allowed by the provisions of that act.

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

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

20. Effect of Registration. The Town, the Paying Agent, and any agent of either of them may treat the Bonds as fully paid and discharged, and may issue or sell such Bonds for the purpose of effecting payment thereon, and no claim shall be asserted against either the Town, the Paying Agent, or any agent of either of them shall be affected by notice to the contrary.

21. Deposit of Bond Proceeds. The proceeds derived from the sale of the Bonds shall constitute a trust fund to be used exclusively for the purposes for which the Bonds are herein authorized to be issued, but the purchaser of the Bonds shall not be obliged to see to the application thereof. All of the proceeds derived from the sale of the Bonds, which shall be paid in installments by the Department in the manner set forth in the Loan Agreement, shall be deposited by the Town in a Project Fund (the "**Project Fund**"). The funds in the Project Fund shall be used solely for the purpose of paying costs of the Project, in the manner set forth in the Loan Agreement, and costs of issuance.

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

23. Flow of Funds. In order that the principal of and the interest on the Bonds will be paid in accordance with their terms and for the other objects and purposes hereinafter provided, the Town covenants as follows:

All of the income and revenues derived or to be derived by the Town from the operation of the System shall continue to be deposited daily as the same may be collected in a separate and special bank account previously established with the regularly designated fiscal agent bank of the Town, and designated as the "Sewer System Revenue Fund" (the "**Revenue Fund**"), said Revenue Fund to be maintained and administered in the following order of priority and for the following express purposes:

- (a) The payment of, first, all reasonable and necessary expenses of operating and maintaining the System.

- (b) The establishment and maintenance of a "Sewer Bond Debt Service Fund" (the "**Debt Service Fund**"), sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds and any Additional Parity Obligations issued hereafter in the manner provided by this Bond Ordinance, as they severally become due and payable, by transferring from the Revenue Fund to the Debt Service Fund, monthly in advance on or before the 20th day of each month of

each year, a sum equal to the pro-rata amount of interest falling due on the Bonds and any Additional Parity Obligations on the next Interest Payment Date and the pro-rata amount of the principal falling due on the Bonds and any Additional Parity Obligations on the next Principal Payment Date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. The Town shall transfer or cause to be transferred from the Debt Service Fund to the paying agent(s) for all bonds payable from the Debt Service Fund, at least one (1) day in advance of the date on which payment of principal or interest falls due, immediately available funds fully sufficient to pay promptly the principal and interest so falling due on such date.

If Additional Parity Obligations are hereinafter issued by the Town in the manner provided in this Bond Ordinance, moneys in the Debt Service Fund shall be equally available to pay principal and interest on such Additional Parity Obligations, and payments into the Debt Service Fund shall be increased as provided in the ordinance authorizing the issuance of such Additional Parity Obligations. Said fiscal agent bank shall transfer from the Debt Service Fund to any paying agent or pay directly to the owner, for all bonds payable from the said Debt Service Fund, at least three (3) days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and/or interest so falling due on such date; except, if payment is made by electronic debit, then such payment shall be made no later than 11:00 a.m. Louisiana time on the day such payment is due.

- a. (c) The establishment and maintenance of a "Series 2025 Sewer Bond Reserve Fund" (the "Reserve Fund"), containing an account for the Bonds designated the "Series 2025 Account" (or such other designation that will identify such account with the Bonds) which shall be funded monthly in advance on or before the 20th day of each month of each year, commencing with the month following the delivery of the Bonds, with a sum at least equal to at least twenty five percent (25%) of the amount to be paid into the Debt Service Fund with respect to the Bonds, the payments into the Series 2025 Account to continue until such time as there has been

accumulated in the Series 2025 Account a sum equal to the Reserve Fund Requirement.
Moneys in the Series 2025 Account shall be used to secure and make payments solely on the
Bonds (and not on any other issues of sewer revenue bonds) as to which there would otherwise
be default.

In the event that Additional Parity Obligations are issued, then the Town may establish additional accounts for each such series of Additional Parity Obligations if required in connection with the issuance of such Additional Parity Obligations, each such account to be designated as the "Series (insert series designation) Account." The money in the accounts of Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on the respective series of bonds payable from the Debt Service Fund as to which there would otherwise be default (initially the Bonds). With respect to accounts that may be required in connection with the issuance of Additional Parity Obligations, the Town shall fund such accounts by transferring from the proceeds of such series or from the Revenue Fund (after making all required payments from said fund as hereinabove described), such amounts as will increase the total amount on deposit in each account in the Reserve Fund to a sum equal to the reserve fund requirement, if any, designated and established for such series of Additional Parity Obligations.

- (d) The establishment and maintenance of the "Series 2025 Sewer Revenue Bond Depreciation and Contingencies Fund" (the "**Contingencies Fund**") to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, by transferring from funds in the Revenue Fund after making the payments required by (a), (b) and (c) above to the Contingencies Fund monthly on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the Net Revenues for the preceding month, provided that such sum is available after provision is made for the payments required under paragraphs (a), (b) and (c) above. Such payments into the Contingencies Fund shall continue until such time as there has been accumulated in the Contingencies Fund the sum of Two Hundred Thousand Dollars (\$200,000), whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of Two Hundred Thousand Dollars (\$200,000), in which event such payments shall be resumed and continue until

Any moneys remaining in the Revenue Fund on the 25th day of each month after making the required payments described in (a), (b), (c) and (d) above for the current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used by the Town for any lawful purpose, including retiring Bonds in advance of their maturities, either by purchase of Bonds then outstanding at prices not greater than the prepayment prices of said Bonds, or by redeeming such Bonds at the prices and in the manner set forth in this Bond Ordinance.

24 Replenishment of Funds

25. Notification of Deficiencies. As required by La. R.S. 39:1410.62 the

26. Investments. All or any part of the moneys in the Revenue Fund and the Debt Service Fund shall at the written request of the Governing Authority be invested in Qualified Investments and all of the moneys in the Reserve Fund shall be invested in Government Securities maturing in five (5) years or less, in which event all income derived from such investments shall be added to the Revenue Fund, with the exception that any interest earnings from invested funds of the Reserve Fund shall be retained therein until an amount equal to the Reserve Fund Requirement is on deposit therein, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which the respective fund has been created.

27. Rate Covenant. The Town, through its Governing Authority, by proper resolutions and/or ordinances, hereby covenants to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System in each year, the principal and interest maturing on the Bonds and any Additional Parity Obligations, in each year, all reserves or sinking funds or other payments required for such year by this Bond Ordinance, and all other obligations or indebtedness payable out of the revenues of the System for such year, and which will provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the System, at least equal to 120% of the largest amount of principal and interest maturing on the Bonds in any future Bond Year and on any Additional Parity Obligations hereafter issued as provided herein.

In the event and to the extent that the revenues of the System are insufficient to satisfy the obligations payable from the funds and accounts described in Section 12 above, or the rate covenant contained in this Section, the Town may take into account other lawfully available sources of funding, provided that the amount of such funding shall be actually budgeted for such purposes at the beginning of each Fiscal Year.

28. Issuance of Refunding and Additional Parity Obligations. All of the Bonds issued hereunder shall be subject to the following conditions: (a) The Bonds, or any part thereof, including interest, may be refunded, and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds refunded; provided, however, that if only a portion of the Bonds outstanding is so refunded and the refunding bonds require total

principal and interest payments during any Bond Year in excess of the principal and interest which would have been required in such year to pay the Bonds refunded thereby, then such Bonds may not be refunded without the consent of the owners of the unrefunded portion of the Bonds.

- (b) Additional Parity Obligations may also be issued on a parity with the Bonds if all of the following conditions are met:
 - (i) The average Net Revenues of the System for the two (2) completed Fiscal Years immediately preceding the issuance of such Additional Parity Obligations is equal to at least one hundred twenty percent (120%) of the highest combined principal and interest requirements in any succeeding Fiscal Year on the Bonds and the proposed Additional Parity Obligations, and any other bonds then outstanding which are payable from the Net Revenues of the System (but not including bonds which have been refunded or provisions otherwise made for their full and complete payment and redemption), and the Additional Parity Obligations so proposed to be issued. In making the calculation required by this subparagraph (b)(i), if the Town has adopted higher rates for services of the System on or before the date of issuance of the Additional Parity Obligations, then the calculation of average annual Net Revenues of the System for the previous two (2) completed Fiscal Years may be made assuming such higher rates had been in effect during such period.
 - (ii) There must be no delinquencies in the payments required to be made into the various funds provided in Section 12 hereof.
 - (iii) The existence of the facts required by paragraphs (i) and (ii) above must be determined and certified to by an Authorized Officer of the Town, or by an independent firm of certified public accountants.
 - (iv) The proceeds of the Additional Parity Obligations must be used solely for the making of improvements, extensions, renewals, replacements or repairs to the System, or for refunding prior bonds issued for such purposes.

- (v) If required in connection with the issuance of the Additional Parity Obligations, the Town shall make provisions in the ordinance(s) authorizing such Additional Parity Obligations for the establishment and funding of a separate account in the Reserve Fund with respect to such Additional Parity Obligations in accordance with Section 12(c) above.
- (vi) No Additional Parity Obligations may be issued should any event of default under this Bond Ordinance have occurred and be continuing.
- (vii) The Additional Parity Obligations shall be payable annually as to principal on the same Principal Payment Date as the Bonds and payable as to interest semi-annually on the same Interest Payment Dates as the Bonds or shall be payable in monthly installments of both principal and interest.

29. Schedule of Rates and Charges. The Town may alter, amend or repeal from time to time any resolution or ordinance establishing a schedule of rates and charges for the services and facilities of the System as between users of the same type or class.

The Town shall fix and maintain rates and collect charges for all services and facilities to be rendered by the System, irrespective of the user thereof, and no free services or facilities shall be furnished to any person, association of persons, or corporation, public or private, or even to the Town itself.

The Town further agrees that the failure of any individual, partnership, corporation or other entity to pay said charge for any service rendered by the System within fifteen (15) days of the date on which it is due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is not paid within fifteen (15) days from the date on which it became delinquent, the Town will take steps to cause water and sewer service to be shut off to the affected premises; and that the Town and this Governing Authority and its officials, agents and employees will do all things necessary and will take advantage of all remedies afforded by law to collect and enforce the prompt payment of all charges made for services rendered by the System. All delinquent charges for service shall on

It is further understood and agreed that the schedule of rates, fees, rents and other charges being charged as of the date of the adoption of this Bond Ordinance for services and facilities rendered by the System shall remain in effect and neither said existing schedule nor any subsequent schedule shall be reduced at any time unless all payments required for all funds by this Bond Ordinance, including any deficiencies for prior payments, have been fully made, and unless such schedule as so reduced will in each year thereafter produce sufficient revenues to meet and fulfill the other provisions stated and specified in Section 142 of this Bond Ordinance.

In the event that default shall be made in the payment of the interest on or the principal of any of the Bonds as the same shall become due, or in the making of the payments into any of the funds or accounts described in Section 12 above, or any other payments required to be made by this Bond Ordinance, or in the event that the Town or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this Bond Ordinance or shall default in any covenant made herein, and in the further event that any such default shall

continue for a period of thirty (30) days after written notice, any Owner of such Bonds or any trustee appointed to represent such Owners as hereinafter provided, shall be entitled to the appointment of a receiver of the System in an appropriate judicial proceeding in a court of competent jurisdiction.

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

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

Such receiver, in the performance of the powers hereinabove conferred upon him by and under the direction and supervision of the court making such appointment, shall at all times be

subject to the orders and decrees of such court, and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

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

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

UNTIL AN EVENT OF DEFAULT SHALL HAVE OCCURRED, THE TOWN SHALL RETAIN FULL POSSESSION AND CONTROL OF THE SYSTEM WITH FULL RIGHT TO MANAGE, OPERATE AND USE THE SAME AND EVERY PART THEREOF WITH THE RIGHTS APPERTAINING THERETO, AND TO COLLECT AND RECEIVE AND, SUBJECT TO THE PROVISIONS OF THIS BOND ORDINANCE, TO TAKE, USE AND ENJOY AND DISTRIBUTE THE EARNINGS, INCOME, RENT, AND PROFITS ACCRUING ON OR DERIVABLE FROM THE SYSTEM.

31 Specific Covenants. The Town does hereby covenant and warrant so long as any of the Bond is outstanding and unpaid in principal and/or

- a. That it is or will be lawfully seized and possessed of the System, that it has a legal right to pledge the income and revenues of the System as herein provided, and that the Bond will have a lien and privilege on said income and revenues, subject only to the prior payment of all reasonable and necessary expenses of operating and maintaining the System.
- b. That it will at all times maintain the System in first-class repair and working order and condition.
- c. That it will carry full coverage of insurance on the System at all times against those risks and in those amounts normally carried by privately owned public utility companies engaged in the operation of such utilities. Said policies of insurance shall be issued by a responsible insurance company or companies duly licensed to do business under the laws of the State of Louisiana. In case of loss, any insurance money received by the Town shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed.
- d. That it will not sell, lease or in any manner dispose of the System or any substantial part thereof, provided that the Town may dispose of property which in its judgment is worn-out, unserviceable, unsuitable, or unnecessary in the operation of the System, when other property of equal value is substituted therefor, or the proceeds derived from the disposal of such property are used for

constructing and acquiring extensions and improvements to the System or repairing the System.

e. That except as provided in Section 197 hereof, it will not voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance, or any other charges having priority over or parity with the lien of the Bonds upon the income and revenues of the System pledged as security therefor.

f. That, to the extent permitted by law, it will not grant a franchise to any other company or organization for operation within the boundaries of the Town which would render services or facilities in competition with the System, and will oppose the granting of such franchise by any other public body having jurisdiction over such matters.

g. That, so long as any of the Bonds are outstanding and unpaid in principal or interest, the Town shall not sell, lease, encumber or in any manner dispose of the System or any substantial part thereof; provided, however, that this covenant shall not be construed to prevent the disposal by the Town of property which in its judgment has become worn out, unserviceable, unsuitable or unnecessary in the operation of the System, when other property of equal value is substituted therefor.

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

The Town will cause an audit of its financial statements to be made by an independent firm of certified public accountants in accordance with the requirements of Chapter 8 of Title 24 of the Louisiana Revised Statutes of 1950, as amended, and for so long as the Department owns the Bonds, or any part thereof, in accordance with the requirements of the Single Audit Act Amendments of 1996 and OMB's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200, Subpart F), and Section 66.458 of the Catalog of Federal Domestic Assistance (CFDA #66.458 - Capitalization Grants for State

Revolving Funds) , if applicable. Upon completion, but in no event later than six (6) months after the close of the applicable Fiscal Year, the Town shall file a copy of such audited financial statements with any Owner requesting same.

11. Fidelity Bonds for Officers and Employees. So long as any of the funds are outstanding, the board of directors shall cause to be procured and maintained a fidelity bond for each officer and employee of the fund in an amount adequate to protect the fund from loss.

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

The Consulting Engineer shall prepare within ninety (90) days after the close of each Fiscal Year a comprehensive operating report, which report shall contain therein or be accompanied by a certified copy of an audit of the preceding Fiscal Year prepared by the Town's certified public accountants, and in addition thereto, shall report upon the operations of the System during the preceding Fiscal Year, the maintenance of the properties, the efficiency of the management of the System; the property and adequate keeping of books of record and account, the adherence to budget and budgetary control provisions, the adherence to the provisions of this Bond Ordinance and all other things having a bearing upon the efficient and profitable operation of the System, and shall include whatever criticism of any phase of the operation of the System the Consulting Engineer may deem proper, and such recommendations as to changes in operations and the making of repairs, renewals, replacements, extensions, betterments and improvements as the Consulting Engineer may deem proper. Copies of such report shall be placed on file with the Secretary of this Governing Authority and sent to the Owner of the Bonds, and shall be open to inspection by

any Owners of any of the Bonds. It shall be the duty of the Consulting Engineer to pass upon the economic soundness or feasibility of any extensions, betterments, improvements, expenditures or purchases of equipment and materials or supplies, which will involve the expenditure of more than Ten Thousand Dollars (\$10,000), whether in one or more than one order, and whether authorized by a budget or not, and the Consulting Engineer shall devise and prescribe form or forms wherein shall be set forth his or its approval in certificate form, copies of which shall be filed with the Secretary of the Governing Authority.

Sixty (60) days before the close of each Fiscal Year, the Consulting Engineer shall submit to this Governing Authority a suggested budget for the ensuing year's operation of the System and shall submit recommendations as to the schedule of rates and charges for services supplied by the System, taking into account any other lawfully available funds of the Town that may be available of such purposes. A copy of said suggested budget and recommendations shall also be furnished by said Consulting Engineer directly to the Owner. Such recommendations as to rates and charges consistent with the requirements relating thereto contained herein, shall be followed by this Governing Authority insofar as practicable and all other recommendations shall be given careful consideration by this Governing Authority and shall be substantially followed, except for good and reasonable cause. No expenditures for the operation, maintenance and repair of the System in excess of the amounts stated in said budget shall be made in any year, except upon the certificate of the Consulting Engineer that such expenditures are necessary and essential to the continued operation of the System.

It shall be the duty of the Consulting Engineer to prescribe a system of budgetary control along with forms for exercising of such control which shall be utilized by the manager or superintendent of the System and his staff and the manager or superintendent shall cause to prepare monthly reports not later than the twentieth (20th) day of each month, for the

preceding months business and operation of the System, which reports shall be submitted to the Consulting Engineer, who shall prepare an analysis of each such report, which analysis shall be filed monthly as expeditiously as possible with the chief financial officer of the Town, the Mayor and with the Owner or Owners.

In the event this Governing Authority shall fail to select and retain a Consulting Engineer in accordance with the first paragraph of this Section within thirty (30) days after the occurrence of the conditions prescribed thereby, then upon the petition of the Owners of the twenty-five percent (25%) of the aggregate principal amount of the Bonds then outstanding, this Governing Authority shall select and retain such Consulting Engineer as is named in the petition of said Owners.

THE PROVISIONS OF THIS SECTION SHALL APPLY ONLY DURING ANY PERIOD WHEN THE TOWN MAY BE IN DEFAULT IN MAKING REQUIRED PAYMENTS INTO THE FUNDS REQUIRED BY SECTION 12 OF THIS BOND ORDINANCE.

13. Discharge of Bond Ordinance. If the Town shall pay or cause to be paid, or there shall be paid, all the moneys due in the discharge of the Bonds, and the Bonds shall be redeemed at the price of Redemption, the Bonds, and the moneys due in the discharge of the Bonds, shall be discharged and become void and be discharged and the Owners shall thereupon cease, terminate and become void and be discharged and satisfied.

14. Defeasance. Bonds or interest installments for the payment or redemption of which money shall have been set aside and shall be held in trust (through deposit by the Town of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section, if they have been defeased pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto.

Ordinance provides for notice in any manner, such notice may be waived in writing by the Owner entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

19. Publication; Preemption. A copy of this Bond Ordinance shall be published immediately after its adoption in one issue of the official journal of the Town, provided that the exhibits to this Bond Ordinance (definitions, the form of Bond, the Commitment Agreement and the Loan & Pledge Agreement) need not be published but will instead be available for public inspection at the office of the Town Clerk of the Town during regular business hours on weekdays.

For a period of thirty (30) days from the date of such publication any person in interest shall have the right to contest the legality of this ordinance or of the Bond and the provisions securing the Bond. After the expiration of said thirty (30) days, no one shall have any right of action to contest the validity of the Bond or the provisions of this Bond Ordinance, and the Bond shall be conclusively presumed to be legal, and no court shall thereafter have authority to inquire into such matters.

20. No Recourse on the Bond. No recourse shall be had for the payment of the Bond or for any sum thereon or on this Bond Ordinance against any member of the Governing Authority or Officer of the Town or any person executing the Bond.

21. Effective Date. This Bond Ordinance shall take effect immediately in accordance with law.

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

YEAS: ALLEN, NATION, JOHNIKIN, HILL, GATSON

NAYS: NONE

ABSTAIN: NONE

ABSENT: NONE

And the ordinance was declared adopted on this, the 13th day of October, 2025.

Gay Nell Pepper, Clerk

John Crow Mayor

On motion by Gatson, seconded by Johnikin and unanimously approved to appoint Clyde Wayne to replace James Lloyd as Sanitation Supervisor upon Mr. Lloyd's retirement.

On motion by Allen, seconded by Nation and unanimously approved to close the streets downtown for Community Fall Festival on Sunday, October 26, 2025.

On motion by Gatson, seconded by Allen and unanimously approved to close the streets downtown for National Night Out on October 16, 2025.

On motion by Allen, seconded by Gatson and unanimously approved to close the streets downtown for "Lights Out" on October 23, 2025, as requested by the UPSB.

On motion by Allen, seconded by Hill and unanimously approved to award the DRA CIF Project Contract I to Ashton Construction, LLC of Farmerville with a low bid of \$731,500 and to award Contract II to Watson Well Drilling and Construction, LLC of Rayville with a low bid of \$680,000.

On motion by Hill, seconded by Gatson and unanimously approved to Authorize the mayor to sign all Water Sector Grant contracts.

On motion by Gatson, seconded by Allen and unanimously approved to approve the Legislative Audit Questionnaire for fiscal year 2024/2025.

There being no further business to come before the council, Mayor Crow, declared this meeting adjourned this 13th day of October, 2025, on motion by Gatson, seconded by Johnikin.

/s/ John Crow, Mayor
Samantha Stephens/Gay Nell Pepper