



**JOURNAL of the PROCEEDINGS
of the
CITY COUNCIL
of the
CITY of CHICAGO, ILLINOIS**

Regular Meeting--Wednesday, December 13, 1989

at 10:00 A. M.

(Council Chamber--City Hall--Chicago, Illinois)

OFFICIAL RECORD.

RICHARD M. DALEY
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance At Meeting.

Present -- The Honorable Richard M. Daley, Mayor, and Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone.

Absent -- Alderman Sheahan.

Call To Order.

On Wednesday, December 13, 1989 at 10:00 A.M., The Honorable Richard M. Daley, Mayor, called the City Council to order. The clerk called the roll of members and it was found that there were present at that time: Aldermen Roti, Rush, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Jones, Garcia, Krystyniak, Bialczak, Figueroa, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, Pucinski, Hansen, Levar, Schulter, M. Smith, Stone -- 30.

Quorum present.

Invocation.

Reverend Raymond Nyquist, Pastor, Sauganash Community Church, opened the meeting with prayer.

**REPORTS AND COMMUNICATIONS FROM
CITY OFFICERS.**

***Referred* -- AMENDMENT OF MUNICIPAL CODE CHAPTER 10.1,
SECTION 10.1-15 PERTAINING TO TIME LIMITATION
ON ISSUANCE OF NOTICES OF TAX LIABILITY
AND DETERMINATION AND
ASSESSMENT.**

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 1989.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Acting Director of Revenue, I transmit herewith an ordinance amending Chapter 10.1, Section 10.1-15 of the Municipal Code of Chicago pertaining to the time limitation on the issuance of notices of tax liability and determination and assessment.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 27
BY ADDING NEW SECTION 27-372.2 AUTHORIZING
REMOVAL OF HAZARDOUS DILAPIDATED
AUTOMOBILES FROM PUBLIC WAYS.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Traffic Control and Safety*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 1989.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith an ordinance amending Chapter 27 of the Municipal Code of Chicago by adding a new Section 27-372.2 pertaining to the removal of hazardous dilapidated automobiles.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 36,
SECTION 36-31 BY AUTHORIZING LOTTERY TO
RESOLVE PARADE PERMIT APPLICATION
CONFLICTS DURING SPECIFIED PERIOD.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Special Events and Cultural Affairs*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 1989.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith an ordinance amending Chapter 36, Section 36-31 of the Municipal Code of Chicago to authorize a lottery to resolve conflicts between applications for parade permits submitted within the first two business days of a calendar year.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 41.2,
SECTION 41.2-1 REGARDING BUILDING BOARD OF
APPEALS MEMBERSHIP AND TERMS OF OFFICE.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Buildings*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 1989.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith an ordinance amending Chapter 41.2, Section 41.2-1 of the Municipal Code of Chicago pertaining to the membership and terms of office of members of the Building Board of Appeals.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- EXECUTION OF ILLINOIS REVOLVING LOAN/BUSINESS
DEVELOPMENT LOAN TO DELTA PLASTICS CORPORATION
OF ILLINOIS FOR PURCHASE OF MACHINERY
AND EQUIPMENT.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 1989.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of the Department of Economic Development, I transmit herewith an amended ordinance authorizing the utilization of an Illinois Revolving Loan or a Business Development Loan to Delta Plastics Corporation of Illinois in the amount of \$300,000 to be used for the purchase of machinery and equipment for a project located at 1650 East 95th Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- SUBMISSION OF APPLICATION FOR HOWARD/
DAN RYAN TRANSIT IMPROVEMENT PROJECT
AND EXECUTION OF GRANT CONTRACTS
FOR ADDITIONAL FUNDING.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 1989.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Public Works, I transmit herewith an ordinance authorizing the filing of an application for the Howard/Dan Ryan Transit Improvement Project and the execution of grant contracts for an additional \$12,000,000.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- DELIVERY OF NOTICE TO COMMONWEALTH EDISON
COMPANY FOR TERMINATION OF FRANCHISE AGREEMENT
AND DEMAND FOR ACQUISITION OF CERTAIN
COMMONWEALTH EDISON COMPANY
UTILITY FACILITIES.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Energy, Environmental Protection and Public Utilities*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 1989.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith an ordinance authorizing the Mayor to deliver to Commonwealth Edison Company a notice to terminate Commonwealth Edison Company's franchise to provide electric energy within the City of Chicago, and a demand for acquisition of certain of Commonwealth Edison Company's utility facilities.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

City Council Informed As To Certain Action Taken.

PUBLICATION OF JOURNAL.

The Honorable Walter S. Kozubowski, City Clerk, informed the City Council that all those ordinances, et cetera, which were passed by the City Council on December 6, 1989, and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on December 13, 1989, by being printed in full text in printed pamphlet copies of the Journal of the Proceedings of the City Council of the regular meeting held on December 6, 1989, published by authority of the City Council, in accordance with the provisions of Section 5-5 of the Municipal Code of Chicago, as passed on December 22, 1947.

**Miscellaneous Communications, Reports, Et Cetera, Requiring
Council Action (Transmitted To City Council
By City Clerk).**

The City Clerk transmitted communications, reports, et cetera, relating to the respective subjects listed below, which were acted upon by the City Council in each case in the manner noted, as follows:

Referred-- ZONING RECLASSIFICATION OF
PARTICULAR AREA.

An application (in triplicate) together with the proposed ordinance for amendment of the Chicago Zoning Ordinance, as amended, for the purpose of reclassifying a particular area, which was *Referred to the Committee on Zoning*, as follows:

Eugene Gordon -- to classify as a C2-2 General Commercial District instead of a B2-2 Restricted Retail District the area shown on Map No. 18-I bounded by:

a line 149.32 feet north of and parallel to West 73rd Street; South Western Avenue;
West 73rd Street; and the alley next west of and parallel to South Western Avenue.

Referred-- CLAIMS AGAINST CITY OF CHICAGO.

Also, claims against the City of Chicago, which were *Referred to the Committee on Claims and Liabilities*, filed by the following:

Alexander Lavenia B., Allstate Insurance Company and Joann Ershun, American Ambassador Casualty Company and Clifton L. Thomas, Avila Alejandra;

Butera I.;

Clark John S. III, Conti Jack P.;

Demont Giovanna, Driskell Claude;

Elzy Alvarez;

Ford Sherrylyn R., Friss Harijs R.;

Gootjes Mary E.;

Hannah John F., Harris Robert J., Henson Jeffery R.;

Kasparian George H., Katuzienski Joseph C., Keehn Diane E. (2), Kendrick Alfred E., Klus Bruno J.;

Mack Robert J., McGuire Oscar, Meyer John C., Murphy Lawrence J.;

National Wrecking Company;

People Gas Light and Coke Company (14), Polacek Denise C.;

Rachal Christine A., Rekowski James A.;

Scott Nena, Shuman Leslie S., Smith L. C.;

Turner Paula A., Tushman Howard N.;

Villa Enrique;

Walton Susan H., Weiss Gayle M., White Otis H.

Referred -- PROPOSED ORDINANCE TO VACATE PORTION OF
PUBLIC ALLEY BOUNDED BY EAST 57TH BOULEVARD,
EAST 59TH STREET, SOUTH STONY ISLAND
AVENUE AND ILLINOIS CENTRAL
RAILROAD RIGHT-OF-WAY.

Also, a communication from Mr. Leon M. Despres, director and pro bono attorney for Vista Garage Corporation, transmitting a proposed ordinance vacating a portion of the public alley bounded by East 57th Boulevard, East 59th Street, South Stony Island Avenue and the Illinois Central Railroad right-of-way, which was *Referred to the Committee on Streets and Alleys*.

Referred -- PROPOSED ORDINANCE MODIFYING BOUNDARIES OF
MONTROSE CEMETERY.

Also, a communication from Mr. Daniel L. Houlihan, Alter Group, Limited, transmitting a

proposed ordinance to modify the boundaries of Montrose Cemetery to allow for the development of a business park, which was *Referred to the Committee on Economic Development*.

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

**EXECUTION OF SECOND AMENDMENT TO REDEVELOPMENT
AGREEMENT FOR BRICKYARD MALL
PHASE III PROJECT.**

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the execution of an amendment to the Redevelopment Agreement for the Brickyard Mall Phase III Project, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City Council of the City of Chicago approved a Redevelopment Agreement between the City of Chicago, American National Bank and Trust Company of Chicago, as Trustee, under Trust No. 66687 and Malan Construction Company, a Michigan corporation, providing for the sale, redevelopment, and loan of Urban Development Action Grant Funds ("U.D.A.G.") for the development of Bricktown Mall Phase III shopping center within Blighted Commercial Area Fullerton-Grand by ordinance enacted on September 8, 1986 and published at pages 33600 -- 33602 of the Journal of Proceedings of the City Council of said date; and

WHEREAS, The project has been completed and the parties desire to amend the Redevelopment Agreement to permit additional financing necessitated by increased development costs associated with the project and to provide for the redevelopment of additional land adjacent to the project; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor is authorized to execute and the City Clerk to attest to an amendment to the Redevelopment Agreement substantially in the form attached hereto as Exhibit "A" upon the approval of the Corporation Counsel.

SECTION 2. This ordinance shall take effect immediately upon its passage.

Exhibit "A" attached to this ordinance reads as follows:

Exhibit "A".

Second Amendment To Redevelopment Agreement.

This Second Amendment To Redevelopment Agreement, made and entered into as of the ____ day of _____, 1989, by and between the City of Chicago, a municipal corporation ("City"), having its offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, American National Bank and Trust Company of Chicago, a national banking association, not individually or personally, but solely as Trustee, under Trust Agreement dated February 14, 1986 and known as Trust No. 66687, having its offices at 33 North LaSalle

Street, Chicago, Illinois 60602 ("Trustee") and Bricktown Square Associates, a Michigan co-partnership, having its offices at 17356 Northland Park Court, Southfield, Michigan 48975 ("Developer").

Witnesseth:

Whereas, On December 18, 1986, the City and Malan Construction Company, a Michigan corporation ("Malan"), as developer, entered into a certain Redevelopment Agreement with respect to the sale and redevelopment of land in Blighted Commercial Area Fullerton-Grand, an area bounded on the north by West Diversey Avenue, on the east by North Narragansett Avenue, on the south by West Fullerton Avenue and on the west by the Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way, a copy of the Redevelopment Agreement having been recorded on March 13, 1987 as Document No. 87147039; and

Whereas, On February 27, 1987, the interest of Malan under the Redevelopment Agreement was assigned and transferred to the Developer and such assignment was approved and consented to by the City on March 9, 1987; and

Whereas, On March 19, 1987, the Trustee acquired title to the Property by Quitclaim Deed from the City (which Quitclaim Deed was recorded on March 19, 1987, as Document No. 87147040) (the "Quitclaim Deed") and the Trustee and Developer, as beneficiary of the land trust, delivered to the City the Note, Mortgage and other Security Documents required under the Redevelopment Agreement, which Mortgage was recorded on March 19, 1987 as Document No. 87147049; and

Whereas, The Redevelopment Agreement was amended as of October 15, 1987; and

Whereas, The Developer has completed construction of the Project (as defined in the Redevelopment Agreement) and the parties are desirous of acknowledging the fulfillment by the Developer of its obligations under the Redevelopment Agreement and are also desirous of modifying same in certain respects.

Now, Therefore, In consideration of the foregoing, the parties hereto mutually agree as follows:

1. Simultaneously with the execution hereof; the City has issued a Certificate of Completion, as referred to in Section 6.4 of the Redevelopment Agreement and in the Quitclaim Deed.

2. That, notwithstanding anything to the contrary contained in the Redevelopment Agreement or the Note or the Mortgage delivered pursuant thereto, the parties hereto hereby agree that Section 3.6 of the Redevelopment Agreement is deleted in its entirety and the following shall be inserted in lieu thereof:

"3.6 Transfers: Refinancing.

A. City agrees not to unreasonably withhold its consent to any transfer or sale of the Project, the Property or Developer's rights under this Redevelopment Agreement at anytime and from time to time hereafter, provided that: (i) the proposed transferee or purchaser shall be financially capable of performing the obligations of Developer under the Note, Mortgage and Security Documents, including, without limitation, the repayment of the remaining debt under the Note; (ii) the transfer or sale does not create a conflict of interest in violation of any law, ordinance, regulation or executive order; and (iii) in connection with such transfer or sale such economic disclosures as are required by applicable law are made to the City. In the event Developer or any assignee of Developer desires to transfer or sell the Project, the Property or Developer's rights under the Redevelopment Agreement, it shall advise the City, in writing, of the proposed terms and conditions of such transfer or sale and the identity of the proposed transferee. The City shall have thirty (30) days after receipt of such information to request such additional information as it may deem reasonably necessary under the circumstances to make its decision and Developer or its assignee agrees to furnish such information on a timely basis. City agrees to render its decision with respect to any such request within sixty (60) days after receipt of all additional material reasonably requested by the City. The City will use all reasonable efforts to render its decision in accordance with the above timetable.

B. A violation by Developer of any of the terms and provisions of the foregoing subparagraph A shall constitute a non-monetary default hereunder.

C. Notwithstanding anything herein to the contrary:

(i) The Senior Financing may be refinanced, at any time and from time to time hereafter, with a loan(s) secured by a first mortgage(s) on the Property and the Project, the principal amount of which does not exceed the amount determined by the date on which the loan is obtained, as shown in Revised Exhibit K attached hereto. Provided, that there may be more than one (1) loan at any time secured by a mortgage on the Property and the Project superior to the City's mortgage, so long as the combined principal amounts of all superior loans do not exceed the amount determined by the date on which the loan is obtained as shown on Revised Exhibit K attached hereto; and

(ii) The City agrees to execute and deliver such documents as may be required in connection with any such New Loan on the Property and the Project to acknowledge that the Mortgage is subordinate and inferior to any such New Loan."

The table attached hereto as Revised Exhibit K is substituted in its entirety for Exhibit K attached to the Redevelopment Agreement.

3. Developer agrees that it will develop two outlots located along Fullerton Avenue between Narragansett Avenue and the Chicago, Milwaukee, St. Paul and Pacific Railroad

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, the undersigned, a Notary Public in and for said County, in the State aforesaid, Do Hereby Certify that _____, President of American National Bank and Trust Company of Chicago, a national banking association, not individually or personally but solely as trustee under Trust Agreement dated February 14, 1986 and known as Trust No. 66687, and _____, Secretary of said banking association, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said banking association, as Trustee as aforesaid, for the uses and purposes therein set forth; and said Secretary then and there acknowledged that he/she, as custodian of the corporate seal of said banking association, did affix the corporate seal of said banking association to said instrument as his/her free and voluntary act and as the free and voluntary act of said banking association, as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal, this _____ day of _____, 1989.

Notary Public, Cook County, Illinois
My Commission Expires:

STATE OF MICHIGAN)
) SS.
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged by me this day of _____, 1989 by _____, General Partner of Bricktown Square Associates, a Michigan co-partnership.

Notary Public, Oakland County, Michigan
My Commission Expires:

Revised Schedule "K" attached to this Second Amendment to Redevelopment Agreement reads as follows:

Revised Schedule "K".

At any month after the original date of the \$7,975,172 U.D.A.G. note, developer is allowed to place the balance shown plus an even \$2.5 Million of senior debt ahead of the U.D.A.G. note. Month zero of this schedule represents original month of U.D.A.G. note, or March 1987.

Amortization Schedule.

Company Name:	Brickyard Mall Phase III	
First Payment Due:		
Amount:	\$28,600,000.00	Principal:
Interest Rate:	14.00% (annual)	Interest Paid:
Term:	432 months	TOTAL:
Monthly Payment:	\$335,905.61	

Month	Payment	Principal	Interest	Balance
0	---	---	---	\$28,600,000.00
1	\$335,905.61	\$2,238.94	\$333,666.67	28,597,761.06
2	335,905.61	2,265.06	333,640.55	28,595,495.99
3	335,905.61	2,291.49	333,614.12	28,593,204.51
4	335,905.61	2,318.22	333,587.39	28,590,886.28

Month	Payment	Principal	Interest	Balance
5	\$ 335,905.61	\$ 2,345.27	\$ 333,560.34	\$28,588,541.01
6	335,905.61	2,372.63	333,532.98	28,586,168.38
7	335,905.61	2,400.31	333,505.30	28,583,768.07
8	335,905.61	2,428.31	333,477.29	28,581,339.76
9	335,905.61	2,456.64	333,448.96	28,578,883.11
10	335,905.61	2,485.31	333,420.30	28,576,397.81
11	335,905.61	2,514.30	333,391.31	28,573,883.51
12	335,905.61	2,543.63	333,361.97	28,571,339.87
13	335,905.61	2,573.31	333,332.30	28,568,766.56
14	335,905.61	2,603.33	333,302.28	28,566,163.23
15	335,905.61	2,633.70	333,271.90	28,563,529.52
16	335,905.61	2,664.43	333,241.18	28,560,865.09
17	335,905.61	2,695.52	333,210.09	28,558,169.58
18	335,905.61	2,726.96	333,178.65	28,555,442.61
19	335,905.61	2,758.78	333,146.83	28,552,683.83
20	335,905.61	2,790.96	333,114.64	28,549,892.87
21	335,905.61	2,823.53	333,082.08	28,547,069.35
22	335,905.61	2,856.47	333,049.14	28,544,212.88
23	335,905.61	2,889.79	333,015.82	28,541,323.09
24	335,905.61	2,923.51	332,982.10	28,538,399.58

Month	Payment	Principal	Interest	Balance
25	\$335,905.61	\$2,957.61	\$332,948.00	\$28,535,441.97
26	335,905.61	2,992.12	332,913.49	28,532,449.85
27	335,905.61	3,027.03	332,878.58	28,529,422.82
28	335,905.61	3,062.34	332,843.27	28,526,360.48
29	335,905.61	3,098.07	332,807.54	28,523,262.41
30	335,905.61	3,134.21	332,771.39	28,520,128.19
31	335,905.61	3,170.78	332,734.83	28,516,957.41
32	335,905.61	3,207.77	332,697.84	28,513,749.64
33	335,905.61	3,245.20	332,660.41	28,510,504.45
34	335,905.61	3,283.06	332,622.55	28,507,221.39
35	335,905.61	3,321.36	332,584.25	28,503,900.03
36	335,095.61	3,360.11	332,545.50	28,500,539.92
37	335,905.61	3,399.31	332,506.30	28,497,140.61
38	335,905.61	3,438.97	332,466.64	28,493,701.64
39	335,905.61	3,479.09	332,426.52	28,490,222.55
40	335,905.61	3,519.68	332,385.93	28,486,702.87
41	335,905.61	3,560.74	332,344.87	28,483,142.13
42	335,905.61	3,602.28	332,303.32	28,479,539.85
43	335,905.61	3,644.31	332,261.30	28,475,895.54
44	335,905.61	3,686.83	332,218.78	28,472,208.71

Month	Payment	Principal	Interest	Balance
45	\$335,905.61	\$3,729.84	\$332,175.77	\$28,468,478.87
46	335,905.61	3,773.36	332,132.25	28,464,705.51
47	335,905.61	3,817.38	332,088.23	28,460,888.14
48	335,905.61	3,861.91	332,043.69	28,457,026.22
49	335,905.61	3,906.97	331,998.64	28,453,119.25
50	335,905.61	3,952.55	331,953.06	28,449,166.70
51	335,905.61	3,998.66	331,906.94	28,445,168.04
52	335,905.61	4,045.32	331,860.29	28,441,122.72
53	335,905.61	4,092.51	331,813.10	28,437,030.21
54	335,905.61	4,140.26	331,765.35	28,432,889.96
55	335,905.61	4,188.56	331,717.05	28,428,701.40
56	335,905.61	4,237.43	331,668.18	28,424,463.97
57	335,905.61	4,286.86	331,618.75	28,420,177.11
58	335,905.61	4,336.88	331,568.73	27,415,840.23
59	335,905.61	4,387.47	331,518.14	28,411,452.76
60	335,905.61	4,438.66	331,466.95	28,407,014.10
61	335,905.61	4,490.44	331,415.16	28,402,523.65
62	335,905.61	4,542.83	331,362.78	28,397,980.82
63	335,905.61	4,595.83	331,309.78	28,393,384.99
64	335,905.61	4,649.45	331,256.16	28,388,735.54

Month	Payment	Principal	Interest	Balance
65	\$335,905.61	\$4,703.69	\$331,201.91	\$28,384,031.84
66	335,905.61	4,758.57	331,147.04	28,379,273.27
67	335,905.61	4,814.09	331,091.52	28,374,459.19
68	335,905.61	4,870.25	331,035.36	28,369,588.94
69	335,905.61	4,927.07	330,978.54	28,364,661.86
70	335,905.61	4,984.55	330,921.06	28,359,677.31
71	335,905.61	5,042.71	330,862.90	28,354,634.60
72	335,905.61	5,101.54	330,804.07	28,349,533.06
73	335,905.61	5,161.06	330,744.55	28,344,372.01
74	335,905.61	5,221.27	330,684.34	28,339,150.74
75	335,905.61	5,282.18	330,623.43	28,333,868.56
76	335,905.61	5,343.81	330,561.80	28,328,524.75
77	335,905.61	5,406.15	330,499.46	28,323,118.59
78	335,905.61	5,469.23	330,436.38	28,317,649.37
79	335,905.61	5,533.03	330,372.58	28,312,116.34
80	335,905.61	5,597.58	330,308.02	28,306,518.75
81	335,905.61	5,662.89	330,242.72	28,300,855.86
82	335,905.61	5,728.96	330,176.65	28,295,126.90
83	335,905.61	5,795.79	330,109.81	28,289,331.11
84	335,905.61	5,863.41	330,042.20	28,283,467.70

Month	Payment	Principal	Interest	Balance
85	\$335,905.61	\$5,931.82	\$329,973.79	\$28,277,535.88
86	335,905.61	6,001.02	329,904.59	28,271,534.85
87	335,905.61	6,071.04	329,834.57	28,265,463.82
88	335,905.61	6,141.86	329,763.74	28,259,321.95
89	335,905.61	6,213.52	329,692.09	28,253,108.43
90	335,905.61	6,286.01	329,619.60	28,246,822.42
91	335,905.61	6,359.35	329,546.26	28,240,463.08
92	335,905.61	6,433.54	329,472.07	28,234,029.54
93	335,905.61	6,508.60	329,397.01	28,227,520.94
94	335,905.61	6,584.53	329,321.08	28,220,936.41
95	335,905.61	6,661.35	329,244.26	28,214,275.06
96	335,905.61	6,739.07	329,166.54	28,207,535.99
97	335,905.61	6,817.69	329,087.92	28,200,718.30
98	335,905.61	6,897.23	329,008.38	28,193,821.07
99	335,905.61	6,977.70	328,927.91	28,186,843.38
100	335,905.61	7,059.10	328,846.51	28,179,784.27
101	335,905.61	7,141.46	328,764.15	28,172,642.81
102	335,905.61	7,224.78	328,680.83	28,165,418.04
103	335,905.61	7,309.07	328,596.54	28,158,108.97
104	335,905.61	7,394.34	328,511.27	28,150,714.64

Month	Payment	Principal	Interest	Balance
105	\$335,905.61	\$7,480.60	\$328,425.00	\$28,143,234.03
106	335,905.61	7,567.88	328,337.73	28,135,666.15
107	335,905.61	7,656.17	328,249.44	28,128,009.98
108	335,905.61	7,745.49	328,160.12	28,120,264.49
109	335,905.61	7,835.86	328,069.75	28,112,428.63
110	335,905.61	7,927.27	327,978.33	28,104,501.36
111	335,905.61	8,019.76	327,885.85	28,096,481.60
112	335,905.61	8,113.32	327,792.29	28,088,368.28
113	335,905.61	8,207.98	327,697.63	28,080,160.30
114	335,905.61	8,303.74	327,601.87	28,071,856.56
115	335,905.61	8,400.62	327,504.99	28,063,455.94
116	335,905.61	8,498.62	327,406.99	28,054,957.32
117	335,905.61	8,597.77	327,307.84	28,046,359.55
118	335,905.61	8,698.08	327,207.53	28,037,661.47
119	335,905.61	8,799.56	327,106.05	28,028,861.91
120	335,905.61	8,902.22	327,003.39	28,019,959.69
121	335,905.61	9,006.08	326,899.53	28,010,953.61
122	335,905.61	9,111.15	326,794.46	28,001,842.46
123	335,905.61	9,217.45	326,688.16	27,992,625.01
124	335,905.61	9,324.98	326,580.63	27,983,300.03

Month	Payment	Principal	Interest	Balance
125	\$335,905.61	\$9,433.78	\$326,471.83	\$27,973,866.25
126	335,905.61	9,543.84	326,361.77	27,964,322.42
127	335,905.61	9,655.18	326,250.43	27,954,667.24
128	335,905.61	9,767.82	326,137.78	27,944,899.41
129	335,905.61	9,881.78	326,023.83	27,935,017.63
130	335,905.61	9,997.07	325,908.54	27,925,020.56
131	335,905.61	10,113.70	325,791.91	27,914,906.86
132	335,905.61	10,231.70	325,673.91	27,904,675.16
133	335,905.61	10,351.07	325,554.54	27,894,324.10
134	335,905.61	10,471.83	325,433.78	27,883,852.27
135	335,905.61	10,594.00	325,311.61	27,873,258.27
136	335,905.61	10,717.60	325,188.01	27,862,540.67
137	335,905.61	10,842.63	325,062.97	27,851,698.04
138	335,905.61	10,969.13	324,936.48	27,840,728.91
139	335,905.61	11,097.10	324,808.50	27,829,631.80
140	335,905.61	11,226.57	324,679.04	27,818,405.23
141	335,905.61	11,357.55	324,548.06	27,807,047.68
142	335,905.61	11,490.05	324,415.56	27,795,557.63
143	335,905.61	11,624.10	324,281.51	27,783,933.53
144	335,905.61	11,759.72	324,145.89	27,772,173.81

Month	Payment	Principal	Interest	Balance
145	\$335,905.61	\$11,896.91	\$324,008.69	\$27,760,276.90
146	335,905.61	12,035.71	323,869.90	27,748,241.18
147	335,905.61	12,176.13	323,729.48	27,736,065.06
148	335,905.61	12,318.18	323,587.43	27,723,746.87
149	335,905.61	12,461.90	323,443.71	27,711,284.98
150	335,905.61	12,607.28	323,298.32	27,698,677.69
151	335,905.61	12,754.37	323,151.24	27,685,923.32
152	335,905.61	12,903.17	323,002.44	27,673,020.15
153	335,905.61	13,053.71	322,851.90	27,659,966.45
154	335,905.61	13,206.00	322,699.61	27,646,760.45
155	335,905.61	13,360.07	322,545.54	27,633,400.38
156	335,905.61	13,515.94	322,389.67	27,619,844.44
157	335,905.61	13,673.62	322,231.99	27,606,210.81
158	335,905.61	13,833.15	322,072.46	27,592,377.67
159	335,905.61	13,994.54	321,911.07	27,578,383.13
160	335,905.61	14,157.81	321,747.80	27,564,225.32
161	335,905.61	14,322.98	321,582.63	27,549,902.34
162	335,905.61	14,490.08	321,415.53	27,535,412.26
163	335,905.61	14,659.13	321,246.48	27,520,753.13
164	335,905.61	14,830.16	321,075.45	27,505,922.97

Month	Payment	Principal	Interest	Balance
165	\$335,905.61	\$15,003.17	\$320,902.43	\$27,490,919.80
166	335,905.61	15,178.21	320,727.40	27,475,741.59
167	335,905.61	15,355.29	320,550.32	27,460,386.30
168	335,905.61	15,534.44	320,371.17	27,444,851.86
169	335,905.61	15,715.67	320,189.94	27,429,136.19
170	335,905.61	15,899.02	320,006.59	27,413,237.17
171	335,905.61	16,084.51	319,821.10	27,397,152.66
172	335,905.61	16,272.16	319,633.45	27,380,880.50
173	335,905.61	16,462.00	319,443.61	27,364,418.50
174	335,905.61	16,654.06	319,251.55	27,347,764.44
175	335,905.61	16,848.36	319,057.25	27,330,916.08
176	335,905.61	17,044.92	318,860.69	27,313,871.16
177	335,905.61	17,243.78	318,661.83	27,296,627.38
178	335,905.61	17,444.96	318,460.65	27,279,182.43
179	335,905.61	17,648.48	318,257.13	27,261,533.95
180	335,905.61	17,854.38	318,051.23	27,243,679.57
181	335,905.61	18,062.68	317,842.93	27,225,616.89
182	335,905.61	18,273.41	317,632.20	27,207,343.47
183	335,905.61	18,486.60	317,419.01	27,188,856.87
184	335,905.61	18,702.28	317,203.33	27,170,154.59

Month	Payment	Principal	Interest	Balance
185	\$335,905.61	\$18,920.47	\$316,985.14	\$27,151,234.12
186	335,905.61	19,141.21	316,764.40	27,132,092.91
187	335,905.61	19,364.52	316,541.08	27,112,728.39
188	335,905.61	19,590.44	316,315.16	27,093,137.94
189	335,905.61	19,819.00	316,086.61	27,073,318.94
190	335,905.61	20,050.22	315,855.39	27,053,268.72
191	335,905.61	20,284.14	315,621.47	27,032,984.58
192	335,905.61	20,520.79	315,384.82	27,012,463.79
193	335,905.61	20,760.20	315,145.41	26,991,703.60
194	335,905.61	21,002.40	314,903.21	26,970,701.19
195	335,905.61	21,247.42	314,658.18	26,949,453.77
196	335,905.61	21,495.31	314,410.29	26,927,958.45
197	335,905.61	21,746.09	314,159.52	26,906,212.36
198	335,905.61	21,999.80	313,905.81	26,884,212.56
199	335,905.61	22,256.46	313,649.15	26,861,956.10
200	335,905.61	22,516.12	313,389.49	26,839,439.98
201	335,905.61	22,778.81	313,126.80	26,816,661.17
202	335,905.61	23,044.56	312,861.05	26,793,616.61
203	335,905.61	23,313.42	312,592.19	26,770,303.19
204	335,905.61	23,585.40	312,320.20	26,746,717.79

Month	Payment	Principal	Interest	Balance
205	\$335,905.61	\$23,860.57	\$312,045.04	\$26,722,857.22
206	335,905.61	24,138.94	311,766.67	26,698,718.28
207	335,905.61	24,420.56	311,485.05	26,674,297.71
208	335,905.61	24,705.47	311,200.14	26,649,592.25
209	335,905.61	24,993.70	310,911.91	26,624,598.55
210	335,905.61	25,285.29	310,620.32	26,599,313.25
211	335,905.61	25,580.29	310,325.32	26,573,732.97
212	335,905.61	25,878.72	310,026.88	26,547,854.24
213	335,905.61	26,180.64	309,724.97	26,521,673.60
214	335,905.61	26,486.08	309,419.53	26,495,187.52
215	335,905.61	26,795.09	309,110.52	26,468,392.43
216	335,905.61	27,107.70	308,797.91	26,441,284.73
217	335,905.61	27,423.95	308,481.66	26,413,860.78
218	335,905.61	27,743.90	308,161.71	26,386,116.88
219	335,905.61	28,067.58	307,838.03	26,358,049.30
220	335,905.61	28,395.03	307,510.58	26,329,654.26
221	335,905.61	28,726.31	307,179.30	26,300,927.96
222	335,905.61	29,061.45	306,844.16	26,271,866.51
223	335,905.61	29,400.50	306,505.11	26,242,466.01
224	335,905.61	29,743.51	306,162.10	26,212,722.50

Month	Payment	Principal	Interest	Balance
225	\$335,905.61	\$30,090.51	\$305,815.10	\$26,182,631.99
226	335,905.61	30,441.57	305,464.04	26,152,190.42
227	335,905.61	30,796.72	305,108.89	26,121,393.70
228	335,905.61	31,156.02	304,749.59	26,090,237.68
229	335,905.61	31,519.50	304,386.11	26,058,718.18
230	335,905.61	31,887.23	304,018.38	26,026,830.95
231	335,905.61	32,259.25	303,646.36	25,994,571.70
232	335,905.61	32,635.61	303,270.00	25,961,936.10
233	335,905.61	33,016.35	302,889.25	25,928,919.74
234	335,905.61	33,401.55	302,504.06	25,895,518.20
235	335,905.61	33,791.23	302,114.38	25,861,726.97
236	335,905.61	34,185.46	301,720.15	25,827,541.51
237	335,905.61	34,584.29	301,321.32	25,792,957.22
238	335,905.61	34,987.77	300,917.83	25,757,969.44
239	335,905.61	35,395.97	300,509.64	25,722,573.48
240	335,905.61	35,808.92	300,096.69	25,686,764.56
241	335,905.61	36,226.69	299,678.92	25,650,537.87
242	335,905.61	36,649.33	299,256.28	25,613,888.53
243	335,905.61	37,076.91	298,828.70	25,576,811.63
244	335,905.61	37,509.47	298,396.14	25,539,302.15

Month	Payment	Principal	Interest	Balance
245	\$335,905.61	\$37,947.08	\$297,958.53	\$25,501,355.07
246	335,905.61	38,389.80	297,515.81	25,462,965.27
247	335,905.61	38,387.68	297,067.93	25,424,127.59
248	335,905.61	39,290.79	296,614.82	25,384,836.80
249	335,905.61	39,749.18	296,156.43	25,345,087.62
250	335,905.61	40,212.92	295,692.69	25,304,874.70
251	335,905.61	40,682.07	295,223.54	25,264,192.63
252	335,905.61	41,156.69	294,748.91	25,223,035.94
253	335,905.61	41,636.86	294,268.75	25,181,399.08
254	335,905.61	42,122.62	293,782.99	25,139,276.46
255	335,905.61	42,614.05	293,291.56	25,096,662.41
256	335,905.61	43,111.21	292,794.39	25,053,551.20
257	335,905.61	43,614.18	292,291.43	25,009,937.02
258	335,905.61	44,123.01	291,782.60	24,965,814.01
259	335,905.61	44,637.78	291,267.83	24,921,176.23
260	335,905.61	45,158.55	290,747.06	24,876,017.68
261	335,905.61	45,685.40	290,220.21	24,830,332.27
262	335,905.61	46,218.40	289,687.21	24,784,113.87
263	335,905.61	46,757.61	289,148.00	24,737,356.26
264	335,905.61	47,303.12	288,602.49	24,690,053.14

Month	Payment	Principal	Interest	Balance
265	\$335,905.61	\$47,854.99	\$288,050.62	\$24,642,198.15
266	335,905.61	48,413.30	287,492.31	24,593,784.86
267	335,905.61	48,978.12	286,927.49	24,544,806.74
268	335,905.61	49,549.53	286,356.08	24,495,257.21
269	335,905.61	50,127.61	285,778.00	24,445,129.60
270	335,905.61	50,712.43	285,193.18	24,394,417.17
271	335,905.61	51,304.08	284,601.53	24,343,113.09
272	335,905.61	51,902.62	284,002.99	24,291,210.47
273	335,905.61	52,508.15	283,397.46	24,238,702.32
274	335,905.61	53,120.75	282,784.86	24,185,581.57
275	335,905.61	53,740.49	282,165.12	24,131,841.08
276	335,905.61	54,367.46	281,538.15	24,077,473.62
277	335,905.61	55,001.75	280,903.86	24,022,471.87
278	335,905.61	55,643.44	280,262.17	23,966,828.43
279	335,905.61	56,292.61	279,613.00	23,910,535.82
280	335,905.61	56,949.36	278,956.25	23,853,586.46
281	335,905.61	57,613.77	278,291.84	23,795,972.69
282	335,905.61	58,285.93	277,619.68	23,737,686.77
283	335,905.61	58,965.93	276,939.68	23,678,720.84
284	335,905.61	59,653.87	276,251.74	23,619,066.97

Month	Payment	Principal	Interest	Balance
285	\$335,905.61	\$60,349.83	\$275,555.78	\$23,558,717.14
286	335,905.61	61,053.91	274,851.70	23,497,663.23
287	335,905.61	61,766.20	274,139.40	23,435,897.03
288	335,905.61	62,486.81	273,418.80	23,373,410.22
289	335,905.61	63,215.82	272,689.79	23,310,194.40
290	335,905.61	63,953.34	271,952.27	23,246,241.06
291	335,905.61	64,699.46	271,206.15	23,181,541.59
292	335,905.61	65,454.29	270,451.32	23,116,087.30
293	335,905.61	66,217.92	269,687.69	23,049,869.38
294	335,905.61	66,990.47	268,915.14	22,982,878.91
295	335,905.61	67,772.02	268,133.59	22,915,106.89
296	335,905.61	68,562.70	267,342.91	22,846,544.20
297	335,905.61	69,362.59	266,543.02	22,777,181.60
298	335,905.61	70,171.82	265,733.79	22,707,009.78
299	335,905.61	70,990.49	264,915.11	22,636,019.28
300	335,905.61	71,818.72	264,086.89	22,564,200.57
301	335,905.61	72,656.60	263,249.01	22,491,543.96
302	335,905.61	73,504.26	262,401.35	22,418,039.70
303	335,905.61	74,361.81	261,543.80	22,343,677.89
304	335,905.61	75,229.37	260,676.24	22,268,448.52

Month	Payment	Principal	Interest	Balance
305	\$335,905.61	\$76,107.04	\$259,798.57	\$22,192,341.48
306	335,905.61	76,994.96	258,910.65	22,115,346.52
307	335,905.61	77,893.23	258,012.38	22,037,453.29
308	335,905.61	78,801.99	257,103.62	21,958,651.30
309	335,905.61	79,721.34	256,184.27	21,878,929.96
310	335,905.61	80,651.43	255,254.18	21,798,278.53
311	335,905.61	81,592.36	254,313.25	21,716,686.17
312	335,905.61	82,544.27	253,361.34	21,634,141.90
313	335,905.61	83,507.29	252,398.32	21,550,634.62
314	335,905.61	84,481.54	251,424.07	21,466,153.08
315	335,905.61	85,467.16	250,438.45	21,380,685.92
316	335,905.61	86,464.27	249,441.34	21,294,221.65
317	335,905.61	87,473.02	248,432.59	21,206,748.63
318	335,905.61	88,493.54	247,412.07	21,118,255.08
319	335,905.61	89,525.97	246,379.64	21,028,729.12
320	335,905.61	90,570.44	245,335.17	20,938,158.68
321	335,905.61	91,627.09	244,278.52	20,846,531.59
322	335,905.61	92,696.07	243,209.54	20,753,835.52
323	335,905.61	93,777.53	242,128.08	20,660,057.99
324	335,905.61	94,871.60	241,034.01	20,565,186.39

Month	Payment	Principal	Interest	Balance
325	\$335,905.61	\$95,978.43	\$239,927.17	\$20,469,207.96
326	335,905.61	97,098.18	238,807.43	20,372,109.77
327	335,905.61	98,230.99	237,674.61	20,273,878.78
328	335,905.61	99,377.02	236,528.59	20,174,501.76
329	335,905.61	100,536.42	235,369.19	20,073,965.33
330	335,905.61	101,709.35	234,196.26	19,972,255.99
331	335,905.61	102,895.96	233,009.65	19,869,360.03
332	335,905.61	104,096.41	231,809.20	19,765,263.62
333	335,905.61	105,310.87	230,594.74	19,659,952.76
334	335,905.61	106,539.49	229,366.12	19,553,413.26
335	335,905.61	107,782.45	228,123.15	19,445,630.81
336	335,905.61	109,039.92	226,865.69	19,336,590.89
337	335,905.61	110,312.05	225,593.56	19,226,278.84
338	335,905.61	111,599.02	224,306.59	19,114,679.82
339	335,905.61	112,901.01	223,004.60	19,001,778.81
340	335,905.61	114,218.19	221,687.42	18,887,560.62
341	335,905.61	115,550.73	220,354.87	18,772,009.89
342	335,905.61	116,898.83	219,006.78	18,655,111.06
343	335,905.61	118,262.65	217,642.96	18,536,848.41
344	335,905.61	119,642.38	216,263.23	18,417,206.04

Month	Payment	Principal	Interest	Balance
345	\$335,905.61	\$121,038.21	\$214,867.40	\$18,296,167.83
346	335,905.61	122,450.32	213,455.29	18,173,717.51
347	335,905.61	123,878.90	212,026.70	18,049,838.61
348	335,905.61	125,324.16	210,581.45	17,924,514.45
349	335,905.61	126,786.27	209,119.34	17,797,728.18
350	335,905.61	128,265.45	207,640.16	17,669,462.73
351	335,905.61	129,761.88	206,143.73	17,539,700.85
352	335,905.61	131,275.77	204,629.84	17,408,425.09
353	335,905.61	132,807.32	203,098.29	17,275,617.77
354	335,905.61	134,356.73	201,548.87	17,141,261.04
355	335,905.61	135,924.23	199,981.38	17,005,336.81
356	335,905.61	137,510.01	198,395.60	16,867,826.79
357	335,905.61	139,114.30	196,791.31	16,728,712.50
358	335,905.61	140,737.30	195,168.31	16,587,975.20
359	335,905.61	142,379.23	193,526.38	16,445,595.97
360	335,905.61	144,040.32	191,865.29	16,301,555.65
361	335,905.61	145,720.79	190,184.82	16,155,834.86
362	335,905.61	147,420.87	188,484.74	16,008,413.99
363	335,905.61	149,140.78	186,764.83	15,859,273.21
364	335,905.61	150,880.75	185,024.85	15,708,392.45

Month	Payment	Principal	Interest	Balance
365	\$335,905.61	\$152,641.03	\$183,264.58	\$15,555,751.42
366	335,905.61	154,421.84	181,483.77	15,401,329.58
367	335,905.61	156,223.43	179,682.18	15,245,106.15
368	335,905.61	158,046.04	177,859.57	15,087,060.11
369	335,905.61	159,889.91	176,015.70	14,927,170.20
370	335,905.61	161,755.29	174,150.32	14,765,414.92
371	335,905.61	163,642.43	172,263.17	14,601,772.48
372	335,905.61	165,551.60	170,354.01	14,436,220.88
373	335,905.61	167,483.03	168,422.58	14,268,737.85
374	335,905.61	169,437.00	166,468.61	14,099,300.85
375	335,905.61	171,413.77	164,491.84	13,927,887.09
376	335,905.61	173,413.59	162,492.02	13,754,473.49
377	335,905.61	175,436.75	160,468.86	13,579,036.74
378	335,905.61	177,483.51	158,422.10	13,401,553.23
379	335,905.61	179,554.15	156,351.45	13,221,999.07
380	335,905.61	181,648.95	154,256.66	13,040,350.12
381	335,905.61	183,768.19	152,137.42	12,856,581.93
382	335,905.61	185,912.15	149,993.46	12,670,669.78
383	335,905.61	188,081.13	147,824.48	12,482,588.65
384	335,905.61	190,275.41	145,630.20	12,292,313.24

Month	Payment	Principal	Interest	Balance
385	\$335,905.61	\$192,495.29	\$143,410.32	\$12,099,817.95
386	335,905.61	194,741.07	141,164.54	11,905,076.89
387	335,905.61	197,013.05	138,892.56	11,708,063.84
388	335,905.61	199,311.53	136,594.08	11,508,752.31
389	335,905.61	201,636.83	134,268.78	11,307,115.48
390	335,905.61	203,989.26	131,916.35	11,103,126.22
391	335,905.61	206,369.14	129,536.47	10,896,757.08
392	335,905.61	208,776.78	127,128.83	10,687,980.31
393	335,905.61	211,212.51	124,693.10	10,476,767.80
394	335,905.61	213,676.65	122,228.96	10,263,091.15
395	335,905.61	216,169.55	119,736.06	10,046,921.60
396	335,905.61	218,691.52	117,214.09	9,828,230.08
397	335,905.61	221,242.92	114,662.68	9,606,987.16
398	335,905.61	223,824.09	112,081.52	9,383,163.06
399	335,905.61	226,435.37	109,470.24	9,156,727.69
400	335,905.61	229,077.12	106,828.49	8,927,650.57
401	335,905.61	231,749.69	104,155.92	8,695,900.89
402	335,905.61	234,453.43	101,452.18	8,461,447.45
403	335,095.61	237,188.72	98,716.89	8,224,258.73
404	335,905.61	239,955.92	95,949.69	7,984,302.81

Month	Payment	Principal	Interest	Balance
405	\$335,905.61	\$242,755.41	\$93,150.20	\$7,741,547.40
406	335,905.61	245,587.56	90,318.05	7,495,959.84
407	335,905.61	248,452.74	87,452.86	7,247,507.10
408	335,905.61	251,351.36	84,554.25	6,996,155.74
409	335,905.61	254,283.79	81,621.82	6,741,871.95
410	335,905.61	257,250.44	78,655.17	6,484,621.51
411	335,905.61	260,251.69	75,653.92	6,224,369.82
412	335,905.61	263,287.96	72,617.65	5,961,081.86
413	335,905.61	266,359.65	69,545.96	5,694,722.21
414	335,905.61	269,467.18	66,438.43	5,425,255.02
415	335,905.61	272,610.97	63,294.64	5,152,644.06
416	335,905.61	275,791.43	60,114.18	4,876,852.63
417	335,905.61	279,008.99	56,896.61	4,597,843.63
418	335,905.61	282,264.10	53,641.51	4,315,579.53
419	335,905.61	285,557.18	50,348.43	4,030,022.35
420	335,905.61	288,888.68	47,016.93	3,741,133.67
421	335,905.61	292,259.05	43,646.56	3,448,874.62
422	335,905.61	295,668.74	40,236.87	3,153,205.88
423	335,905.61	299,118.21	36,787.40	2,854,087.68
424	335,905.61	302,607.92	33,297.69	2,551,479.76

Month	Payment	Principal	Interest	Balance
425	\$335,905.61	\$306,138.35	\$29,767.26	\$2,245,341.41
426	335,905.61	309,709.96	26,195.65	1,935,631.45
427	335,905.61	313,323.24	22,582.37	1,622,308.21
428	335,905.61	316,978.68	18,926.93	1,305,329.53
429	335,905.61	320,676.76	15,228.84	984,652.77
430	335,905.61	324,417.99	11,487.62	660,234.77
431	335,905.61	328,202.87	7,702.74	332,031.90
432	335,905.61	332,031.90	3,873.71	0.00

SUBMISSION OF APPLICATION FOR CLASS 7 TAX ABATEMENT
STATUS FOR HARRISON-WELLS PROJECT AREA
PURSUANT TO COOK COUNTY REAL PROPERTY
CLASSIFICATION ORDINANCE.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the approval of a Class 7 Tax Incentive Classification pursuant to the Cook County Real Property Classification Ordinance for the Harrison-Wells Project area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit authorized by the Illinois Constitution of 1970 to exercise any power and perform any function pertaining to its government and affairs, including but not limited to the power to regulate for the protection of the public health, safety, morals and welfare, the power to incur debt, and the power to tax; and

WHEREAS, The City Council of the City of Chicago has declared the existence of commercial areas which are presently blighted, where a major portion of the area is detrimental to the health and safety of the occupants and welfare of the municipal community, and which necessitate a disproportionate expenditure of public funds for crime prevention, public health and safety, fire and accident prevention and other public services and facilities, and which fail to produce a proper share of taxes or provide local employment commensurate with the capacity of said areas; and

WHEREAS, The Commercial District Development Commission was created on May 8, 1975, by ordinance of the City Council of the City of Chicago, to provide for the eradication and elimination of blighted commercial areas and the rehabilitation and redevelopment of said areas for commercial purposes; and

WHEREAS, On December 6, 1989 the City Council of the City of Chicago approved the resolution of the Commercial District Development Commission designating an area identified as the Harrison-Wells Project as a blighted area in need of commercial development; and

WHEREAS, There is a lack of viable commercial buildings within the Harrison-Wells Project area which contributes to substantial unemployment in the surrounding area; and

WHEREAS, If new structures were developed, the economic well-being of the County of Cook and the City of Chicago would be improved by an increase in the level of economic activity, which would lead to increased employment opportunities and growth in the real property tax base; and

WHEREAS, Because of the blighted or depressed condition of the Harrison- Wells Project area, the ordinary unaided operation of private enterprise cannot accomplish the necessary modernization, rehabilitation and development, and public assistance and encouragement of such private enterprises are needed; and

WHEREAS, The Cook County Board of Commissioners on October 1, 1984 adopted "An Ordinance Amending the Real Property Assessment Classification Ordinance, as amended" for the purpose of encouraging and assisting new development of commercial structures in areas that are depressed or blighted; and

WHEREAS, The classification of the Harrison-Wells Project area for property tax purposes as an area in need of new development of commercial structures is an appropriate and necessary method of providing such assistance and encouragement and will result in increasing the tax base in the area, and for the entire county; and

WHEREAS, The Department of Economic Development and the Commercial District Development Commission have recommended that the City Council of the City of Chicago apply to the Cook County Assessor and request certification of the Harrison-Wells Project area for Class 7 designation as "an area in need of commercial development"; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The City Council of the City of Chicago hereby finds as follows:

A. The property located within the area commonly known as the Harrison- Wells Project has been duly designated as a blighted area in need of commercial development by the Commercial District Development Commission, which designation was approved by the City Council of the City of Chicago on December 6, 1989; and

B. Real estate taxes within the Harrison-Wells Project area have declined, remained stagnant or potential real estate taxes are not being fully realized due to the depressed condition of the area; and

C. There is a reasonable expectation that the redevelopment of the area is viable and likely to go forward on a reasonably timely basis if Class 7 designation is granted pursuant to the provisions of "An Ordinance Amending the Real Property Assessment Classification Ordinance, as amended", adopted by the Cook County Board of Commissioners on October 1, 1984; and

D. Certification of the Harrison-Wells Project area for Class 7 designation will materially assist development and such development would not go forward without certification; and

E. Certification of the Harrison-Wells Project area for Class 7 designation is reasonably expected to ultimately result in an increase in real property tax revenues and employment opportunities within the area.

SECTION 2. The City Council of the City of Chicago does hereby request certification of the Harrison-Wells Project area for designation as a Class 7 "area in need of commercial development" for assessment purposes pursuant to the provisions of "An Ordinance Amending the Real Property Assessment Classification Ordinance, as amended", adopted October 1, 1984 by the Cook County Board of Commissioners.

SECTION 3. The Mayor of the City of Chicago is hereby authorized to execute any and all documents required in connection with the foregoing request for certification.

SECTION 4. The Commissioner of the Department of Economic Development is hereby authorized and directed to deliver a certified copy of this ordinance to the Cook County Assessor and to furnish such additional information as may be required in connection with the application for certification of the Harrison- Wells Project for Class 7 designation as an "area in need of commercial development".

SECTION 5. This ordinance shall be in full force and effect immediately upon the passage hereof.

AUTHORIZATION FOR CORPORATION COUNSEL TO ENTER
INTO SETTLEMENT AGREEMENT REGARDING *RICO*
V. *CITY OF CHICAGO, ET AL.*

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the Corporation Counsel to enter into and execute a settlement agreement in the following matter: *Rico v. City of Chicago, et al.*, 83 L 19830, in the amount of \$400,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

Alderman E. Smith moved to substitute the following for the committee report printed above:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the Corporation Counsel to enter into and execute a settlement order or consent agreement in the following matter: *Rico v. City of Chicago, et al.*, 83 L 19830, in the amount of \$600,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

Alderman Burke then moved to *Lay on the Table* Alderman E. Smith's motion to substitute. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Bloom, Steele, Beavers, Caldwell, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Jones, Krystyniak, Gutierrez, Bialczak, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schuler, M. Smith, Stone -- 31

Nays -- Aldermen Rush, Tillman, T. Evans, Shaw, Carter, Langford, Streeter, J. Evans, Garcia, Henry, Soliz, Butler, E. Smith, Figueroa, Shiller, Orr -- 16.

Thereupon, on motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Butler, E. Smith, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 47.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: *Rico v. City of Chicago, et al.*, 83 L 19830.

AUTHORIZATION FOR CORPORATION COUNSEL TO ENTER
INTO SETTLEMENT AGREEMENT REGARDING
SOIL V. CITY OF CHICAGO,
ET AL.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the Corporation Counsel to enter into and execute a settlement agreement in the following matter: *Soil v. City of Chicago, et al*, 86 C 5363, in the amount of \$210,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Butler, E. Smith, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, M. Smith, Orr, Stone -- 47.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: *Soil v. City of Chicago, et al.*, 86 C 5363.

REPEAL OF BOND ORDINANCE PASSED DECEMBER 6, 1989
AND ISSUANCE OF WATER REVENUE BONDS
SERIES, 1989 IN LIEU THEREOF.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance repealing an ordinance authorizing the issuance of City of Chicago Water Revenue Bonds, Series 1989 which was passed by the City Council on December 6, 1989 and authorizing the issuance of City of Chicago Water Revenue Bonds, Series 1989, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

Article I.

Definitions And Findings.

SECTION 101. Definitions. As used in this Ordinance, the following terms shall have the following meanings, unless the context clearly indicates a different meaning:

(1) "Authenticating Agent" means The First National Bank of Chicago, Chicago, Illinois, which is appointed Authenticating Agent for the Series 1989 Bonds, and any successor to it in that capacity appointed by the City and any co-Authenticating Agent separately appointed by the City.

(2) "Bond Purchase Agreement" means the Bond Purchase Agreement between the City and the Initial Purchasers described in Section 212(b) of this Ordinance.

(3) "Bond Registrar" means The First National Bank of Chicago, Chicago, Illinois, which is appointed Bond Registrar for the Series 1989 Bonds, or any successor to it in

that capacity appointed by the City and any co-Bond Registrar separately appointed by the City with the consent of the Bond Registrar.

(4) "Bonds" means the Series 1989 Bonds, the Series 1986 Bonds, the Series 1985 Bonds, the Series 1983 Bonds, the Certificates, and all Parity Bonds.

(5) "Capital Appreciation Series 1989 Bonds" means any Series 1989 Bonds which are designated by the Comptroller in the Determination Certificate to be capital appreciation bonds, the interest on which shall be payable as appreciation in the principal amount of the bond, when the principal amount of the bonds is due.

(6) "Certificates" means waterworks system certificates of indebtedness previously issued by the City for the purpose of paying the cost of constructing improvements and extensions to the Water System, which remain unpaid and provision for the payment of which was made through the irrevocable deposit of a portion of the proceeds of sale of the Series 1985 Bonds in trust with American National Bank and Trust Company of Chicago, Chicago, Illinois, as provided in the Series 1985 Bond Ordinance.

(7) "City" means the City of Chicago, Illinois.

(8) "City Council" means the City Council of the City.

(9) "Clerk" means the City Clerk of the City.

(10) "Compound Accreted Value" means, with respect to any bond any interest on which is payable by appreciation in its principal amount, as of any date of calculation, its original principal amount plus the appreciation in its principal amount to that date calculated as provided in the Determination Certificate.

(11) "Comptroller" means the City Comptroller of the City.

(12) "Construction Account: Series 1989 Bonds" means the separate account of that name in the Water Fund described in Section 303 of this Ordinance.

(13) "Consulting Engineer" means any engineer or firm of engineers of national reputation selected by the City and generally recognized to be well qualified in engineering matters relating to municipal water utility systems.

(14) "Cost of Issuance" means all fees and costs incurred by the City relating to the issuance of the Series 1989 Bonds, including, without limitation, printing costs, Authenticating Agent's initial fees and charges, Bond Registrar's fees and charges, Paying Agent's fees and charges, financial advisory fees, engineering fees, legal fees, accounting fees, the cost of any premiums for municipal bond insurance to insure any Series 1989 Bonds, the cost of providing any Reserve Account Credit Instrument or other credit facilities with respect to the Series 1989 Bonds, and the cost of any related services with respect to any Series 1989 Bonds.

(15) "Debt Service Reserve Account" means the separate account of that name in the Water Fund described in Section 404 of this Ordinance.

(16) "Debt Service Reserve Requirement" means, as of any date of computation, an amount equal to the sum of (a) the highest future Debt Service Requirement of all Outstanding Series 1983 Bonds (other than refunded bonds), Series 1985 Bonds, Series 1986 Bonds, and Series 1989 Bonds in any Fiscal Year including the Fiscal Year in which date of computation falls, and (b) such other amounts as shall be established as the Debt Service Reserve Requirement in respect of a series of Parity Bonds. Any Bonds required to be redeemed pursuant to a mandatory sinking fund redemption shall be treated for purposes of this definition as being due on the dates they are required to be redeemed and not on their stated maturity dates.

(17) "Debt Service Requirement" means, for any Fiscal Year, the principal of and interest on Bonds required to be paid in that Fiscal Year. With respect to any Bonds for which any interest is payable by appreciation in principal amount, the Debt Service Requirement for a Fiscal Year includes all appreciated principal payable in that Fiscal Year but does not include the increase in principal which occurs in that Fiscal Year but is not payable in that Fiscal Year. Any Bonds required to be redeemed pursuant to a mandatory sinking fund redemption shall be treated for these purposes as being due on the date they are required to be redeemed and not on their stated maturity dates.

(18) "Determination Certificate" means the certificate of the Comptroller filed with the Office of the City Clerk addressed to the City Council, as provided in Section 212(e) of this Ordinance.

(19) "Fiscal Year" means the period beginning January 1 and ending December 31 of any calendar year.

(20) "Governmental Obligations" means securities which are obligations described in clauses (a) and (b) of the definition of Permitted Investments in this Section 101.

(21) "Gross Revenues" means all income and receipts from any source which under generally accepted accounting principles are properly recognized as being derived from the operation of the Water System, including without limitation (a) charges imposed for water service and usage, (b) charges imposed for sales of water to municipalities (other than the City) and other users of water service, (c) charges imposed for inspections and permits for connection to the Water System, (d) grants (excluding grants received for capital projects), and (e) Investment Earnings. Gross Revenues shall not include amounts credited to customers on their bills, such as for payment of the price of purchasing from them capital assets of the water systems.

(22) "Initial Purchasers" means the following firms as underwriters or representatives of an underwriting syndicate to whom the City will sell the Series 1989 Bonds and with whom the City will enter into the Bond Purchase Agreement: Goldman, Sachs & Company, Bear Stearns & Company, Rodman & Renshaw, Incorporated, and W. R. Lazard Laidlaw & Mead, Incorporated.

(23) "Investment Earnings" means interest plus net profits and less net losses derived from investments made with any portion of the Gross Revenues or any money in the Water Fund and in the accounts (other than the Rebate Accounts) specified in Section

403 of this Ordinance. Investment Earnings do not include interest or earnings on investments of Construction Accounts such as is provided in Article III of this Ordinance.

(24) "Matured Water Bonds and Interest Account" means the separate account of that name in the Water Fund described in Section 403 of this Ordinance.

(25) "Mayor" means the Mayor of the City.

(26) "Moody's" means Moody's Investors Service, Incorporated, its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency for municipal bonds, "Moody's" shall mean any nationally recognized securities rating organization other than S. & P. designated by the City by notice to the Trustee.

(27) "Municipal Code" means the Municipal Code of the City, as amended.

(28) "Net Revenues" means that portion of the Gross Revenues remaining after providing sufficient funds for Operation and Maintenance Costs.

(29) "Operation and Maintenance Costs" means all expenses reasonably incurred by the City in connection with the operation, maintenance, renewal, replacement and repair of the Water System, which under generally accepted accounting principles are properly chargeable to the Water System and not capitalized, including, without limitation, salaries, wages, taxes, contracts for services, costs of materials and supplies, purchase of power, fuel, insurance, reasonable repairs and extensions necessary to render efficient service, Paying Agents' fees, and all incidental expenses, but excluding any provision for depreciation or for interest on Outstanding Bonds or other obligations for borrowed money payable from the Net Revenues.

(30) "Ordinance" means this Ordinance as it may be modified or amended from time to time pursuant to Article VIII of this Ordinance.

(31) "Outstanding" means with reference to any series of Bonds, all of such obligations that are outstanding and unpaid, provided that such term shall not include obligations:

(a) which have been paid or redeemed in full both as to principal, redemption premium, if any, and interest, or

(b) which have matured or which have been duly called for redemption and for the payment of which moneys are on deposit with designated paying agents for such Bonds, or are otherwise properly available, sufficient to pay the principal of, redemption premium, if any, and interest on such Bonds, or

(c) for which the City has provided for payment by depositing in an irrevocable trust or escrow (a) with respect to the Certificates and the Series 1983 Bonds, cash or direct, full faith and credit obligations of the United States of America, or (b) with

respect to Bonds other than the Certificates and the Series 1983 Bonds, cash or Governmental Obligations, in each case the maturing principal of and interest on which will be sufficient to pay at maturity, or if called for redemption on the applicable redemption date, the principal of, redemption premium, if any, and interest on such Bonds, or

(d) which are owned by the City.

(32) "Parity Bonds" means obligations which may be issued after the issuance and delivery of the Series 1989 Bonds in accordance with Article VI of this Ordinance and which are payable from Net Revenues on an equal and ratable basis with all other Outstanding Bonds.

(33) "Paying Agent" means Continental Bank, N. A., Chicago, Illinois, which is appointed Paying Agent for the Series 1989 Bonds, or any successor to it in that capacity appointed by the City and any Co-Paying Agent separately appointed by the City, with the consent of the Paying Agent.

(34) "Permitted Investments" means any of the following (which, however, must be consistent with the definitions of "Permitted Investments" in the Series 1983 Bond Ordinance, the Series 1985 Bond Ordinance, and the Series 1986 Bond Ordinance to the extent in force and applicable):

(a) Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America;

(b) Trust receipts or other certificates of ownership evidencing an ownership interest in the principal of or interest on, or both, obligations described in clause (a) of this definition, which obligations are held in trust by a bank described in clause (d) of this definition, provided that such bank holds such obligations separate and segregated from all other funds and accounts of the City and of such bank and that a perfected first security interest under the Illinois Uniform Commercial Code, or under book-entry procedures prescribed at 31 C.F.R. 306.0 et seq. or 31 C.F.R. 350.0 et seq. (or other similar book entry procedures similarly prescribed by federal law or regulations adopted after the date of adoption of this Ordinance), has been created in such obligations for the benefit of the applicable account in the Water Fund or, to the extent permitted, in any irrevocable trust or escrow established to make provision for the payment and discharge of the indebtedness on all Series 1989 Bonds or other obligations which are payable from Net Revenues;

(c) Obligations of the Federal National Mortgage Association or of any agency or instrumentality of the United States of America now existing or created after the issuance and delivery of the Series 1989 Bonds, including but not limited to the United States Postal Service, the Government National Mortgage Association, and the Federal Financing Bank;

(d) Negotiable or non-negotiable time deposits evidenced (i) by certificates of deposit issued by any bank, trust company, national banking association or savings and loan association which has capital of not less than \$100,000,000 or (ii) by certificates of deposit which are continuously and fully insured by any federal agency;

(e) Repurchase agreements with banks described in clause (d) of this definition or with government bond dealers reporting to, trading with, and recognized as primary dealers by a Federal Reserve Bank, provided (i) that the underlying securities are obligations described in clauses (a) or (c) of this definition and are required to be continuously maintained at a market value not less than the amount so invested, (ii) the City has received an opinion of counsel to the effect that a custodian for the City has possession of the underlying securities as collateral and has a perfected first security interest in the collateral, and (iii) the collateral is in the opinion of such counsel free and clear of claims by third parties;

(f) Obligations of any state of the United States of America or any political subdivision of a state or any agency or instrumentality of a state or political subdivision which shall be rated by Moody's and S. & P. in one of their two highest respective long term rating categories;

(g) Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are, at the time of purchase, rated by Moody's and S. & P., respectively, in their highest rating category (if not rated by both such rating agencies then a rating by either shall be satisfactory), for comparable types of debt obligations;

(h) Repurchase agreements and investment agreements with any bank, trust company, national banking association (which may include any Paying Agent or Bond Registrar), insurance company or any other financial institution which at the date of the agreement has an outstanding, unsecured, uninsured and unguaranteed debt issue rated AAA by Moody's and AAA by S. & P., or if such institution is not so rated that the agreement is secured by such securities as are described in clauses (a) through (d) above, inclusive, having a market value at all times (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at least equal to the principal amount invested pursuant to the agreement, provided that (i) a custodian for the City (which custodian is not the entity with which the City has the repurchase or investment agreement) has a perfected first security interest in the collateral and the City has received an opinion of counsel to that effect, (ii) the custodian or an agent of the custodian (which agent is not the entity with which the City has the repurchase or investment agreement) has possession of the collateral, and (iii) such obligations are in the opinion of such counsel free and clear of claims by third parties; and

(i) Prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, rated MIG-1 by Moody's or "P-1" by S. & P.

(35) "Project Costs" means the costs of acquiring, constructing and equipping the Projects, including without limitation acquisition of necessary interests in property,

engineering fees or costs of the City, restoration costs, legal fees or costs of the City, and Costs of Issuance.

(36) "Projects" means the program of improvements and extensions to the Water System consisting of installing a computerized data transmission system, replacing aged and obsolete metering facilities and installing new metering facilities to serve new and presently non-metered customers, rehabilitating a freight elevator and replacing three elevators, constructing a new North District headquarters and a warehouse building, constructing a new tunnel and feeder main, installing water mains to serve new customers, rehabilitating valve operators, converting some of the Water System's steam pumping stations to electric power, extending an existing tunnel, modernizing the Jardine Water Purification Plant and the South Water Purification Plant by providing new equipment and technology and rehabilitating existing equipment necessary to continue to provide existing customers with the quality and quantity of water required and to meet future customer demand, and studying the adequacy of the water supply so as to be able to meet adequately future customer demand.

(37) "Provider" means a company, banking institution or other financial institution which is the issuer of a Reserve Account Credit Instrument.

(38) "Rebate Account" or "Rebate Accounts" means the separate account or accounts in the Water Fund described in Section 403 of this Ordinance and established for the respective series of Bonds issued after the issuance of the Series 1985 Bonds.

(39) "Registered Owner" means any person in whose name a Bond is registered.

(40) "Rehabilitation and Improvement Reserve Account" means the separate account of that name in the Water Fund described in Section 403 of this Ordinance.

(41) "Reimbursement Agreement" means an agreement between the City and a Provider entered into with respect to a Reserve Account Credit Instrument which pertains to the repayment of the Provider, with interest, if any, of amounts pursuant to that Reserve Account Credit Instrument.

(42) "Reserve Account Credit Instrument" means a non-cancellable insurance policy, a non-cancellable surety bond or an irrevocable letter of credit which may be delivered to the City in lieu of or in partial substitution for cash or securities required to be on deposit in the Debt Service Reserve Account. In the case of an insurance policy or surety bond, the company providing the insurance policy or surety bond shall be an insurer which, at the time of issuance of the insurance policy or surety bond, has been assigned a credit rating which is within one of the two highest ratings accorded insurers by both Moody's and S. & P. Letters of credit shall be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of issuance of the letter of credit, a credit rating on its long-term unsecured debt within one of the two highest rating categories from both Moody's and S. & P. The insurance policy, surety bond or letter of credit shall grant to the City the right to receive payment for the purposes of which the Debt Service Reserve Account may be used or for deposit in that Account and shall be irrevocable during its term.

(43) "Reserve Account Credit Instrument Coverage" means, with respect to any Reserve Account Credit Instrument on any date of determination, the amount available to pay principal of and interest on the Bonds under that Reserve Account Credit Instrument.

(44) "Series 1989 Bonds" means the Water Revenue Bonds, Series 1989, of the City authorized by and issued pursuant to this Ordinance.

(45) "Series 1986 Bonds" means the Water Revenue Bonds, Refunding and Improvement Series 1986, of the City authorized by and issued pursuant to the Series 1986 Bond Ordinance.

(46) "Series 1986 Bond Ordinance" means the ordinance passed by the City Council on November 24, 1986, authorizing the issuance of the Series 1986 Bonds.

(47) "Series 1985 Bonds" means the Water Revenue Bonds, Refunding and Improvement Series 1985, of the City authorized by and issued pursuant to the Series 1985 Bond Ordinance.

(48) "Series 1985 Bond Ordinance" means the ordinance passed by the City Council on December 4, 1985, authorizing the issuance of the Series 1985 Bonds.

(49) "Series 1983 Bonds" means the Water Revenue Bonds, Series 1983, of the City authorized by and issued pursuant to the Series 1983 Bond Ordinance.

(50) "Series 1983 Bond Ordinance" means the ordinance passed by the City Council on November 9, 1983, authorizing the issuance of the Series 1983 Bonds.

(51) "S. & P." means Standard & Poor's Corporation, its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency for municipal bonds, "S. & P." shall mean any nationally recognized securities rating organization other than Moody's designated by the City by notice to the Trustee.

(52) "Treasurer" means the City Treasurer of the City.

(53) "Water Fund" means the separate fund designated the "Water Fund of the Municipality of Chicago" previously established by the City pursuant to the Chicago Municipal Code and described in Sections 402 and 403 of this Ordinance.

(54) "Water System" means all property, real, personal or otherwise, owned or to be owned by the City or under the control of the City and used for water supply, distribution or collection purposes, including the Projects and any and all further extensions, improvements and additions to the Projects or the Water System.

As used in this Ordinance with respect to any Bond on which any interest is payable by appreciation in its principal amount, the term "principal" refers as of any date, to a Bond's Compound Accreted Value.

SECTION 102. Findings. It is found and declared as follows:

(a) The City is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, and is a "home rule unit" under Section 6(a) of Article VII of the Constitution.

(b) The City has constructed and is presently maintaining and operating the Water System to meet the needs of the City's inhabitants and other users of the Water System and for fire protection. The Water System is operated under the supervision and control of the Department of Water of the City.

(c) The City has issued an outstanding Series 1983 Bonds, Series 1985 Bonds and Series 1986 Bonds with a claim for payment solely from the Net Revenues of the Water System.

(d) The estimated amount of the Project Costs is in excess of \$80,000,000. The estimated useful life of the Projects is longer than the final maturity of the Series 1989 Bonds. It is advisable and in the best interests of the City that the City undertake and complete the Projects.

(e) The City does not have available funds sufficient to pay Project Costs.

(f) The Certificates, the 1983 Bonds, the 1985 Bonds, and the 1986 Bonds are the only outstanding obligations with a claim for payment from the Net Revenues of the Water System.

(g) In accordance with the covenants of the City in the Series 1986 Bond Ordinance, in the Series 1985 Bond Ordinance and in the Series 1983 Bond Ordinance, concurrent with the issuance, sale and delivery of the Series 1989 Bonds, all the conditions and requirements specified in Article VI of the Series 1986 Bond Ordinance, in Article V of the Series 1985 Bond Ordinance and in Section 2 of Article V of the Series 1983 Ordinance shall have been fully satisfied and complied with, and based upon such satisfaction and compliance, the Series 1989 Bonds will have a claim for payment from Net Revenues on an equal and ratable basis with all other Outstanding Bonds. Among the conditions and requirements which shall have been fully satisfied and complied with is the requirement that Net Revenues for the last completed Fiscal Year prior to the issuance of the Series 1989 Bonds (as shown by the audit of the Water System by an independent certified public accountant and as adjusted to reflect the effect on those Net Revenues of the increase in water rates adopted by the City Council earlier this year, which rates are now in effect (as such adjustment is evidenced by the Certificate of the Consulting Engineer, a copy of which Certificate is attached to this Ordinance as Exhibit D, for the Fiscal Year ended December 31, 1988), equal to at least 125% of the maximum Debt Service Requirements for any Fiscal Year in which any Bonds will be Outstanding following the issuance of the proposed Series 1989 Bonds.

(h) It is advisable and necessary and in the best interests of the City (i) to borrow the sum of \$80,000,000 plus the amount of original issue discount as provided by the Comptroller as authorized under Article II of this Ordinance (or such lesser amount as is

provided by Sections 211 and 212(a) of this Ordinance) (A) to provide any funds needed to pay Project Costs, including Costs of Issuance, (B) to provide funds necessary for deposit into the Debt Service Reserve Account to meet the Debt Service Reserve Requirement and (C) to provide for discount on the Series 1989 Bonds and (ii) in evidence of its obligation to repay that borrowing, to issue the Series 1989 Bonds.

(i) The borrowing authorized by this Ordinance and the issuance of the Series 1989 Bonds are for a proper public purpose and are in the public interest. The City has the power to borrow for the purposes set forth in this Ordinance and to issue the Series 1989 Bonds.

(j) This Ordinance is adopted pursuant to the City's constitutional home rule powers. In order for the City to be able to take advantage of market circumstances and to issue the Series 1989 Bonds on the basis of the audited financial statements for the Water Fund for 1988, it is urgent that this Ordinance take effect immediately upon its passage.

Article II.

The Series 1989 Bonds.

SECTION 201. Principal Amount, Designation, Source of Payment. The City shall borrow money for the purposes specified in Section 202 of this Ordinance and in evidence of its obligation to repay the borrowing shall issue the Series 1989 Bonds in the aggregate principal amount of \$80,000,000 plus the amount of original issue discount as provided by the Comptroller as authorized under Article II of this Ordinance (or shall borrow and issue such lesser amount as is provided by Sections 211 and 212(a) of this Ordinance). The Series 1989 Bonds shall be designated "Water Revenue Bonds, Series 1989". The Series 1989 Bonds shall be limited obligations of the City having a claim for payment of principal, redemption premium and interest solely from the Net Revenues on an equal and ratable basis with the other Outstanding Bonds. The Series 1989 Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness. Each Series 1989 Bond shall contain a statement to that effect.

SECTION 202. Purposes. The borrowing and issuance of the Series 1989 Bonds authorized in Section 201 of this Ordinance shall be for the purposes of (a) providing funds to pay Project Costs, including Costs of Issuance, (b) providing any funds to deposit in the Debt Service Reserve Account as provided in Section 301 of this Ordinance and (c) providing for the discount on the Series 1989 Bonds.

SECTION 203. Date, Denominations, Numbers. The Series 1989 Bonds, other than Capital Appreciation Series 1989 Bonds, shall be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple of that amount. They shall be dated as of the first day of the month in which they are initially issued and delivered to the Initial Purchasers or on the May 15 or November 15 on or next preceding the date of their

authentication and delivery to which interest has been paid, whichever is later. Any Capital Appreciation Series 1989 Bonds shall be dated as of the date they are initially issued and delivered to the Initial Purchasers and shall be issued as fully registered bonds without coupons in denominations of \$5,000 principal amount at maturity or any integral multiple of that amount. Series 1989 Bonds shall be numbered as provided in the Determination Certificate.

SECTION 204. Maturity. The principal of the Series 1989 Bonds shall be payable (either at maturity or pursuant to mandatory sinking fund redemption), on November 15 of each year beginning with the first principal payment date, which shall be not later than November 15, 1993, and ending with the final maturity, which shall be not later than November 15, 2019. The Series 1989 Bonds may be issued as serial bonds, as term bonds subject to mandatory sinking fund redemption, as Capital Appreciation Series 1989 Bonds, or any combination of serial bonds, term bonds, or Capital Appreciation Series 1989 Bonds. The maturities for the Series 1989 Bonds and any designation of Series 1989 Bonds as Capital Appreciation Series 1989 Bonds shall be provided in the Determination Certificate which shall be consistent with the terms of sale of the Series 1989 Bonds in the Bond Purchase Agreement.

SECTION 205. Redemption, Notice Of Redemption, Terms.

(a) **Redemption Terms.** The Series 1989 Bonds, other than Capital Appreciation Series 1989 Bonds, shall be subject to redemption, in whole or in part, at the option of the City, at a price equal to their principal amount, plus accrued interest to the date of redemption if not an interest payment date, and, subject to the remaining provisions of this Section 205, upon such other terms, as the Comptroller shall provide in the Determination Certificate, each and all of which the Comptroller is authorized and directed to determine and approve on behalf of and in the name of the City. The Series 1989 Bonds, other than Capital Appreciation Series 1989 Bonds, shall be subject to optional redemption not later than November 15, 1999, as to those Series 1989 Bonds with a maturity later than the first year in which an optional redemption is authorized, at an initial redemption premium not greater than 3% of the principal amount of the Series 1989 Bonds to be so redeemed. Capital Appreciation Series 1989 Bonds shall not be subject to redemption prior to their maturity.

(b) **Mandatory Sinking Fund Redemption.** Any term Series 1989 Bonds subject to mandatory sinking fund redemption shall be selected for redemption by lot by the Bond Registrar, as provided below, and shall be so redeemed at a price of 100% of the principal amount of the Series 1989 Bonds to be redeemed plus accrued interest to the date fixed for redemption if not an interest payment date. To the extent that term Series 1989 Bonds subject to mandatory sinking fund redemption have been previously called for redemption in part other than from a sinking fund payment, each annual sinking fund payment for term Series 1989 Bonds of that maturity shall be reduced by the amount obtained by multiplying the principal amount of term Series 1989 Bonds of such maturity so called for redemption, by the ratio which each such annual sinking fund payment for term Series 1989 Bonds of such maturity bears to the total sinking fund payments then remaining

unpaid for term Series 1989 Bonds of such maturity, and by rounding each such payment to the nearest integral multiple of \$5,000 consistent with the total principal amount of Series 1989 Bonds Outstanding of that maturity.

In lieu of making all or any part of any sinking fund payment in cash, the City may, at its option, redeem the Series 1989 Bonds through the purchase of Series 1989 Bonds in the open market. Series 1989 Bonds shall not be purchased in the open market from moneys in the Water Fund at a price in excess of the principal amount of the Series 1989 Bonds plus the redemption premium applicable to the redemption of such Series 1989 Bonds on the next date on which they may be optionally redeemed and accrued and unpaid interest on the principal of the purchased Series 1989 Bonds to the date of purchase (or for Capital Appreciation Series 1989 Bonds, their Compound Accrued Value at such date of purchase). Series 1989 Bonds of any maturity which are purchased by the City on the open market and deposited by the City with the Bond Registrar, if purchased from moneys in the Matured Water Bond and Interest Account, shall be credited against and shall reduce the next sinking fund installment or installments up to the principal amount so purchased for the Series 1989 Bonds of that maturity or, if purchased from other moneys, shall be credited against and shall reduce the sinking fund installments for the Series 1989 Bonds of that maturity in a manner consistent with that provided in the preceding paragraph with respect to optional redemption of the Series 1989 Bonds.

(c) **Partial Redemption of Bonds.** In the event of a redemption of less than all the Series 1989 Bonds of a maturity, the Bond Registrar shall assign to each Outstanding Series 1989 Bond of a denomination greater than \$5,000 a distinctive number for each \$5,000 portion of such Bond so as to distinguish each such \$5,000 portion from each other portion of such Series 1989 Bond. The Bond Registrar shall select by lot, using such method of selection as it shall deem proper in its sole discretion, from the numbers assigned to the Series 1989 Bonds as many numbers as, at \$5,000 for each number, shall equal the principal amount of Series 1989 Bonds to be redeemed. The Series 1989 Bonds to be redeemed shall be the Series 1989 Bonds to which were assigned the numbers so selected, but only so much of the principal amount of each such Series 1989 Bond of a denomination greater than \$5,000 principal amount shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

(d) **Notice of Redemption.** Notice of redemption shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption to each Registered Owner of Series 1989 Bonds to be redeemed at such owner's address as shown in the bond register kept by the Bond Registrar and by such other additional method, if any, as the City shall deem appropriate. Notice of redemption shall specify the maturities of the Series 1989 Bonds to be redeemed, the date fixed for redemption and, if less than all of the Series 1989 Bonds of any maturity are to be redeemed, the numbers of such Series 1989 Bonds to be redeemed and, in the case of Series 1989 Bonds to be redeemed in part only, the respective portions of the principal amounts of such Series 1989 Bonds to be redeemed. Failure to give such notice by mail or a defect in the notice or the mailing as to any Series 1989 Bond will not affect the validity of any proceedings for redemption as to any other Series 1989 Bond as to which notice was given properly and the failure of any owner of a Series 1989 Bond to receive the notice shall not affect the validity of the redemption.

If less than the entire principal amount of a Series 1989 Bond shall be called for redemption, the City shall execute and the Authenticating Agent shall authenticate and deliver, upon surrender of such Series 1989 Bond, without charge to the Registered Owner, one or more new Series 1989 Bonds of any authorized denomination, or like maturity and aggregate principal amount as the unredeemed balance of the principal amount of the Series 1989 Bond so surrendered. If, on the date fixed for redemption, (a) moneys in an amount equal to redemption price of the Series 1989 Bonds to be redeemed shall be held by the Paying Agent and are available for such redemption and (b) notice of redemption shall have been given as described above, interest on the Series 1989 Bonds so redeemed shall cease from and after the date fixed for redemption.

SECTION 206. Interest. The Series 1989 Bonds shall bear interest from their date until principal is paid at a rate or rates per year determined by the Comptroller and provided in the Determination Certificate, which shall be in the judgment of the Comptroller the best interest rates for which the Series 1989 Bonds can be sold in the market and which, in the aggregate, result in a net interest cost (expressed as a percentage) not in excess of 8-1/4% computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 1989 Bonds, other than Capital Appreciation Series 1989 Bonds, shall be payable semi-annually on May 15 and November 15 in each year, with the first interest payment date being May 15, 1990. Capital Appreciation Series 1989 Bonds shall bear interest payable solely by an appreciation in their principal amount, from their date, compounded on each May 15 and November 15, as provided in the Determination Certificate.

SECTION 207. Places And Medium Of Payment.

(a) Interest on each Series 1989 Bond, other than Capital Appreciation Series 1989 Bonds, shall be paid on each interest payment date to the person in whose name the Series 1989 Bond is registered in the bond register kept by the Bond Registrar at the close of business on the last day (whether or not a business day) of the calendar month next preceding such interest payment date. Interest shall be paid by check or draft mailed to such Registered Owner at such owner's address as it appears in the bond register or, at the request of Registered Owners of more than \$1 Million total principal amount of Series 1989 Bonds, by wire transfer pursuant to their instructions.

(b) Principal of and redemption premium, if any, on any Series 1989 Bond shall be paid only upon presentation and surrender of that Series 1989 Bond for cancellation at the principal corporate trust office of the Paying Agent. The Paying Agent is authorized to pay the principal of and the premium, if any, on the Series 1989 Bonds as provided in this paragraph.

(c) Payment shall be made in lawful money of the United States of America.

SECTION 208. Transfers and Exchanges of Bonds. The City shall cause a bond register for the registration and transfer of Series 1989 Bonds to be maintained at the principal corporate trust office of the Bond Registrar.

Any Series 1989 Bond may be transferred only upon surrender of such Series 1989 Bond to the Bond Registrar, upon which the City shall execute and the Authenticating Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 1989 Bonds of any authorized denomination, of like maturity and aggregate principal amount as the Series 1989 Bond surrendered.

At the option of the Registered Owner, any Series 1989 Bond may be exchanged for another Series 1989 Bond or Bonds of any authorized denomination, of like maturity and aggregate principal amount, upon surrender of the Series 1989 Bond to be exchanged to the Bond Registrar. Upon such surrender for exchange, the City shall execute and the Authenticating Agent shall authenticate and deliver the Series 1989 Bonds which the Registered Owner making the exchange is entitled to receive.

Every Series 1989 Bond presented or surrendered for transfer or exchange shall (if so required by the Bond Registrar) be duly endorsed, or shall be accompanied by a written instrument of transfer in a form satisfactory to the Bond Registrar duly executed by the Registered Owner of the Bond or such owner's duly authorized representative.

In all cases in which Series 1989 Bonds are to be transferred or exchanged, the Bond Registrar may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed (other than taxes, fees or charges imposed by the City) and to reimburse it for any expenses incurred in connection with such transfer or exchange. The Bond Registrar shall not be required to transfer or exchange any Series 1989 Bond during a period beginning at the opening of business on the 15th day next preceding any date of selection of Series 1989 Bonds to be redeemed and ending at the close of business on the day on which notice of redemption is given or after notice selecting such Bond for redemption has been given.

The Series 1989 Bonds may be deposited with a fiscal agent in New York, New York, or such other agent as the Bond Registrar may designate, for transmission to the Bond Registrar for purposes of exchange or transfer.

The City and any agent of the City may deem and treat the person in whose name any Series 1989 Bond is registered as the absolute owner of such Series 1989 Bond for the purpose of receiving payment of or on account of the principal of, redemption premium, if any, and interest on such Series 1989 Bond, and for all other purposes. Neither the City nor any agent of the City shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 1989 Bond to the extent of the sum or sums paid.

The Series 1989 Bonds may, at the option of the City, initially be issued in the form of a separate single fully, registered Series 1989 Bond for each maturity of the Series 1989 Bonds registered in the bond register kept by the Bond Registrar in the name of Kray & Co. ("Kray"), as nominee of Midwest Securities Trust Company ("M.S.T.C."). Except as

provided below, all of the Outstanding Series 1989 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Kray, as nominee of M.S.T.C.

With respect to Series 1989 Bonds so registered in the name of Kray, as nominee of M.S.T.C., the City, the Bond Registrar, any bond insurance company and any Paying Agent shall have no responsibility or obligation to any M.S.T.C. participant or to any person on behalf of which such an M.S.T.C. participant holds an interest in the Series 1989 Bonds, including, without limitation, any responsibility or obligation with respect to (i) the accuracy of the records of Kray, M.S.T.C. or any M.S.T.C. participant with respect to any ownership interest in the Series 1989 Bonds, (ii) the delivery to any M.S.T.C. participant or any other person, other than a Registered Owner, of any notice with respect to the Series 1989 Bonds, including any notice of redemption, or (iii) the payment to any M.S.T.C. participant or any other person, other than a Registered Owner, of any amount with respect to principal of, premium, if any, or interest on the Series 1989 Bonds. Upon delivery by M.S.T.C. to the Bond Registrar of written notice to the effect that M.S.T.C. has determined to substitute a new nominee in place of Kray, and subject to the provisions of this Ordinance with respect to record dates, the word "Kray" in this Bond Resolution shall refer to the new nominee of M.S.T.C. Upon receipt of such a notice the Bond Registrar shall promptly deliver a copy of the notice to each Paying Agent and the Comptroller.

With respect to the City and M.S.T.C. the following provisions shall apply:

(a) M.S.T.C. may determine to discontinue providing its services with respect to the Series 1989 Bonds at any time by giving notice to the Comptroller and discharging its responsibilities under applicable law.

(b) The City may in its sole discretion and without the consent of any other person, terminate the services of M.S.T.C. with respect to the Series 1989 Bonds if the City determines and shall terminate the services of M.S.T.C. with respect to the Series 1989 Bonds upon receipt by the City of written notice from M.S.T.C. to the effect that M.S.T.C. has received written notice from its participants having interests, as shown in the records of M.S.T.C., in an aggregate principal amount of not less than fifty percent (50%) of the then Outstanding Series 1989 Bonds to the effect that:

(i) M.S.T.C. is unable to discharge its responsibilities with respect to the Series 1989 Bonds, or

(ii) a continuation of the requirement that all of the Outstanding Series 1989 Bonds be registered in the registration books kept by the Bond Registrar in the name of Kray, as nominee of M.S.T.C., is not in the best interest of the beneficial owners of the Series 1989 Bonds.

(c) Upon the termination of the services of M.S.T.C. with respect to the Series 1989 Bonds, or upon the discontinuance or termination of the services of M.S.T.C. with respect to the Series 1989 Bonds, after which no substitute securities depository willing to undertake those functions of M.S.T.C. can be found which, in the opinion of the

Comptroller, is willing and able to undertake such functions upon reasonable and customary terms, the Series 1989 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Register in the name of Kray as nominee of M.S.T.C., but may be registered in whatever name or names the Registered Owner transferring or exchanging Series 1989 Bonds shall designate, in accordance with the provisions of this Ordinance.

SECTION 209. Lost, Stolen, Mutilated or Destroyed Bonds. If any Series 1989 Bond becomes mutilated or is lost, stolen or destroyed, the City may execute and the Authenticating Agent shall authenticate and deliver a new Series 1989 Bond of the same date of issue, maturity date, principal amount and interest rate per annum as the Series 1989 Bond mutilated, lost, stolen or destroyed, provided that (a) in the case of a mutilated Series 1989 Bond, the Series 1989 Bond is first surrendered to the City, (b) in the case of any lost, stolen or destroyed Series 1989 Bond, there is first furnished both evidence of loss, theft or destruction and an indemnity satisfactory to the City and the Bond Registrar, (c) all other reasonable requirements of the City are complied with, and (d) expenses in connection with the transaction are paid by the Registered Owner of such Series 1989 Bonds. Any new Series 1989 Bonds issued pursuant to this section in substitution for Series 1989 Bonds alleged to have been destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the City whether or not the Series 1989 Bonds alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Series 1989 Bonds in any moneys or securities held by the City or any Paying Agent for the benefit of such Registered Owners.

SECTION 210. Form, Execution Of Bonds.

(a) Each Series 1989 Bond and the Authenticating Agent's Certificate of Authentication to be endorsed on such Series 1989 Bond shall be in substantially the form attached to this Ordinance as Exhibit A, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance, including those necessary for any Capital Appreciation Series 1989 Bonds.

(b) Each Series 1989 Bond shall be executed by the manual or facsimile signatures of the Mayor and the Comptroller, shall be attested by the manual or facsimile signature of the Clerk, shall have the corporate seal of the City affixed, impressed or printed on such Series 1989 Bond and shall be authenticated by the manual signature of the Authenticating Agent. If any officer of the City whose manual or facsimile signature appears on any Series 1989 Bond shall cease to be such officer before the delivery of such Series 1989 Bond, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes, as if such officer had remained in office until delivery.

(c) The Mayor, Comptroller and Clerk (if they have not already done so) are authorized to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signature of Public Officials Act, as amended. The use of their facsimile signatures to execute the Series 1989 Bonds is authorized by this

Ordinance. Each Series 1989 Bond so executed shall be as effective as if manually executed.

(d) No Series 1989 Bond shall be valid for any purpose unless and until a certificate of authentication of the Series 1989 Bond substantially in the form set forth in the form of Series 1989 Bonds attached as Exhibit A to this Ordinance shall have been duly executed by the Authenticating Agent with respect to that Series 1989 Bond. The executed certificate upon any such Series 1989 Bond shall be conclusive evidence that such Series 1989 Bond has been authenticated and delivered under this Ordinance. The Authenticating Agent's certificate of authentication on any Series 1989 Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Authenticating Agent. It shall not be necessary that the same officer or signatory sign the certificate of authentication on each of the Series 1989 Bonds. The Authenticating Agent is authorized and directed to cause Series 1989 Bonds executed by the City to be authenticated at the request of the City in accordance with the provisions of this Ordinance.

SECTION 211. Determination By Comptroller As To Projects.

(a) Upon a determination by the Comptroller made at the time of sale of the Series 1989 Bonds and set forth in the Determination Certificate, the amount of money which the City shall borrow and in respect of which the City shall issue the Series 1989 Bonds may be reduced to an amount so that the amounts so borrowed and available to pay Project Costs do not exceed the amount which the Comptroller determines will be encumbered or used to pay Project Costs during the three year period following the issuance and delivery of the Series 1989 Bonds because moneys will be available from other sources to pay such Project Costs.

SECTION 212. Sale Of Series 1989 Bonds.

(a) The Comptroller is authorized to execute on behalf of the City a contract for the sale by the City of the Series 1989 Bonds pursuant to a negotiated sale. The purchase price shall not be less than 98% of the original principal amount of the Series 1989 Bonds plus accrued interest on the Series 1989 Bonds (other than Capital Appreciation Series 1989 Bonds) from their date to the date of their delivery, and on such terms as he or she may deem to be in the best interests of the City as provided in this Ordinance. Such terms include, without limitation, the aggregate principal amount of the Series 1989 Bonds, the amount of any original issue discount, the maturities of the Series 1989 Bonds, the issuance of the Series 1989 Bonds as serial bonds, term bonds subject to mandatory sinking fund redemption or Capital Appreciation Series 1989 Bonds, or any combination of serial bonds, term bonds or Capital Appreciation Series 1989 Bonds, the numbering of the Series 1989 Bonds, the interest rate or rates for the Series 1989 Bonds, the method by which and rate at which the Compound Accreted Value of Capital Appreciation Series 1989 Bonds shall be established, and the prices and other terms upon which the Series 1989 Bonds are subject to redemption, all as provided in and subject to the limitations expressed in this Article II,

including the limitation specified in Section 206 of this Article II. No more than \$20,000,000 original principal amount of Series 1989 Bonds shall be issued as Capital Appreciation Series 1989 Bonds and any such Series 1989 Bonds shall mature on or prior to November 15, 2009. Any Series 1989 Bonds sold at an original issue discount shall mature November 15, 2019, shall have a principal amount (net of original issue discount) not to exceed \$20,000,000 and shall be sold at an original issue discount of not to exceed 20% of their principal amount. The terms of the Series 1989 Bonds shall provide for the Debt Service Requirement of the Series 1989 Bonds to be approximately level for each of the years 1993 through 2019, inclusive, subject to such variations as the Comptroller shall determine. The Comptroller may in the Determination Certificate provide for such changes to the terms of the Series 1989 Bonds and the form of the Series 1989 Bonds from those provided in this Ordinance as he or she shall determine but which shall result in the Series 1989 Bonds having substantially the terms and being in substantially the form provided in this Ordinance. The Comptroller is further authorized to take the actions and execute and deliver the documents and instruments specified in this Ordinance. The Series 1989 Bonds shall be then duly prepared and executed in the form and manner provided in this Ordinance and delivered to the Treasurer for delivery to the purchasers in accordance with the terms of sale.

(b) The City shall enter into the Bond Purchase Agreement in substantially the form attached to this Ordinance as Exhibit B, with such changes, including without limitation the specification of all amounts or sums in such agreement, as shall be approved by the Comptroller. The Comptroller is authorized and directed to execute the Bond Purchase Agreement on behalf of and in the name of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council (to be reported to the City Council as provided in this Ordinance).

(c) The City shall cause there to be prepared and delivered to prospective purchasers of the Series 1989 Bonds a Preliminary Official Statement substantially in the form attached to this Ordinance as Exhibit C, with the most recent audited financial statements of the Water System as an appendix and with such other appendices and with such changes, including without limitation the specification of all amounts or sums in the Preliminary Official Statement, as shall be approved by the Comptroller. Upon sale of the Series 1989 Bonds, the Comptroller is authorized and directed to cause a final Official Statement to be prepared, executed and (i) delivered to the Initial Purchasers and (ii) filed with the Office of the City Clerk directed to the City Council.

(d) Upon a finding by the Comptroller that the purchase of municipal bond insurance of the Series 1989 Bonds is likely to facilitate the marketing and sale of the Series 1989 Bonds and permit completion of such sale in a timely fashion, and that such insurance is available at an acceptable premium, the Comptroller is authorized to cause the City to purchase a policy of municipal bond insurance for the Series 1989 Bonds, payable from amounts received upon the sale of the Series 1989 Bonds. Such policy shall be provided by a bond insurance company or association approved by the Comptroller. The Comptroller may on behalf of the City make necessary covenants with respect to that insurance consistent with this Ordinance.

(e) Subsequent to such sale, the Comptroller shall file in the Office of the City Clerk directed to the City Council (i) a Determination Certificate setting forth the terms of sale of

the Series 1989 Bonds, the interest rate or rates on the Series 1989 Bonds, designating any Capital Appreciation Series 1989 Bonds, setting forth the method by which and rate at which the Compound Accreted Value of Capital Appreciation Series 1989 Bonds shall be established, and setting forth the amount of any original issue discount, and the determination made pursuant to Section 211 of this Ordinance with respect to the amount to be borrowed for Project Costs, (ii) an executed copy of the Bond Purchase Agreement, reflecting concurrence of the Chairman of the Committee on Finance of the City Council in the determinations made by the Comptroller as to the terms of sale of the Series 1989 Bonds, and (iii) the final Official Statement of the City as provided in Section 212(c) of this Ordinance.

SECTION 213. Approval of Certificate of Consulting Engineer. The Certificate of the Consulting Engineer as to adjusted Net Revenues, attached as Exhibit D to this ordinance, is approved.

Article III.

Disposition Of Series 1989 Bond Proceeds.

SECTION 301. Deposit into Debt Service Reserve Account. At or prior to the issuance and delivery of the Series 1989 Bonds there shall be transferred from the Water Fund, and deposited to the credit of the Debt Service Reserve Account all amounts in the Water Fund not credited to any construction account under any ordinance authorizing any Bonds, or to any Account designated in paragraphs (a) through (d) of Section 404 of this Ordinance and not required for paying Costs of Operation and Maintenance, a sufficient amount to establish a balance in the Debt Service Reserve Account equal to the Debt Service Reserve Requirement upon issuance of the Series 1989 Bonds. There shall be deposited in the Water Fund to the credit of the Debt Service Reserve Account from the proceeds of the Series 1989 Bonds any amount required upon the issuance of the Series 1989 Bonds to cause the balance in the Debt Service Reserve Account, after the transfer referred to in the preceding sentence, to equal the Debt Service Reserve Requirement.

SECTION 302. Accrued Interest. Accrued interest on Series 1989 Bonds (other than Capital Appreciation Series 1989 Bonds) shall be deposited to the credit of the Matured Water Bond and Interest Account.

SECTION 303. Construction Account: Establishment, Deposit Of Funds, Uses.

(a) The City shall establish a separate account in the Water Fund designated the "Construction Account: Series 1989 Bonds".

(b) The proceeds of sale of the Series 1989 Bonds remaining after the deposits required by Sections 301 and 302 of this Ordinance have been made and shall be deposited to the

credit of the Construction Account: Series 1989 Bonds. This account shall be deposited in a separate account in a bank or banks designated by the Treasurer pursuant to a depository agreement. Funds in the Construction Account: Series 1989 Bonds shall be invested by the depository at the direction of the Treasurer in Permitted Investments, provided that such investments shall be scheduled to mature before needed to pay Project Costs, including Costs of Issuance. All interest received on or profits derived from such investments shall remain in the Construction Account: Series 1989 Bonds.

(c) Disbursements shall be made from the Construction Account: Series 1989 Bonds from time to time for the purpose of paying Project Costs, including Costs of Issuance. The money received from the sale of the Series 1989 Bonds and set aside in the Construction Account: Series 1989 Bonds shall be used to provide funds for all or any part of the Projects. The Projects for which disbursements may be made from the Construction Account: Series 1989 Bonds may be amended by the City to provide for the efficient operation of the Water System.

Within 60 days after completion of the Projects and the payment of all Project Costs, any funds remaining in the Construction Account: Series 1989 Bonds shall be transmitted by said depository to the Treasurer for transfer to the Debt Service Reserve Account, or, if such account is fully funded, to the Water Fund.

Article IV.

Water Fund And Accounts.

SECTION 401. Revenue Obligation. The Series 1989 Bonds shall have a claim for payment solely and only from the Net Revenues of the Water System and the various Accounts of the Water Fund referred to in this Article IV and Article III. The Series 1989 Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness and each Series 1989 Bond shall contain a statement to that effect.

SECTION 402. Water Fund. There has been created and there exists a separate fund of the City with the Treasurer designated the Water Fund into which the Gross Revenues of the Water System are and shall be deposited as collected. The Water Fund shall continue as a separate fund of the City. The Water Fund shall constitute a trust fund and has been and is irrevocably pledged to the owners of the Bonds from time to time outstanding for the sole purpose of carrying out the covenants, terms and conditions of this Ordinance and the bond ordinances authorizing the issuance of Bonds and shall be used only as provided in this Ordinance in (a) paying Operation and Maintenance Costs, (b) paying the principal of, redemption premium, if any, and interest on all Bonds, and (c) establishing and maintaining (for the purposes specified in this Ordinance) the accounts in the Water Fund described in Section 403 of this Ordinance and all other reserve funds or accounts which are required to be established and maintained in the bond ordinances authorizing the issuance of Bonds; provided that any funds available after these requirements have been satisfied or which are not necessary to satisfy these requirements may be used for any

lawful purpose of the Water System. A lien on and security interest in the Net Revenues and the various Accounts of the Water Fund referred to in this Article IV and Article III of this Ordinance is granted to the owners of the Bonds Outstanding from time to time subject to amounts in the various Accounts being deposited, credited and expended as provided in this Ordinance. This pledge and grant of a lien and security interest is effective immediately upon the issuance of the Series 1989 Bonds without the requirement of any further act or filing and is superior to the claims of any other person whether or not they have notice of this pledge or grant. Nothing in this Ordinance shall prevent the City from commingling the money in the Water Fund (except for the Accounts to which reference is made in paragraphs (a) through (c) of Section 404 and in Section 303 of this Ordinance) with other money, funds and accounts of the City. Any advance by the City to the Water Fund from other funds of the City shall have a claim for reimbursement only from amounts in the Water Fund not required for deposit in the various accounts specified in paragraphs (a) through (d) of Section 404 of this Ordinance.

SECTION 403. Water Fund Accounts. There have been created and there exist separate accounts in the Water Fund designated the "Matured Water Bond and Interest Account", the "Debt Service Reserve Account" and the "Rehabilitation and Improvement Reserve Account". There is established in the Water Fund a separate Rebate Account for the Series 1989 Bonds. The Comptroller may in his or her discretion determine that money on deposit in the Matured Bond and Interest Account and the Rehabilitation and Improvement Reserve Account be deposited and maintained in a separate account in a bank or banks designated by the Treasurer pursuant to one or more depository agreements, and the Comptroller may in his or her discretion enter into agreements which include covenants to establish and maintain such separate accounts. The Water Fund may also have within it certain accounts designated as a cost of issuance account, construction account or rebate accounts as provided for in Ordinances authorizing the issuance of Series of Bonds.

SECTION 404. Application of Net Revenues. The Net Revenues shall be transferred, without any further official action or direction, to the Matured Water Bond and Interest Account, the Debt Service Reserve Account, the Rehabilitation and Improvement Account and the Rebate Accounts in the order in which those accounts are listed below, for use in accordance with the provisions of paragraphs (a), (b), (c) and (d) of this Section 404.

(a) **Matured Water Bond and Interest Account.** Not later than ten days prior to each principal or interest payment date for the Bonds, there shall be transferred to the Matured Water Bond and Interest Account sufficient funds, together, with respect to the May 15, 1990, interest payment date on Series 1989 Bonds, with accrued interest received upon delivery of the Series 1989 Bonds (other than Capital Appreciation Series 1989 Bonds), if any, to pay the amount of the principal, redemption premium, if any, and interest becoming due, whether upon maturity, redemption or otherwise, on such payment date on all Outstanding Bonds.

Funds in the Matured Water Bond and Interest Account shall be used only for the purpose of paying principal of, redemption premium, if any, and interest on Outstanding Bonds as the same become due.

(b) Debt Service Reserve Account.

(i) At the time of the delivery of the Series 1989 Bonds, sufficient funds from the proceeds of sale of the Series 1989 Bonds shall be transferred to the Debt Service Reserve Account to maintain a balance in such Account, together with the funds presently deposited in that account and transferred to it pursuant to Section 301 of this Ordinance at least equal to the Debt Service Reserve Requirement. Such funds shall be maintained in a separate segregated subaccount in the Debt Service Reserve Account. The Debt Service Reserve Account shall be deposited in a separate account in a bank or banks designated by the Treasurer pursuant to a depository agreement. Whenever the balance in the Debt Service Reserve Account is less than the Debt Service Reserve Requirement, except as permitted pursuant to Section 601(b) of this Ordinance, there shall be transferred to the Debt Service Reserve Account within the next 12 months sufficient funds to maintain a balance in the Debt Service Reserve Account at least equal to the Debt Service Reserve Requirement.

Funds in the Debt Service Account shall be used to pay principal of, redemption premium, if any, and interest on the Outstanding Bonds as the same become due at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account.

(ii) When all Bonds issued prior to the Series 1989 Bonds are no longer Outstanding, all or any part of Debt Service Reserve Requirement may be met by deposit with the City of a Reserve Account Credit Instrument. A Reserve Account Credit Instrument shall, for purposes of determining the value of the amounts on deposit in the Debt Service Reserve Account, be valued at the Reserve Account Credit Instrument Coverage for the Reserve Account Credit Instrument except as provided in the next sentence. If a Reserve Account Credit Instrument is to terminate (or is subject to termination) prior to the last principal payment date on any Outstanding Bond, then the Reserve Account Credit Instrument Coverage of that Reserve Account Credit Instrument shall be reduced each year, beginning on the date which is four years prior to the first date on which the Reserve Account Credit Instrument is to terminate (or is subject to termination), by twenty-five percent (25%) of the coverage in each of the years remaining prior to such date, provided that if by the terms of the Reserve Fund Credit Instrument and the terms of the related ordinance, the City has the right and duty to draw upon the Instrument prior to its termination for deposit in the Debt Service Reserve Account (if and to the extent a substitute Reserve Fund Credit Instrument is not deposited in the Debt Service Reserve Account) all or part of its Coverage, then the reduction shall be in an amount equal to the difference between (A) the Debt Service Reserve Requirement and (B) the sum of the amounts on deposit in the Debt Service Reserve Account and the amount which the City may draw under the Instrument prior to its termination for deposit in the Debt Service Reserve Account. Any amounts in the Debt Service Reserve Account which are not required to be transferred to the Matured Bond and Interest Account may, from time to time, be used to pay costs of acquiring a Reserve Account Credit Instrument or to make payments due under a Reimbursement Agreement, but only if after such payment, the value of the Debt Service Reserve Account shall not be less than the Debt Service Reserve Requirement. The City may provide by resolution for the pledge of and grant of a lien on and security interest in the amounts on

deposit in the Debt Service Reserve Account to any Provider to secure the City's obligation to make payments under a related Reimbursement Agreement, provided that any such lien or security interest shall be junior in priority to any claim for the benefit of the owners of the Outstanding Bonds.

After the deposit of a Reserve Account Credit Instrument into the Debt Service Reserve Account and after the City has received notice of the value of the Debt Service Reserve Account after such deposit, the Comptroller may then direct the transfer from the Debt Service Reserve Account to any account of the Water Fund of any amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement.

(c) Rebate Accounts. There shall be transferred from the Water Fund and deposited to the credit of the Rebate Accounts the amounts as shall be required to be held available for rebate to the United States of America with respect to each Series of Bonds, including all amounts with respect to the Series 1989 Bonds as required by Section 508 of this Ordinance. Each Rebate Account shall be deposited in a separate bank account in a bank or banks designated by the Treasurer pursuant to a depository agreement. The amount so to be held available shall be determined from time to time by the City pursuant to the ordinances authorizing the various series of Bonds.

Amounts in Rebate Accounts shall be used at the direction of the City to make rebate payments to the United States of America. Amounts in Rebate Accounts may be used to pay principal, redemption premium and interest on the outstanding obligations of the City that are payable by their terms from the revenues of the Water System, as the same become due, at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account, the Debt Service Reserve Account and the Rehabilitation and Improvement Reserve Account.

(d) Rehabilitation and Improvement Reserve Account. Whenever the balance in the Rehabilitation and Improvement Reserve Account is less than \$10,000,000, an amount equal to \$2,500,000, or such lesser amount as may be necessary, shall be transferred to that Account in each Fiscal Year after the Fiscal Year in which such deficiency first exists until the balance in that Account equals \$10,000,000.

Funds in the Rehabilitation and Improvement Reserve Account shall be used (i) to pay principal, redemption premium and interest on the outstanding obligations of the City that are payable by their terms from the revenues of the Water System, as the same become due, at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account and the Debt Service Reserve Account, (ii) to pay the cost of constructing any emergency replacement to any part of the Water System deemed necessary in order to render efficient service when there are no other funds available for such purpose, provided that prior to such payment, there shall be filed with the Comptroller and the Treasurer a certificate of the Commissioner of the City Department of Water to evidence that in the Commissioner's opinion the making of such improvement is an emergency replacement of part of the Water System, such replacement is essential for

the continued efficient operation of the Water System and no other funds are available for such purpose, and (iii) to pay the cost of constructing new facilities for or making necessary improvements to the Water System in each case constituting capital improvements, provided that such capital improvements are set forth in plans and a report of the improvements prepared by the Commissioner of the City Department of Water submitted to and approved by the City Council.

SECTION 405. Deficiencies, Excess. In the event of a deficiency in any Fiscal Year in the Debt Service Reserve Account, the Rehabilitation and Improvement Reserve Account or any Rebate Account, the amount of such deficiency shall be included in the amount to be transferred from the Water Fund and deposited into such account during the next 12-month period or succeeding Fiscal Year, as required by this Ordinance.

Whenever the balance in the Debt Service Reserve Account or the Rehabilitation and Improvement Reserve Account or any Rebate Account exceeds the amount required to be on deposit in that Account, such excess may be transferred to the Water Fund, provided that no such transfers shall be made when any debt service payments on outstanding obligations of the City that are payable by their terms from the revenues of the Water System are past due. Any funds which remain in the Water Fund at the end of any Fiscal Year shall be retained in the Water Fund and shall be available for appropriation for any proper purpose of the Water System.

SECTION 406. Investments. Funds in the Accounts described in the first sentence of Section 403 shall be invested in Permitted Investments. All amounts in the Debt Service Reserve Account and each Rebate Account shall be invested in Permitted Investments which are held separate and distinct from those of any other Funds or Account. Investments shall be scheduled to mature before needed for the respective purposes of each of such accounts. All Investment Earnings on any such Accounts so invested as provided in this Section 406 shall be credited to the Water Fund and shall be considered Gross Revenues provided, however, that earnings on the investment of amounts on deposit in the Rebate Accounts shall not be Investment Earnings, shall not be considered Gross Revenues, and shall be retained in the respective Rebate Accounts except to the extent no longer required for rebate purposes.

For purposes of determining whether sufficient cash and investments are on deposit in such accounts under the terms and requirements of this Ordinance, investments shall be valued at cost or market price, whichever is lower, on or about December 31 in each year.

Article V.

General Covenants.

The City covenants and agrees with the owners of the Series 1989 Bonds as follows:

SECTION 501. Maintenance and Continued Operation of Water System. The City will maintain the Water System in good repair and working order, will continuously operate it on a Fiscal Year basis, will promptly construct the Projects, and will punctually perform all duties with respect to the Water System required by the Constitution and laws of the State of Illinois.

So long as the Series 1989 Bonds are Outstanding, the City will continue to operate the Water System as a revenue-producing system so as to produce Gross Revenues sufficient to satisfy the covenants of this Ordinance.

SECTION 502. Water Rates. The City will establish, maintain and collect at all times fees, charges and rates for the use and service of the Water System sufficient at all times to (a) pay Operation and Maintenance Costs and (b) produce Net Revenues sufficient to pay the principal (at maturity or pursuant to mandatory sinking fund redemption) of and applicable redemption premium and interest on all Bonds Outstanding from time to time and to establish and maintain all reserve funds or accounts as may be covenanted for in bond ordinances authorizing the issuance of Bonds which Net Revenues shall each Fiscal Year at least equal 125% of the sum required to pay promptly when due the Debt Service Requirement for the Fiscal Year on all Bonds then Outstanding. These fees, charges and rates shall not be reduced while any Bonds are Outstanding below the level necessary to ensure compliance with the covenants of this Section 502.

The City will, prior to the end of each Fiscal Year, conduct a review to determine if it has been and will be in compliance with the rate covenant set forth above. Whenever the annual review indicates that projected Gross Revenues will not be sufficient to comply with the rate covenant, the City shall have prepared a rate study for the Water System identifying the rate changes necessary to comply with the rate covenant and the Office of Budget and Management of the City and Comptroller shall recommend appropriate action to the City Council to comply with this rate covenant. Copies of the rate study shall be provided to any owner of Bonds upon request.

SECTION 503. Repairs, Replacements, Additions, Betterments. The City from time to time will make all necessary and proper repairs, replacements, additions and betterments to the Water System so that the Water System may at all times be operated efficiently, economically and properly. When any necessary equipment or facility shall have been worn out, destroyed, or otherwise is insufficient for proper use, it shall be promptly replaced so that the value and efficiency of the Water System shall be at all times fully maintained.

SECTION 504. Control and Operation of Water System. The City will establish such rules and regulations for the control and operation of the Water System as are necessary for the safe, lawful, efficient and economical operation of the Water System.

SECTION 505. Books and Records. The City will make and keep proper books, records and accounts (separate and apart from all other books, records and accounts of the City) in which correct and complete entries shall be made of all transactions relating to the Water System. Within 180 days following the close of each Fiscal Year, the City will cause the financial statements of the Water System to be audited by independent certified public accountants. Such audited financial statements will be available for inspection by the

Registered Owners of any of the Bonds. The financial statements shall, without limitation, include the following:

- (a) A statement of revenue and expenses of the Water System for each Fiscal Year.
- (b) A balance sheet as of the end of such Fiscal Year, including the amounts in each of the funds and accounts of the Water Fund.
- (c) A system of changes in the financial position of the Water System for such Fiscal Year.
- (d) The amounts, maturities, interest rates and redemption provisions of all Outstanding Bonds.

All expenses of the audit required by this provision shall be regarded and paid as an Operation and Maintenance Cost.

The accountants who audit such financial statements shall also prepare a separate compliance letter regarding the manner in which the City has complied with the financial covenants of this Ordinance, which compliance letter may be prepared on a different basis than that of the financial statements. A copy of the financial statements shall be provided to any owner of Bonds upon request.

SECTION 506. Customer Report. The City shall prepare annually a report of the number of customers served by the Water System at the end of the Fiscal Year, the number of metered and nonmetered customers at the end of the Fiscal Year, and the quantity of water provided.

SECTION 507. Water System Dispositions or Encumbrances. The City will not sell, lease, loan or mortgage or in any manner dispose of or encumber the Water System (subject to the right of the City to issue Parity Bonds as provided in this Ordinance, to issue bonds payable from the Net Revenues of the Water System on a basis subordinate to the Bonds, and to dispose of real or personal property which is no longer useful or necessary to the operation of the Water System).

SECTION 508. No Arbitrage. The City will not direct or permit any action which (or fail to take any action the failure of which) would cause any Series 1989 Bond to be an "arbitrage bond" within the meaning of the Internal Revenue Code of 1986, as amended, and the regulations under that Code as promulgated and as amended from time to time and as applicable to the Series 1989 Bonds.

SECTION 509. Special Tax Covenant. The covenants and agreements of the City set forth in this Section 509 shall apply as long as any of the Series 1989 Bonds continue to bear interest (whether or not they are Outstanding Bonds within the meaning of this Ordinance) (or for Capital Appreciation Series 1989 Bonds, so long as their principal amount continues to appreciate) and shall also apply after the Series 1989 Bonds cease to bear interest (or for Capital Appreciation Series 1989 Bonds, their principal amount ceases

to appreciate) but within such subsequent period as shall be required for the City to comply with the covenants of this Section 509. At the discretion of the Comptroller, the Comptroller may execute an agreement in the name of and on behalf of the City to ensure compliance with the requirements of this Section 509.

(a) The City (i) will take all actions which are necessary to be taken (and avoid taking any action which it is necessary to avoid being taken) so that interest on the Series 1989 Bonds (including appreciation in principal amount for Capital Appreciation Series 1989 Bonds) will not be or become subject to federal income taxation under present law, and (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which it is necessary to avoid) so that interest on the Series 1989 Bonds (including appreciation in principal amount for Capital Appreciation Series 1989 Bonds) will not be or become includible in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time.

(b) The City will, without limitation, (i) restrict the yield on investments of amounts received upon the sale of the Series 1989 Bonds and other amounts, and (ii) timely rebate to the United States of America certain amounts which may be received as interest or other investment earnings on the Water Fund and its Accounts and those accounts established by this Ordinance, all as shall be necessary to comply with this paragraph. The City shall also make or cause to be made identifiable investments of amounts allocable to the Series 1989 Bonds as shall be necessary or appropriate in order to be able to ascertain the amounts which may be required so to be rebated to the United States of America. The City shall from time to time determine the amounts in the Water Fund and its Accounts and accounts established by this Ordinance which shall be subject so to be rebated and those amounts from time to time shall be held by the City in the Rebate Account for the Series 1989 Bonds and shall be rebated to the United States of America in the amounts and at the times as required. Such amounts so subject from time to time so to be rebated shall not be available for the other purposes for which the Water Fund and its Accounts and accounts established by this Ordinance may be applied, except as provided in Section 404(c) of this Ordinance and, for purposes of computing the balance in the Water Fund and such various accounts shall be disregarded. At the time of delivery of the Series 1989 Bonds, and from time to time after their delivery, the City shall provide instructions to appropriate officials as to the restrictions to be made on the yield and segregation of investments and as to the calculations and rebate of amounts to the United States of America, as are required in order for the City to comply with this Section 509.

(c) The City will not take any of the following actions without in each such event obtaining the opinion of nationally recognized bond counsel (which may represent the City from time to time in other matters) that such action will not contravene any covenant of this Ordinance and will not make compliance with those covenants impossible: (i) optionally redeem any Bonds; (ii) defease any Bonds; (iii) sell, lease or otherwise dispose of any material portion of the Water System; (iv) enter into or amend any short-term or long-term contract for the supply of water by the City other than pursuant to general rates charged to the general public; or (v) enter into or amend any contract or arrangement for persons other than its employees to manage the Water System.

(d) The provisions of this Section 509 shall not be interpreted to impose upon the City any obligation to redeem or to purchase any Series 1989 Bonds, other than with proceeds or other amounts available under this Ordinance.

Article VI.

Issuance Of Additional Bonds.

SECTION 601. Parity Bonds. As long as there are any Outstanding Series 1989 Bonds, no Bonds, notes or other obligations of any kind which are payable from Net Revenues on an equal and ratable basis with the Series 1989 Bonds shall be issued, except Parity Bonds which may be issued for the purpose of paying the cost of repairs, replacements, renewals, improvements, equipment or extensions to the Water System, funding capitalized interest and reserve funds for Bonds or particular series of Bonds, funding working capital for the Water System, or for refunding Outstanding Bonds and then only upon compliance with the following conditions:

(a) The funds required to be transferred to the Matured Water Bond and Interest Account, the Rehabilitation and Improvement Reserve Account and the Debt Service Reserve Account shall have been transferred in full up to the date of the delivery of such Parity Bonds; and

(b) The Ordinance authorizing the issuance of Parity Bonds shall require either (i) the transfer at the time of the delivery of such Parity Bonds of sufficient proceeds of such Parity Bonds or Net Revenues, or the deposit of a Reserve Account Credit Instrument to the extent permitted under the ordinances authorizing the Outstanding Bonds, or any combination of bond proceeds, Net Revenues and Reserve Account Credit Instruments permitted under the ordinances authorizing the Outstanding Bonds, to the Debt Service Reserve Account so that the balance in such account is at least equal to the Debt Service Reserve Requirement, or (ii) equal monthly transfers to such Account during a period not exceeding 60 months following the delivery of such Parity Bonds sufficient to cause the balance in the account to be an amount at least equal to the Debt Service Reserve Requirement; and

(c) Net Revenues for the last completed Fiscal Year prior to the issuance of the Parity Bonds (as shown by the audit of an independent certified public accountant), or Net Revenues for such last completed Fiscal Year, adjusted as described below, shall equal at least 125% of the maximum annual Debt Service Requirement for Bonds which will be Outstanding Bonds following the issuance of the proposed Parity Bonds, computed on a pro forma basis assuming the issuance of the proposed Parity Bonds and the application of the proceeds of any Bonds as provided in the ordinance authorizing their issuance, sale and delivery. Net Revenues may be adjusted as follows for purposes of this paragraph (c):

(i) If there shall have been an increase in the rates of the Water System from the rates in effect for such last completed Fiscal Year, which increase is in effect at the time of the

issuance of any such Parity Bonds, Net Revenues may be adjusted to reflect the Net Revenues for such last completed Fiscal Year as they would have been had the existing rates been in effect during all of that last completed Fiscal Year; and

(ii) Any such adjustment shall be evidenced by the certificate of an Independent Consulting Engineer or an independent certified public accountant employed for that purpose, which certificate shall be filed with and approved by the City Council prior to the sale of the proposed Parity Bonds.

If during the first six months of a Fiscal Year, an audit of the Water System for the preceding Fiscal Year by an independent certified public account is not available, the conditions of paragraph (c) shall be deemed to have been satisfied if both (1) Net Revenues for the second preceding Fiscal Year (as shown by the audit of an independent certified public accountant), adjusted as described in paragraph (c) above, and (2) Net Revenues for the preceding Fiscal Year (as estimated by the Comptroller and either estimated by an Independent Consulting Engineer or certified by an independent certified public accountant based on a review the scope of which, as specified by such accountant, may be less complete than an audit), adjusted as described in paragraph (c) above, shall equal at least 125% of the maximum Debt Service Requirement for any Fiscal Year for Bonds which will be Outstanding Bonds following the issuance of the proposed Parity Bonds, computed on a pro forma basis assuming the issuance of the proposed Parity Bonds and the application of the proceeds of any Bonds as provided in the ordinance authorizing their issuance, sale and delivery. The provisions of this paragraph shall not be in effect until the Series 1983 Bonds, the Series 1985 Bonds and the Series 1986 Bonds are or will be no longer Outstanding Bonds upon the issuance of the proposed Parity Bonds.

(d) The City may issue Parity Bonds without complying with either of the tests in paragraph (c) of this Section 601:

(i) to pay, redeem or refund Bonds if in the judgment of the City there will be no money available to make payments of interest or principal of those Bonds (at maturity or on sinking fund installment dates) as such amounts become due; and

(ii) to pay, redeem or refund any Bonds if the total Debt Service Requirement on all Bonds Outstanding after the issuance of the Parity Bonds and the payment, redemption or refunding of such Bonds will not be in excess of the total Debt Service Requirement on all Bonds Outstanding prior to the issuance of the Parity Bonds in each Fiscal Year in which there was to be any Debt Service Requirement prior Bonds.

SECTION 602. Subordinate Obligations. Other obligations, including bonds, may be issued payable from Net Revenues on a basis subordinate to the Outstanding Bonds.

Article VII.

Defeasance.

SECTION 701. Defeasance.

(a) If the City shall pay or cause to be paid, or there shall otherwise be paid, to the owners of the Series 1989 Bonds then Outstanding, the principal, redemption premium, if any, and interest to become due on the Series 1989 Bonds, at the times and in the manner stipulated in this Ordinance and in the Series 1989 Bonds, then the covenants, agreements and other obligations of the City to the owners of the Series 1989 Bonds shall be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the City all moneys or securities held by them pursuant to this Ordinance which are no longer required for the payment or redemption of Series 1989 Bonds not already then surrendered for such payment or redemption.

(b) Series 1989 Bonds for the payment or redemption of which money shall have been set aside and shall be held in trust by any Paying Agents (through deposit by the City of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Series 1989 Bonds, shall be deemed to have been paid within the meaning of and with the effect expressed in paragraph (a) of this Section 701. All Series 1989 Bonds shall, prior to their maturity or redemption date, be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section 701 if:

(i) there shall have been deposited with such Paying Agents either money in an amount which shall be sufficient, or Government Obligations the principal of and interest on which when due will provide money which, without reinvestment, when added to the money, if any, deposited with such Paying Agents at the same time, shall be sufficient to pay the principal of those Series 1989 Bonds at maturity, or on sinking fund installment dates for term Series 1989 Bonds, or the principal, redemption premium, if any, and interest due and to become due on those Series 1989 Bonds on and prior to the redemption date or maturity date (or sinking fund installment dates for term Series 1989 Bonds) of the Series 1989 Bonds, as the case may be;

(ii) in case any of the Series 1989 Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Bond Registrar irrevocable instruction to give any required notice of redemption as provided in Article II of this Ordinance, which instruction the Bond Registrar has accepted in writing; and

(iii) the City shall receive an opinion of nationally recognized bond counsel to the effect that the defeasance of the Series 1989 Bonds shall not cause interest on the Series 1989 Bonds to be included in "gross income" of the owner for federal income tax purposes.

(c) Neither Government Obligations nor moneys deposited with any Paying Agent pursuant to this section nor principal or interest payments of any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal (at maturity or pursuant to mandatory sinking fund redemption), redemption premium, if any, and interest on those Series 1989 Bonds, provided that any cash received from such principal or interest payments on such Government Obligations, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in principal amounts sufficient to pay when due the principal, redemption premium, if any, and interest to become due on those Series 1989 Bonds on and prior to such redemption date or maturity date of the Series 1989 Bonds, as the case may be.

SECTION 702. Unclaimed Moneys. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Paying Agents in trust for the payment and discharge of any of the Series 1989 Bonds which remain unclaimed for six years after the date of deposit of such moneys if deposited with the Paying Agents after the date when the Series 1989 Bonds became due and payable shall, at the written request of the City, be repaid by the Paying Agents to the City, as its absolute property and free from trust, and the Paying Agents shall then be released and discharged with respect to such amounts and the owners of the Series 1989 Bonds shall look only to the City for the payment of such Series 1989 Bonds, provided that before being required to make any such payment to the City, the Paying Agents shall, at the expense of the City, cause to be published at least twice, at an interval of not less than seven days between publications, in a daily newspaper of general circulation in the City of Chicago and in *The Bond Buyer*, published in the City of New York, State of New York, or in the event that journal ceases publication, then in a financial newspaper of general circulation in the City of New York, a notice that the money remains unclaimed and that, after a date named in the notice, which date shall be not less than 30 days after the date of the first publication of the notice, the balance of such money then unclaimed will be returned to the City.

Article VIII.

Amendment Of The Ordinance.

SECTION 801. Amendment of the Ordinance. Subject to Sections 802 and 803 of this Ordinance, the City may amend or modify this Ordinance from time to time and may modify the rights and obligations of the City and of the registered owners of the Series 1989 Bonds by adopting a supplemental ordinance to this Ordinance. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the City to pay the principal of, redemption premium, if any, or interest on any Series 1989 Bond without the express consent of the registered owner of such Series 1989 Bond, nor permit the creation by the City of any mortgage, pledge, lien or security interest on the Water System, or upon the Net Revenues or other moneys pledged or held pursuant to this Ordinance, other than those contemplated by this Ordinance, including Section 802, nor permit the preference or priority of any Bond over any other

Bond, nor reduce the percentages of Series 1989 Bonds required for the written consent to an amendment or modification of this Ordinance, nor modify any of the rights or obligations of any Paying Agent at the time acting pursuant to this Ordinance without the written consent of such Paying Agent.

SECTION 802. Amendments Without Written Consent. The City may amend or modify this Ordinance from time to time for any one or more of the following purposes without obtaining the prior written consent of any of the registered owners of the Series 1989 Bonds:

(1) To add additional covenants and agreements of the City for the purpose of further securing the payment of the Series 1989 Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the City contained in this Ordinance;

(2) To prescribe further limitations and restrictions upon the issuance of Parity Bonds and the incurring of obligations by the City which are not contrary to or inconsistent with the limitations and restrictions on such issuance or incurring of obligations in effect prior to the adoption of such supplemental ordinance;

(3) To surrender any right, power or privilege reserved to or conferred upon the City by the terms of this Ordinance;

(4) To confirm as further assurance any covenant, lien, pledge or security interest created or recognized by the provisions of this Ordinance;

(5) To take any further action necessary or desirable for the collection and application of Net Revenues sufficient to pay the Series 1989 Bonds as to principal, at maturity or on mandatory sinking fund installment dates, and to pay interest on the Series 1989 Bonds as it falls due;

(6) To correct any ambiguity or defect or inconsistent provisions in this Ordinance or to insert such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable, provided that any such amendments or modifications are not contrary to or inconsistent with this Ordinance as in effect prior to the adoption of any such supplemental ordinance, and provided further that any such amendments or modifications are not adverse to the interests of the Registered Owners of the Series 1989 Bonds.

SECTION 803. Amendments by Two-Thirds Consent of Owners. The City may amend or modify this Ordinance from time to time for any purpose other than one or more of the purposes not prohibited in Section 801 and not authorized by Section 802 of this Ordinance only pursuant to the consent of Registered Owners of sixty-six and two-thirds percent (66-2/3%) in principal amount of all Outstanding Series 1989 Bonds by written instrument.

SECTION 804. Method of Obtaining Written Consent of Owners. The City may at any time adopt a supplemental ordinance amending the provisions of the Series 1989 Bonds or of this Ordinance, to the extent that such an amendment is permitted by the provisions of Section 803 of this Ordinance, to take effect when and as provided in this section. A copy of such supplemental ordinance, together with a written consent form, shall be mailed by the City to Registered Owners of the Series 1989 Bonds, first class postage prepaid, at the address appearing for such owner upon the bond register maintained by the Bond Registrar. Failure to mail copies of such supplemental ordinance and written consent form to any Registered Owner shall not affect the validity of the supplemental ordinance when assented to as provided in this Article VIII.

A supplemental ordinance adopted in accordance with this section shall not be effective unless and until there shall have been filed with the City the written consents of the owners of percentages in principal amount of Outstanding Series 1989 Bonds specified in Section 803 of this Ordinance as provided in this paragraph. Each such consent shall be effective only if accompanied by proof of ownership of the Series 1989 Bonds for which such consent is given, which proof shall be such as the City may prescribe from time to time. Any such consent shall be binding upon the owner of the Series 1989 Bonds giving such consent and on any subsequent owner (whether or not such subsequent owner has notice of the consent) unless such consent is revoked in writing by the owner giving such consent or a subsequent owner by filing a notice of revocation with the City prior to the first date when the notice provided for in the next sentence of this paragraph has been given. After the owners of the required percentages of Series 1989 Bonds shall have filed their consents to the supplemental ordinance, the City shall mail a notice to the owners of the Series 1989 Bonds, in the manner provided in the first paragraph of this section for the mailing of the supplemental ordinance and request for consent, stating in substance that the supplemental ordinance has been consented to by the owners of the required percentages of Series 1989 Bonds and will be effective as provided in this section. A certificate of the City reciting compliance with the provisions of this section shall be filed with the Paying Agent and shall be proof of the matters stated until the contrary is proved, and the supplemental ordinance shall be deemed conclusively binding upon the City and the owners of all Series 1989 Bonds at the expiration of sixty (60) days after the filing with the City of the certificate, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding commenced within such sixty (60) day period.

SECTION 805. Endorsement of Series 1989 Bonds. Series 1989 Bonds authenticated and delivered after the effective date of any action taken by the owners of Series 1989 Bonds as provided in this article may bear a notation by endorsement or otherwise in form approved by the City as to such action, and in that case upon demand of the owner of any Series 1989 Bond Outstanding at such effective date and presentation of his or her Series 1989 Bond for that purpose at the office of the City or at such additional offices as the City may select and designate for that purpose, a suitable notation shall be made on such Series 1989 Bond. If the City shall so determine, new Series 1989 Bonds so modified as to conform to such owners action shall be prepared, authenticated and delivered, and upon demand of the owner of any Series 1989 Bond then Outstanding shall be exchanged in the City of Chicago, without cost to any owner, for any Outstanding Series 1989 Bonds, upon surrender of such Series 1989 Bond.

Article IX.

General Provisions.

SECTION 901. Authority. This Ordinance is adopted pursuant to the powers of the City as a home rule unit under Article VII, Section 6(a) of the 1970 Illinois Constitution. The appropriate officers of the City are authorized to take such actions and do such things as shall be necessary to perform, carry out, give effect to and consummate the transactions contemplated by this Ordinance and the Series 1989 Bonds.

SECTION 902. Authorized Signatures. The Mayor and the Comptroller may each designate another to act as their respective proxies and to affix their respective signatures to the Series 1989 Bonds, whether in temporary or definitive form, and any other instrument, certificate or document required to be signed by the Mayor or the Comptroller pursuant to this Ordinance. In each case, each shall send to the City Council written notice of the person so designated by each such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the Comptroller, respectively. A written signature of the Mayor or of the Comptroller, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with the signatures attached, shall be recorded in the Journal of the Proceedings of the City Council and filed with the Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Comptroller is so affixed to an instrument, certificate or document at the direction of the Comptroller, the same, in all respects, shall be binding on the City as if signed by the Comptroller in person.

SECTION 903. Conflict. To the extent that any ordinance, resolution, provision of the Municipal Code, rule or order, is in conflict with or is inconsistent with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling.

SECTION 904. Severability. If any section, paragraph, clause or provision of this Ordinance, the Bond Purchase Agreement, or the Official Statement described in Section 212(c) of this Ordinance, including without limitation any provision of this Ordinance relating to the entering into of any one or more of such documents, shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 905. Bondholder Remedy. Any owner of a Series 1989 Bond may proceed by civil action to compel performance of all duties required by this Ordinance, including the establishment and collection of sufficient fees, charges and rates for services supplied by the Water System, and the application of Gross Revenues as provided by this Ordinance.

SECTION 906. Contract. The provisions of this Ordinance shall constitute a contract between the City and the owners of the Series 1989 Bonds, and no changes, additions or

alterations of any kind shall be made to that contract except as provided in this Ordinance, including Article VIII, so long as the Series 1989 Bonds are Outstanding.

SECTION 907. Appropriation. The provisions of this Ordinance constitute an appropriation of the amounts received upon the sale of the Series 1989 Bonds for the purposes specified in Section 202 of this Ordinance and an appropriation of the Net Revenues for deposit in the various accounts in Article IV of this Ordinance and for payment of principal of, redemption premium, if any, and interest on the Series 1989 Bonds as provided in this Ordinance.

SECTION 908. Headings. Any headings preceding the texts of the several articles and sections of this Ordinance and the table of contents shall be solely for convenience or reference and shall not constitute a part of this Ordinance nor shall they affect its meaning, construction or effect.

SECTION 909. Effectiveness. This Ordinance is effective immediately upon its passage. Ordinance No. PO 89-3207 is repealed.

[Exhibit "C" attached to this ordinance printed on pages 9756 through 9880 of this Journal.]

Exhibits "A", "B" and "D" attached to this ordinance read as follows:

Exhibit "A".

Form Of Capital Appreciation Series 1989 Bond

Form Of Face Of Bond

United States Of America

State Of Illinois

City Of Chicago

Water Revenue Bond

Series 1989.

Bond No.: R- _____ Principal Amount Upon
 Original Issuance: \$ _____

Date of Bond: _____ Interest Rate Per Year: _____ %

Date of Maturity: _____ Payment at Maturity: \$ _____

Registered Owner: _____

The City of Chicago, Illinois (the "City"), for value received, promises to pay to the Registered Owner specified above or that person's registered assignee on the Date of Maturity, the Principal Amount upon Original Issuance specified above plus interest on that amount (and on interest accrued to the various compounding dates as specified below) from the Date of this Bond to the Date of Maturity at the Interest Rate Per Year specified above with interest so compounded semi-annually on May 15 and November 15 of each year, with the first compounding date being May 15, 1990. Interest shall continue to accrue and compound after the Date of Maturity at the Interest Rate Per Year specified above on any such amounts for which payment is not made or provided for as provided in the Bond Ordinance described below. The total amount due on the Date of Maturity is the amount shown above as the Payment at Maturity.

For all purposes of this Bond the Principal Amount at any time is the sum of the Principal Amount upon Original Issuance specified above plus interest on this Bond accrued and compounded to such date as provided above. Principal of this Bond is payable only upon presentation and surrender of this Bond for cancellation at the principal corporate trust office of Continental, Bank N.A., Chicago, Illinois (the "Paying Agent"). Payments shall be made in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the City designated "Water Revenue Bonds, Series 1989", issued in the aggregate principal amount of \$ _____,000,000 (the "Bonds") under and pursuant to the provisions of an ordinance duly adopted by the City Council of the City on December 6, 1989 (the "Bond Ordinance"). The Bonds are authorized for the purpose of providing funds (1) for the payment of the costs of constructing extensions and improvements to the City's Water System, including costs of issuance of the Bonds, (2) for deposit into a debt service reserve account pursuant to the Bond Ordinance and (3) to provide for discount on the Series 1989 Bonds.

The Bonds are limited obligations of the City with a claim for payment solely from the net revenues derived from the operation of the City's Water System on a parity with other outstanding obligations of the City, and additional Parity Bonds which may be issued as permitted by the Bond Ordinance, that are payable from the net revenues of the Water System. The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness. Under the Bond Ordinance, the entire revenues received from the operation of the Water System are required to be deposited in a separate fund designated the "Water Fund of the Municipality of Chicago" (the "Water Fund"). The Water Fund is required to be used only and is

irrevocably pledged for (1) paying the costs of operating and maintaining the Water System, (2) paying outstanding obligations of the City, including the Bonds, that are payable by their terms from the net revenues of the Water System and (3) establishing and maintaining all funds or accounts which are required to be established and maintained by the bond ordinances authorizing water revenue bonds of the City, subject to expenditure as provided in those ordinances, provided that any funds available after these requirements have been satisfied or which are not necessary to satisfy these requirements may be used for any lawful purpose of the Water System.

No official, officer, member of the City Council, agent or employee of the City shall be liable personally on this Bond by reason of the issuance of this Bond.

It is certified and recited that all acts, conditions and things required to exist, to have happened and to have been performed precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law. Provision has been made to deposit in the Water Fund the entire revenues received from the operation of the Water System to be applied in the manner set forth above.

Unless the certificate of authentication on this Bond has been executed by the Authenticating Agent by manual signature, this Bond shall not be entitled to any benefit under the Bond Ordinance, or be valid or obligatory for any purpose.

Reference Is Made To The Further Provisions Of This Bond Set Forth On The Reverse Of This Bond, Which Shall Have The Same Effect As If Set Forth Here.

In Witness Of This Obligation, The City of Chicago, by its City Council, has caused this Bond to be signed by the manual or facsimile signatures of the Mayor and the City Comptroller, attested by the manual or facsimile signature of the City Clerk, and its corporate seal to be affixed, impressed or printed on this Bond, all as of _____, 1989.

City of Chicago, Illinois

Mayor,
City of Chicago

City Clerk,
City of Chicago

City Comptroller,
City of Chicago

Form Of Authenticating Agent's Certificate
Of Authentication

This Bond is one of the Series 1989 Bonds referred to in the Bond Ordinance.

[Name Of Authenticating Agent]

By: _____
Authorized Officer

This Bond is negotiable, subject to the following provisions for registration, registration of transfer and exchange. The City shall maintain books for the registration of this Bond at the principal corporate trust office of the Bond Registrar. This Bond shall be registered on those books.

This Bond is transferable on the bond register upon surrender of this Bond for transfer at the principal corporate trust office of the Bond Registrar, upon which one or more new Bonds of any authorized denomination of like maturity and aggregate principal amount at maturity, will be issued to the designated transferee or transferees.

At the option of the registered owner, any Bond may be exchanged for another Bond or Bonds of any authorized denomination, of the same maturity and aggregate principal amount at maturity, upon surrender of the Bond to be exchanged to the Bond Registrar. Upon such surrender for exchange, the City shall execute and the Authenticating Agent shall authenticate and deliver the Bonds which the registered owner making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Bond Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar, duly executed by the registered owner of such Bond or such owner's duly authorized representative.

In all cases in which Bonds are to be transferred or exchanged, the Bond Registrar may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed (other than taxes, fees or charges imposed by the City) and to reimburse it for any expenses incurred in connection with such transfer or exchange. The Bond Registrar shall not be required to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which notice of redemption is given or after notice selecting such Bond for redemption has been given.

The Bonds may be deposited with a fiscal agent in New York, New York, or such other agent as the Bond Registrar may designate, for transmission to the Bond Registrar for purposes of exchange or transfer.

The City and any agent of the City may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal, redemption premium, if any, and interest due on this Bond and for all other purposes. Neither the City nor any agent of the City shall be affected by any notice to the contrary.

[Form Of Assignment For Transfer]

For Value Received, The undersigned, _____, sells, assigns and transfers to _____ (Tax Identification or Social Security No. _____) this Bond and all rights under this Bond, and irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for the registration of this Bond.

Dated: _____

Signature

Notice: The signature must correspond with the name of the Registered Owner as it appears upon the face of the Bond in every particular, without alteration or enlargement or any change.

*Form Of Series 1989 Bond Other Than Capital Appreciation
Series 1989 Bonds*

Form Of Face Of Bond

United States Of America

State Of Illinois

City Of Chicago

Water Revenue Bond

Series 1989.

Bond No.: R- _____

Principal Sum: \$ _____

Date of Bond: _____

Interest Rate Per Year: _____%

Date of Maturity: _____

Registered Owner: _____

The City of Chicago, Illinois (the "City"), for value received, promises (a) to pay to the Registered Owner specified above or that person's registered assignee, unless this Bond is earlier redeemed, the Principal Sum of this Bond specified above on the Date of Maturity specified above and (b) to pay to the Registered Owner of this Bond interest on that sum at the Interest Rate Per Year specified above from the Date of Bond specified above to the date of payment or earlier redemption of this Bond, payable semi-annually on May 15 and November 15, with the first interest payment date being May 15, 1990. Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months.

Interest on this Bond is payable on each interest payment date by check or draft mailed to the person in whose name this Bond is registered in the bond register kept by The First National Bank of Chicago (the "Bond Registrar") at the close of business on the last day (whether or not a business day) of the calendar month next preceding such interest payment date at such person's address as it appears in the bond register or, at the request of

Registered Owners of more than \$1 Million total principal amount of Series 1989 Bonds, by wire transfer pursuant to their instructions. Principal of and premium, if any, on this Bond are payable only upon presentation and surrender of this Bond for cancellation at the principal corporate trust office of Continental Bank N.A., Chicago, Illinois (the "Paying Agent"). Payments shall be made in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the City designated "Water Revenue Bonds, Series 1989", issued in the aggregate original principal amount of \$____,000,000 (the "Bonds") under and pursuant to the provisions of an ordinance duly adopted by the City Council of the City on December 6, 1989 (the "Bond Ordinance"). The Bonds are authorized for the purpose of providing funds (1) for the payment of the costs of constructing extensions and improvements to the City's Water System, including costs of issuance of the Bonds, (2) for deposit into a debt service reserve account pursuant to the Bond Ordinance and (3) to provide for discount on the Series 1989 Bonds.

The Bonds are limited obligations of the City with a claim for payment solely from the net revenues derived from the operation of the City's Water System on a parity with other outstanding obligations of the City, and additional parity bonds which may be issued as permitted by the Bond Ordinance, that are payable from the net revenues of the Water System. The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness. Under the Bond Ordinance, the entire revenues received from the operation of the Water System are required to be deposited in a separate fund designated the "Water Fund of the Municipality of Chicago" (the "Water Fund"). The Water Fund is required to be used only and is irrevocably pledged for (1) paying the costs of operating and maintaining the Water System, (2) paying outstanding obligations of the City, including the Bonds, that are payable by their terms from the net revenues of the Water System, and (3) establishing and maintaining all funds or accounts which are required to be established and maintained by the bond ordinances authorizing water revenue bonds of the City, subject to expenditure as provided in those ordinances, provided that any funds available after these requirements have been satisfied or which are not necessary to satisfy these requirements may be used for any lawful purpose of the Water System.

No official, officer, member of the City Council, agent or employee of the City shall be liable personally on this Bond by reason of the issuance of this Bond.

It is certified and recited that all acts, conditions and things required to exist, to have happened and to have been performed precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law. Provision has been made to deposit in the Water Fund the entire revenues received from the operation of the Water System to be applied in the manner set forth above.

Unless the certificate of authentication on this Bond has been executed by the Authenticating Agent by manual signature, this Bond shall not be entitled to any benefit under the Bond Ordinance, or be valid or obligatory for any purpose.

Reference Is Made To The Further Provisions Of This Bond Set Forth On The Reverse Of This Bond, Which Shall Have The Same Effect As If Set Forth Here.

In Witness Of This Obligation, The City of Chicago, by its City Council, has caused this Bond to be signed by the manual or facsimile signatures of the Mayor and the City Comptroller, attested by the manual or facsimile signature of the City Clerk, and its corporate seal to be affixed, impressed or printed on this Bond, all as of _____, 1989.

City of Chicago, Illinois

Mayor,
City of Chicago

City Clerk,
City of Chicago

City Comptroller,
City of Chicago

Form Of Authenticating Agent's Certificate
Of Authentication

This Bond is one of the Series 1989 Bonds referred to in the Bond Ordinance.

[Name Of Authenticating Agent]

By: _____
Authorized Officer

Form Of Back Of Series 1989 Bond

[The following seven paragraphs, including the tables, are applicable if any of the Series 1989 Bonds are subject to redemption, in whole or in part, prior to maturity at the option of the City, or are sold as term bonds subject to mandatory sinking fund redemption.]

The Bonds due on or after November 15, 2000, are subject to redemption prior to maturity at the option of the City, in whole on any date on or after November 15, 1999, or in part on May 15, 1999, or on any interest payment date after that date, at the redemption prices set forth in the table below, expressed as a percentage of the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.

Date Of Redemption	Redemption Price
_____ to and including _____	_____ %
_____ to and including _____	_____ %
_____ to and thereafter	_____ %

The Bonds maturing on November 15, _____ and _____ 15, _____ are subject to mandatory sinking fund redemption prior to maturity on _____ 15 of each of the years and in the principal amounts set forth in the table below, as selected by lot by the Bond Registrar as provided below, at a price of 100% of the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

Bonds Maturing November 15, _____:

Year	Amount	Year	Amount
	\$		\$

Bonds Maturing November 15, _____:

Year	Amount	Year	Amount
	\$		\$

To the extent that the Bonds maturing on November 15, _____ or November 15, _____ have been previously called for redemption in part other than from sinking fund payments or purchase by the City, annual sinking fund payment for the Bonds maturing on November 15, _____ or on November 15, _____, as the case may be, shall be reduced as provided in the Bond Ordinance.

In the event of a redemption of less than all the Bonds of a maturity, the Bond Registrar shall assign to each Outstanding Bond of a denomination greater than \$5,000 a distinctive number for each \$5,000 portion of such Bond so as to distinguish each such \$5,000 portion from each other portion of such Bond. The Bond Registrar shall select by lot, using such method of selection as it shall deem proper in its sole discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned the numbers so selected, but only so much of the principal amount of each such Bond of a denomination of greater than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of redemption shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption to each Registered Owner of Bonds to be redeemed at such owner's address as shown in the bond register kept by the Bond Registrar and by such other additional method, if any, as the City shall deem appropriate. Notice of redemption shall specify the maturities of the Bonds to be redeemed, the date fixed for redemption and, if less than all of the Bonds of any maturity are to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amounts of such Bonds to be redeemed. Failure to give such notice by mail or a defect in the notice or the mailing as to any Series 1989 Bond will not affect the validity of any proceedings for redemption as to any other Series 1989 Bond as to which notice was given properly and the failure of any owner of a Series 1989 Bond to receive the notice shall not affect the validity of the redemption.

If less than the entire principal amount of a Bond shall be called for redemption, the City shall execute and the Authenticating Agent shall authenticate and deliver, upon surrender of such Bond, without charge to the Registered Owner, one or more new Bonds of any authorized denomination, of the same maturity and aggregate principal amount as the unredeemed balance of the principal amount of the Bond so surrendered. If, on the date fixed for redemption, (a) moneys in an amount equal to the aggregate principal amount of all of the Bonds or portions of Bonds to be redeemed, together with any redemption premium and interest accrued on the Bonds to the redemption date, shall be held by the Paying Agent and are available for such redemption and (b) notice of redemption shall have been given as described above, interest on the Bonds so redeemed shall cease from and after the date fixed for redemption.

[The following seven paragraphs and the Assignment for Transfer shall appear on all Series 1989 Bonds.]

This Bond is negotiable, subject to the following provisions for registration, registration of transfer and exchange. The City shall maintain books for the registration of this Bond at the principal corporate trust office of the Bond Registrar. This Bond shall be registered on those books.

This Bond is transferable on the bond register upon surrender of this Bond for transfer at the principal corporate trust office of the Bond Registrar, upon which one or more new Bonds of any authorized denomination of like maturity and aggregate principal amount, will be issued to the designated transferee or transferees.

At the option of the Registered Owner, any Bond may be exchanged for another Bond or Bonds of any authorized denomination, of the same maturity and aggregate principal amount, upon surrender of the Bond to be exchanged to the Bond Registrar. Upon such surrender for exchange, the City shall execute and the Authenticating Agent shall authenticate and deliver the Bonds which the Registered Owner making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Bond Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar duly executed, by the Registered Owner of such Bond or such owner's duly authorized representative.

In all cases in which Bonds are to be transferred or exchanged, the Bond Registrar may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed (other than taxes, fees or charges imposed by the City) and to reimburse it for any expenses incurred in connection with such transfer or exchange. The Bond Registrar shall not be required to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which notice of redemption is given or after notice selecting such Bond for redemption has been given.

The Bonds may be deposited with a fiscal agent in New York, New York, or such other agent as the Bond Registrar may designate, for transmission to the Bond Registrar for purposes of exchange or transfer.

The City and any agent of the City may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal, redemption premium, if any, and interest due on this Bond and for all other purposes. Neither the City nor any agent of the City shall be affected by any notice to the contrary.

[Form Of Assignment For Transfer]

For Value Received, The undersigned, _____, sells, assigns and transfers to _____ (Tax Identification or Social Security No. _____) this Bond and all rights under this Bond, and irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for the registration of this Bond.

Dated: _____

Signature

Notice: The signature must correspond with the name of the Registered Owner as it appears upon the face of the Bond in every particular, without alteration or enlargement or any change.

Exhibit "B".

\$80,000,000

City Of Chicago

Cook County, Illinois

Water Revenue Bonds

Series 1989

Contract Of Purchase

December ____, 1989.

City of Chicago, Illinois
121 North LaSalle Street
Chicago, Illinois 60602

Gentlemen:

The undersigned (hereinafter collectively called the "Underwriters") offer to enter into the following agreement with you, the City of Chicago, Illinois (hereinafter sometimes called the "City"). This offer is made subject to acceptance of this Contract of Purchase on or before 7:00 P.M., Chicago time, on December _____, 1989 and if not so accepted will be subject to withdrawal by the Underwriters.

1. Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, the Underwriters, jointly and severally, hereby agree to purchase from you, and you hereby agree to sell to the Underwriters, all (but not less than

all) of the \$80,000,000 aggregate principal amount of the Water Revenue Bonds, Series 1989 (the "Bonds") to be issued under and pursuant to an Ordinance adopted December 6, 1989 (the "Ordinance"), the form of which has heretofore been delivered to the Underwriters. The Bonds shall be dated and shall have the maturities and bear interest at the rate of rates per annum and be payable on the dates shown on the cover page of Exhibit A hereto. The aggregate purchase price of the Bonds shall be \$ _____ plus interest accrued on the Bonds from December _____, 1989 to the date of the Closing as hereinafter defined.

2. Attached hereto as Exhibit A is a copy of the Official Statement, including the cover page, the exhibits and all appendices attached thereto, dated December _____, 1989, with respect to the Bonds (the "Official Statement"): in the event the Official Statement has been amended with the Representative's approval between the date hereof and the date upon which the Bonds are delivered to us, the term "Official Statement" as used herein shall refer to the Official Statement as so amended. Except as otherwise provided herein, terms used herein which are defined in the Official Statement shall have the same meaning herein as therein.

3. The Underwriters have heretofore authorized Goldman, Sachs & Co. (the "Representative") to execute any document on behalf of, exercise any authority of, and otherwise to act for the Underwriters in all matters under or pertaining to this Contract of Purchase.

4. The Underwriters agree to make a bona fide public offering of all the Bonds at the initial offering prices set forth on the cover page of the Official Statement.

5. Delivered to you herewith is a check of the Representative (the "Deposit Check") in the amount of \$800,000 as security for the performance by the Underwriters of their obligations to purchase, accept delivery of and pay for the Bonds at the Closing (as defined in paragraph 8 hereof) in accordance with the provisions hereof. In the event of the Underwriters' compliance with their obligations hereunder, the Deposit Check shall be returned to the Representative at the Closing upon payment to the City, as provided in paragraph 8 hereof, of the purchase price of the Bonds. Should you fail to deliver the Bonds at the Closing, or should you be unable to satisfy the conditions of the obligations of the Underwriters to accept delivery of and to pay for the Bonds, as set forth in this Contract of Purchase (unless waived by the Representative), or should such obligations of the Underwriters be terminated for any reason permitted by this Contract of Purchase, the Deposit Check shall immediately be returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to accept delivery of and to pay for the Bonds at the Closing as herein provided, you may cash the Deposit Check as and for full liquidated damages for such failure and for any defaults hereunder on the part of the Underwriters, and such action shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults, and neither party hereto shall have any further rights against the other hereunder. The Underwriters and you understand that in such event your actual damages may be greater or may be less than the amount of the Deposit Check and may be difficult or impossible to ascertain. Accordingly, the Underwriters hereby waive any right to claim that your actual damages are less than the amount of the Deposit Check, and your acceptance of this offer shall constitute a waiver of any right you may have to additional damages from the Underwriters.

6. You represent and warrant to the Underwriters as of the date hereof (and it shall be a condition of the obligation of the Underwriters to purchase and accept delivery of the Bonds at the Closing that you shall so represent and warrant as of the date of the Closing that:

(a) The City is a municipal corporation and home rule unit of local government, organized and existing under the laws of the State of Illinois. The City is duly authorized to issue the Bonds and to pledge and assign the Net Revenues (as defined in the Ordinance) and the other monies, securities, property and rights pledged pursuant to the Ordinance as security for the payment of principal of and interest on the Bonds, and has complied in all respects with the Constitution and laws of the State of Illinois in connection therewith.

(b) The City Council of the City has: (i) duly passed the Ordinance; (ii) duly authorized and approved the Official Statement in connection with the offer, sale and distribution of the Bonds; (iii) duly authorized and approved the execution and delivery of the Bonds and this Contract of Purchase; (iv) duly authorized and approved the performance by the City of its obligations contained in the Ordinance and this Contract of Purchase and the transactions contemplated by such documents and the Official Statement, and, when executed and delivered, all such instruments will constitute valid and legal obligations of the City enforceable in accordance with their terms, except as enforcement may be limited by (A) applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors generally of entities similar to the City, and (B) the discretion of courts in granting equitable remedies.

(c) The City has full legal right, power and authority: (i) to enter into this Contract of Purchase; (ii) to issue, sell and deliver the bonds to the Underwriters pursuant to the Ordinance as provided herein; (iii) to carry out and consummate the transactions contemplated by this Contract of Purchase, the Ordinance and the Official Statement, including without limitation the pledge by the City of the Net Revenues as specified in the Ordinance. The passage of the Ordinance and compliance with its provisions do not violate any applicable law or administrative regulation of the State of Illinois or of any department, division, agency or instrumentality thereof or of the United States, or any applicable judgment or decree to which the City is subject or conflict with or constitute a breach of or default under any loan agreement, note, resolution, indenture, agreement or other instrument to which the City is a party or is otherwise subject. The City is able to pay its debts generally as they come due, is not a party to any proceeding as debtor under any bankruptcy or insolvency law and has not authorized the taking of any action to seek relief under any such law.

(d) All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the City of its obligations hereunder and under the Ordinance and the Bonds have been obtained.

(e) The Bonds and the Ordinance conform to the descriptions thereof contained in the Official Statement: and the Bonds, when issued and delivered in accordance with the Ordinance will be validly issued and outstanding special obligations of the City.

(f) The Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to be stated therein for the purposes for which it is to be used or to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that no representation is made with respect to (i) any information contained in or omitted from the Official Statement in reliance upon and in conformity with written information furnished to the City by any Underwriter through the Representative for use therein, (ii) Appendix A to the Official Statement, (iii) any information contained in the Official Statement under the caption "Description of the Series 1989 Bonds -- Global Book-Entry Form", and (iv) any information contained in or omitted from the Official Statement relating to _____ Insurance Company.

(g) No litigation is pending or, to the knowledge of the City, threatened in any court in any way affecting the existence of the City or seeking or restrain or enjoin the issuance, sale and delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance, this Contract of Purchase, the Policy, or contesting or calling into question in any way the completeness or accuracy of the Official Statement, or contesting or calling into question the power of the City or its authority with respect to the Bonds, the Ordinance or the Contract of Purchase.

7. You hereby covenant and agree with the Underwriters that:

(a) The City will make available such information, execute such instruments and take such other action in cooperation with the Representatives as the Representative may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate; provided that the City shall not be obligated to take any action that would subject it to general service of process in any jurisdiction where it is not now so subject or to incur substantial expenses in connection therewith.

(b) If between the date of this Contract of Purchase and the date of the Closing an event occurs which would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to be stated therein for the purposes for which it is to be used or to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will notify the Underwriters, and if in the opinion of the City or the Representative such event requires an amendment or supplement to the Official Statement, the City will amend or supplement the Official Statement in a form and in a manner jointly approved by the City and the Representative.

(c) The City will apply the proceeds of the Bonds in accordance with the Ordinance.

8. At 10:00 A.M., Chicago time, on _____, or at such other time or on such other date as shall have been mutually agreed upon (the "Closing"), the City will deliver to the Underwriters the Bonds in definitive form (or in temporary form unless required by the Representative to be in definitive form pursuant to written notice to the City given not less than seven business days prior to the Closing), duly executed and authenticated, together with the other documents hereinafter mentioned, and the Representative on behalf of the Underwriters will accept such delivery and pay the purchase price of the Bonds in federal funds or other immediately available funds. Delivery of the Bonds shall be made and the balance of the Closing shall take place at the offices of Schiff Hardin & Waite in Chicago, Illinois or at such other place as shall have been mutually agreed upon. The Bonds will be made available for checking and packaging in Chicago, Illinois, not later than the business day prior to Closing.

9. The Underwriters have entered into this Contract of Purchase in reliance upon the representations and warranties of the City contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder at or prior to the date of the Closing. Accordingly, the Underwriters' obligations under this Contract of Purchase to purchase, to accept delivery of and to pay for the Bonds are subject to the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and are also subject, unless waived by the Representative, to the following conditions:

(a) The representations and warranties of the City contained herein will be true, complete and correct on the date hereof, and on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(b) At the time of the Closing, the Ordinance will be in full force and effect, and will not have been amended, modified or supplemented since the date hereof, and the Official Statement will not have been amended, modified or supplemented, except, in each case, as may have been agreed to by the Representative.

(c) At the time of the Closing, all necessary action of the City relating to the issuance of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented.

(d) Prior to the Closing none of the following events or developments shall have occurred: (i) a committee of the House of Representatives or the Senate of the Congress of the United States or a joint or conference committee thereof shall have pending before its legislation, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon interest received on obligations of the general character of the Bonds or the Bonds, which in the Representative's opinion materially adversely affects the market price of the Bonds; (ii) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States or a joint or conference committee thereof, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in, or be passed by, the House

of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States, or a decision by a court of the United States of America shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Services shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred, including a press release, publication or other form of notice concerning proposed legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service, any member of the Congress of the United States, or any committee of either or both Houses of the Congress of the United States or the staff of any such committee, which would result in the imposition of federal income taxation upon interest received on obligations of the general character of the Bond or the Bonds, which in the Representative's opinion would materially adversely affect the market price of the Bonds; or (iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of Illinois, or a decision by any court of competent jurisdiction within the State of Illinois shall be rendered which in the Representative's opinion materially adversely affects the market price of the Bonds; (iv) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect and the Securities Exchange Act of 1934, as amended and as then in effect, or that the Ordinance needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; (v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and then in effect, or that the Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; (vi) additional restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (vii) a general banking moratorium shall have been established by federal, Illinois or New York authorities; (viii) a war involving the United States shall have been declared, or any conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which in the Representative's opinion materially adversely affects the market price of the Bonds; or (ix) the rating of the Bonds or any other bonds of the City shall have been downgraded or withdrawn by a national rating service, which in the Representative's opinion, materially adversely affects the market price of the Bonds.

(e) At or prior to the Closing, the Representative will have received each of the following documents:

- (i) The Official Statement of the City, executed by an authorized officer of the City.
- (ii) Copies, duly certified by the City of the Ordinance, as passed by the City Council of the City.
- (iii) The approving opinions and supplemental opinions, dated the date of the Closing and addressed to the City and the Underwriters, respectively, of Schiff Hardin & Waite and Haggerty, Koenig & Hill, Co-Bond Counsel to the City, in substantially the forms attached to the Official Statement as Appendix _____ and letters from such counsel, dated the date of the Closing and addressed to the Underwriters, to the effect that (a) such approving opinion addressed to the City may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them, (b) this Contract of Purchase has been duly authorized, executed and delivered by the City and assuming the due authorization, execution and delivery by the Underwriters, constitutes a binding agreement of the City; (c) the Bonds constitute exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4)(A) of the Trust Indenture Act of 1939, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register any securities under said Securities Act or to qualify the Ordinance under said Trust Indenture Act; and (d) such counsel have reviewed the information in the Official Statement under the captions "Description of the Series 1989 Bonds" (other than information under the caption "Global Book-Entry Form"), "Security for the Series 1989 Bonds", "Use of Proceeds", "Bond Insurance", and "Tax Exemption" and that insofar as such information summarizes or describes legislation or documents, it is a fair summary of the information purported to be contained therein; in addition such counsel shall state in their letters containing the foregoing opinions, or in a separate letter, dated the date of the Closing and addressed to the Representative on behalf of the Underwriters, that, based solely upon the examinations which they have made as Co-Bond Counsel and their participation in the preparation of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, such counsel have no reason to believe that, as of the date of Closing, the Official Statement (except for information under the caption "Description of the Series 1989 Bonds -- Global Book-Entry Form" and the historical or projected financial and statistical data included therein, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or that the Official Statement as the same may have been amended or supplemented to the date of the Closing (except for information under the caption "Description of the Series 1989 Bonds -- Global Book-Entry Form") and the historical or projected financial and

statistical data included therein, as to which no view need be expressed) as of the date of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

- (iv) Opinions (which the Underwriters hereby agree to request), dated the date of the Closing and addressed to the Representative on behalf of the Underwriters, of Rudnick & Wolfe and Maria Cabrera, Esq., Co-Counsel for the Underwriters, to the effect that the Bonds constitute exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4)(A) of the Trust Indenture Act of 1939, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register any securities under said Securities Act or to qualify the Ordinance under said Trust Indenture Act; in addition, such counsel shall state in their letter containing the foregoing opinion, or in a separate letter, dated the date of the Closing and addressed to the Representative on behalf of the Underwriters, that, based upon their participation in the preparation of the Official Statement as counsel for the Underwriters and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, such counsel have no reason to believe that, as of the date of the Closing, the Official Statement (except for information under the caption "Description of Bonds -- Global Book-Entry Form" and the financial and statistical data included therein, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading or that the Official Statement as the same may have been amended or supplemented to the date of Closing (except for information under the caption "Description of Bonds -- Global Book-Entry Form" and the financial and statistical data included therein, as to which no view need be expressed) as of date of Closing contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (v) A certificate, dated the date of the Closing and signed by the Comptroller of the City, to the effect that: (A) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing; (B) to the best of the knowledge of said officer, no event has occurred since the date of the Official Statement which would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to be stated therein for the purposes for which it is to be used or to make the statements therein, in light of the circumstances under which they were made, not misleading; and (C) the

City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to Closing.

- (vi) A certificate, dated the date of Closing, from the Corporation Counsel of the City, to the effect that, among other things, there is no litigation pending in any court to restrain or enjoin the issuance or delivery of the Bonds, or in any way contesting or calling into question the validity or enforceability of the Bonds, and that the Ordinance has not been amended, modified, supplemented or repealed, except as may have been agreed to by the Representative, and is in full force and effect.
- (vii) Evidence that there is in effect a rating on the Bonds of _____ or better by Moody's Investor Service, Incorporated or of _____ or better by Standard & Poor's Corporation.
- (viii) A copy, certified by the City, of an agreement (the "Depository Agreement") between the City, the Trustee and Midwest Securities Trust Company ("M.S.T.C.") relating to the safekeeping and book-entry form of the Bonds.
- (ix) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations, warranties and covenants of the City contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Contract of Purchaser will be deemed to be in compliance with the provisions hereof if, but only if, they are in substance satisfactory to the Representative.

If the City is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Contract of Purchase, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds are terminated for any reason permitted by this Contract of Purchase, this Contract of Purchase will terminate and neither the Underwriters nor the City will be under further obligation or have any further liability hereunder, except as set forth in paragraph 5 hereof.

10. The Underwriters will be under no obligation to pay any expenses incident to the performance of the obligations of the City hereunder, including but not limited to: (i) the cost of the preparation and reproduction of the Ordinance and the Official Statement (including, in each case, any amendments or supplements thereto), (ii) the cost of the preparation and printing of the Bonds, (iii) the fees and disbursements of Schiff Hardin & Waite and Haggerty, Koenig & Hill, Co-Bond Counsel to the City, (iv) the fees and

disbursements of the financial advisor and counsel to the City and of any consultants retained by the City, (v) fees for bond ratings, (vi) the cost of qualification of the Bonds under the Blue Sky or securities laws of any state and the preparation and printing of the Blue Sky and Legal Investment Surveys (including the fees and disbursements of Underwriters' counsel in connection therewith), (vii) the premium for the Policy, and (viii) the cost of preparation and printing of the Agreement Among Underwriters and this Contract of Purchase.

11. Any notice or other communication to be given to the City under this Contract of Purchase must be given by delivering the same in writing to: City Comptroller, 121 North LaSalle Street, Chicago, Illinois 60602, and any notice or other communication to be given the Underwriters under this Contract of Purchase must be given by delivering the same in writing to: Goldman, Sachs & Company, 85 Broad Street, New York, New York 10004, Attention: Municipal Bond Department.

12. This Contract of Purchase is made solely for the benefit of the City and the Underwriters (including the successors or assigns of any Underwriter), and no other person may acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and covenants of the City contained in this Contract of Purchase will remain operative and in full force and effect regardless of (a) any investigations made by or on behalf of any of the Underwriters, or (b) delivery of any payment for the Bonds pursuant to this Contract of Purchase.

13. Time is of the essence in consummation of the transactions contemplated by this Contract of Purchase.

14. This Contract of Purchase will become binding and effective upon the execution of the acceptance hereof by the Comptroller of the City and will be valid and enforceable as of the time of such acceptance.

[Signature forms omitted for printing purposes.]

Exhibit "D".

Certificate Of Consulting Engineer.

Alvord, Burdick & Howson certifies as follows:

We are a firm of engineers of national reputation generally recognized to be well-qualified in engineering matters relating to municipal water utility systems. We are independent of the City.

(Continued on page 9881)

EXHIBIT "C".

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 7, 1989

NEW ISSUE

Subject to compliance by the City with certain covenants, in the opinions of Schiff Hardin & Waite, and Haggerty, Koenig & Hill, Co-Bond Counsel, under present law, interest on the Series 1989 Bonds is not included in gross income for Federal income tax purposes and thus is exempt from Federal income taxes based on gross income. Interest on the Series 1989 Bonds is not an item of tax preference for purposes of calculation of the individual alternative minimum tax. See discussion under the heading "TAX EXEMPTION".



\$82,981,976*
CITY OF CHICAGO, ILLINOIS
Water Revenue Bonds
Series 1989

Dated: December 1, 1989
 (except Capital Appreciation Series 1989 Bonds
 dated as of delivery date)

Due: November 15, as set forth below

The Series 1989 Bonds are initially issuable only in book-entry form as Current Interest Series 1989 Bonds or Capital Appreciation Series 1989 Bonds registered in the name of Kray & Co., as nominee of Midwest Securities Trust Company, Chicago, Illinois ("MSTC"). MSTC will act as securities depository for the Series 1989 Bonds. Purchasers will not receive certificates representing their interest in the Series 1989 Bonds purchased. Principal of and interest on the Series 1989 Bonds will be paid by Continental Bank, N.A., Chicago, Illinois, as Paying Agent, directly to MSTC, which will remit such principal and interest to MSTC's Participants, who in turn will be responsible for remitting such payments to the Beneficial Owners of the Series 1989 Bonds, as described herein. At the request of a Registered Owner of more than \$1,000,000 total principal amount of Series 1989 Bonds, interest may be paid on such Registered Owner's Series 1989 Bonds by wire transfer pursuant to such Registered Owner's instructions. See "DESCRIPTION OF THE SERIES 1989 BONDS—Global Book-Entry Form."

Current Interest Series 1989 Bonds will be issuable in denominations of \$5,000 or whole multiples thereof. The Current Interest Series 1989 Bonds will bear interest from December 1, 1989, payable on each May 15 and November 15, with the first payment date being May 15, 1990. Capital Appreciation Series 1989 Bonds will be issuable in denominations which will have a Compound Accreted Value of \$5,000 at maturity or whole multiples thereof and will accrue interest from their date of delivery compounded semi-annually on each May 15 and November 15, payable only at their maturity.

The Current Interest Series 1989 Bonds are subject to redemption prior to maturity as more fully described in this Official Statement. Capital Appreciation Series 1989 Bonds are not subject to redemption prior to maturity.

The Series 1989 Bonds are being issued to finance certain capital improvements and extensions to the Water System of the City.

The Series 1989 Bonds are limited obligations of the City having a claim for payment of principal, redemption premium and interest solely from the Net Revenues, and from accounts in the City's Water Fund securing the Series 1989 Bonds, derived by the City from its ownership and operation of the City's Water System on an equal and ratable basis with the other outstanding bonds, including future parity bonds.

THE SERIES 1989 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION AS TO INDEBTEDNESS. THE SERIES 1989 BONDS DO NOT HAVE A CLAIM FOR PAYMENT FROM ANY TAXES OF THE CITY.

MATURITY SCHEDULE*

\$12,830,000* Current Interest Serial Bonds

Maturity	Amount	Interest Rate	Price	Maturity	Amount	Interest Rate	Price
1993	\$1,810,000			1996	\$2,190,000		
1994	1,930,000			1997	2,340,000		
1995	2,060,000			1998	2,500,000		

(plus accrued interest)

\$7,706,976* Capital Appreciation Serial Bonds

Maturity	Initial Amount	Yield	Amount per \$1,000 Final Accreted Value	Maturity	Initial Amount	Yield	Amount per \$1,000 Final Accreted Value
1999	\$1,359,863			2003	\$1,007,271		
2000	1,265,737			2004	938,925		
2001	1,172,613			2005	875,233		
2002	1,087,334						

\$43,480,000* Term Current Interest Bonds, Due November 15, 2016 @ ___%

\$18,965,000* Term Current Interest Bonds, Due November 15, 2019 @ ___%

(plus accrued interest)

The Series 1989 Bonds are offered when, as and if issued, and accepted by the Underwriters, subject to delivery of approving legal opinions by Schiff Hardin & Waite, Chicago, Illinois, and Haggerty, Koenig & Hill, Chicago, Illinois, Co-Bond Counsel, a form of which is attached as Appendix D, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by their counsel, Rudnick & Wolfe, Chicago, Illinois and Maria Cabrera, Esq., Chicago, Illinois. It is expected that the Series 1989 Bonds in definitive form will be available for delivery to MSTC in Chicago, Illinois on or about December 20, 1989.

Goldman, Sachs & Co.

Bear, Stearns & Co.

Rodman & Renshaw, Inc.

W.R. Lazard, Laidlaw & Mead Incorporated

*Subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The Water Revenue Bonds, Series 1989 may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Water Revenue Bonds, Series 1989 in any state in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption, under the securities laws of any such state.

CITY OF CHICAGO

Mayor
Richard M. Daley

City Treasurer
Miriam Santos

City Council Committee On Finance
Edward M. Burke, Chairman

City Comptroller
Walter K. Knorr

City Budget Director
Edward J. Bedore

Corporation Counsel
Kelley R. Welsh

Department Of Water
Samuel W. Hurley, Jr., Commissioner

Co-Bond Counsel
Schiff Hardin & Waite
Chicago, Illinois

Haggerty, Koenig & Hill
Chicago, Illinois

Financial Advisors
Donaldson, Lufkin & Jenrette Securities Corporation
Chicago, Illinois

Consulting Engineer
Alvord, Burdick & Howson
Chicago, Illinois

Certified Public Accountants
Touche Ross & Company
Chicago, Illinois

No dealer, broker, salesperson or other person has been authorized by the City or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 1989 Bonds by any person, in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such jurisdiction. The information set forth in this Official Statement has been obtained from the City and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City's Water System since the date of the information in this Official Statement.

This Official Statement should be considered in its entirety. No information or portion of information in this Official Statement should be considered less important than any other by reason of its position in this Official Statement.

In Connection With The Offering Of The Series 1989 Bonds, The Underwriters May Overallot Or Effect Transactions Which Stabilize Or Maintain The Market Price Of The Series 1989 Bonds At Levels Above Those Which Might Otherwise Prevail In The Open Market. Such Stabilizing, If Commenced, May Be Discontinued At Any Time Without Notice.

Table Of Contents.

Introduction

Description Of The Series 1989 Bonds

Security For The Series 1989 Bonds

Estimated Use Of Proceeds

Outstanding Debt And Annual Debt Service
Financial Statements

The Water System

The Water System Service Area

Financial Operations

Litigation

Engineering

Series 1989 Bonds As Legal Investments

Tax Exemption

Certain Legal Matters

Requirements Of Florida's Department Of Banking And Finance

Underwriting

Ratings

Other Matters

Engineering Report

Report On Examination Of Financial Statements And
Supplemental Data

Definitions From The Bond Ordinance

Form Of Approving Opinions Of Co-Bond Counsel

Compound Accreted Value Of Capital Appreciation Bonds

Form Of Supplemental Opinion of Co-Bond Counsel

THIS PAGE INTENTIONALLY

LEFT BLANK

\$82,981,976*

City Of Chicago

Illinois

Water Revenue Bonds,

Series 1989.

Introduction.

This Official Statement sets forth certain information in connection with the sale of \$82,981,976* aggregate principal amount of Water Revenue Bonds, Series 1989 (the "Series 1989 Bonds") of the City of Chicago, Illinois (the "City").

The Series 1989 Bonds will provide funds for capital improvements and extensions of the water system of the City (the "Water System"). The Series 1989 Bonds were authorized and are being issued pursuant to the "home rule" powers of the City under Article VII, Section 6(a) of the Illinois Constitution of 1970 and an ordinance adopted by the City Council on December 6, 1989 (the "Bond Ordinance").

* Subject to change.

Unless expressly defined herein, definitions of capitalized words and terms used in this Official Statement are set forth in Appendix C.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to herein, reference should be made to such statutes, ordinances, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Water System, Water System Service Area And The Capital Improvements Program.

The Water System provides water to water users in the City and to 95 suburbs. This is an increase of five suburbs over the number served in 1985. The total population of the City and the other communities presently served was approximately 4,495,865 in 1980. In addition, the City has entered into a contract to provide service to 24 additional suburbs, which had a population in 1980 of approximately 487,879. The City anticipates providing water service to these additional suburbs beginning in mid-1992. The population to be served by the Water System in the year 2010, including the 24 suburbs that are not yet receiving water from the Water System, as projected by the Northeastern Illinois Planning Commission, is 5,528,947. The City's 95 suburban customers in 1988 accounted for 23% of the water pumpage and 35% of the net water sales. See "The Water System Service Area -- Service Area".

The Water System obtains its water from Lake Michigan. Raw water from the lake is of high quality. After treatment, the water meets and is well within all criteria established by the Illinois Pollution Control Board and the United States Environmental Protection Agency. As more fully described in this Official State, the City, the 95 suburbs which the Water System presently serves and the 24 additional suburbs to which the Water System anticipates providing service all have received allocations of water from Lake Michigan which extend, under regulations of the Illinois Department of Transportation, through the year 2020.

Water from Lake Michigan is processed by the Water System at two of the world's largest water treatment facilities, the South Water Purification Plant and the James W. Jardine Water Purification Plant. Water is transported throughout the Water System by means of 65 miles of water supply tunnels and eleven pumping stations. Water is ultimately delivered to retail customers and other water suppliers through over 4,200 miles of water mains ranging from four to sixty inches in diameter. The Water System's 1990 -- 1992 capital improvements are projected to cost \$170,323,000 and will provide for additions to the Water System, replacement of facilities and rehabilitation of existing facilities. See "The Water System-Capital Improvements Program". In the opinion of the Consulting Engineer, the Water System presently has sufficient capacity in place to supply the anticipated demands of the Water System, including the addition of new customers, through the year 2020.

The City projects that all of its Capital Improvements Program requirements for the Water System through 1992 can be funded from a combination of unencumbered amounts presently on deposit in the Water System's existing bond- funded construction accounts, existing surplus plus projected surpluses to be generated at current water rates in fiscal years 1990, 1991 and 1992 and a deposit of approximately \$78,300,000 to be made to the Construction Account: Series 1989 Bonds from Series 1989 Bond proceeds. The City expects that without a rate increase, the City will be capable of funding all of its capital improvement requirements for the Water System through 1992 without issuing Parity Bonds, and debt service coverage will remain at 1.29x or higher through 1993. See "Financial Operations-Projected Operations", "Financial Operations-Revenue Requirements and Funding of Capital Improvements" and "The Water System-Capital Improvements Program".

The Water System maintains a Class 1 rating, which is the highest rating that can be obtained from the American Insurance Association (formerly the National Board of Fire Underwriters). This rating indicates that the Water System meets the American Insurance Association requirements as to available quantity and dependability.

The City has retained Alvord, Burdick & Howson as its Consulting Engineer for the Water System. A copy of the report of the Consulting Engineer is set forth in Appendix A.

Description Of The Series 1989 Bonds.

The Series 1989 Bonds consist of:*

(1) Current Interest Series 1989 Bonds, being those Series 1989 Bonds maturing on November 15, 1993 through 1998, inclusive, and on November 15, 2016 and November 15, 2019 on which interest is payable on each May 15 and November 15 with the first interest payment date being May 15, 1990; and

(2) Capital Appreciation Series 1989 Bonds, being those Series 1989 Bonds maturing on November 15, 1999 through 2005, inclusive, which do not pay interest until maturity, but rather accrue and compound interest on each May 15 and November 15 to maturity.

Current Interest Series 1989 Bonds will be dated as of the first day of the month in which they are initially issued and delivered to the Initial Purchasers or on the May 15 or November 15 on or next preceding the date of their authentication and delivery to which interest has been paid, whichever is later.

The Current Interest Series 1989 Bonds will bear interest from December 1, 1989 until paid, payable semi-annually on May 15 and November 15 of each year with the first interest payment date being May 15, 1990. The Current Interest Series 1989 Bonds will bear interest at the rates per year, and will mature in the principal amounts on November 15 of each year, as set forth on the cover page of this Official Statement. The Current Interest Series 1989 Bonds are subject to redemption prior to maturity as provided below.

* Subject to change.

The Current Interest Series 1989 Bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple of that amount. Interest on each Current Interest Series 1989 Bond will be payable on each interest payment date to the person in whose name such Series 1989 Bond is registered in the bond register kept by _____, as Bond Registrar, at the close of business on the last day (whether or not a business day) of the calendar month preceding such interest payment date. Interest will be paid by check or draft mailed to such registered owner at the owner's address as it appears in the bond register, or, at the request of Registered Owners of at least \$1,000,000 total principal amount of Series 1989 Bonds, by wire transfer pursuant to the Registered Owner's instructions. Principal of and redemption premium, if any, on the Current Interest Series 1989 Bonds will be paid only upon presentation and surrender of the Current Interest Series 1989 Bonds for cancellation at the principal corporate trust office of the Paying Agent.

Capital Appreciation Series 1989 Bonds will be dated as of the date of delivery thereof. The Capital Appreciation Series 1989 Bonds will be issued in denominations which will have a Compound Accreted Value of \$5,000 at maturity, or any whole multiple thereof.

The holders of Capital Appreciation Series 1989 Bonds will receive no interest prior to maturity. For the Capital Appreciation Series 1989 Bonds, the Compound Accreted Value per \$1,000 due at maturity is set forth in Appendix E. For any day other than a May 15 or November 15, the Compound Accreted Value shall be interpolated on a straight-line daily basis (assuming a 360 day year and twelve 30 day months) between the Compound Accreted Value for the immediately preceding May 15 or November 15, and the next succeeding November 15 or May 15, as the case may be.

Optional Redemption

The Current Interest Series 1989 Bonds are redeemable prior to maturity, at the option of the City, in whole or in part at any time, at the redemption prices (being expressed as a percentage of the principal amount to be redeemed) set forth below, plus accrued interest to the date of redemption if not an interest payment date.

Optional Redemption Period* (both dates inclusive)	Redemption Price
November 15, 1999 to November 14, 2000	_____ %
November 15, 2000 to November 14, 2001	_____ %
November 15, 2001 and thereafter	_____ %

The Capital Appreciation Series 1989 Bonds are not redeemable prior to maturity.

Mandatory Redemption.

Current Interest Series 1989 Bonds due November 15, 2016* and November 15, 2019* are subject to mandatory sinking fund redemption in part, by lot in such manner as is selected by the Bond Registrar as provided in the Bond Ordinance. The price of the Current Interest Series 1989 Bonds to be redeemed shall be 100% of the principal amount shown below plus accrued interest to the redemption date as shown on the following redemption schedule:

Term Bonds Due November 15, 2016*		Term Bonds Due November 15, 2019*	
Year	Principal Amount*	Year	Principal Amount*
2006	\$2,675,000	2017	\$5,955,000
2007	2,880,000	2018	6,320,000
2008	3,090,000	2019	6,690,000**
2009	3,330,000		
2010	3,580,000		
2011	3,850,000		
2012	4,140,000		
2013	4,455,000		
2014	4,790,000		
2015	5,150,000		
2016	5,540,000**		

* Subject to change.

** Maturity.

The Capital Appreciation Series 1989 Bonds are not subject to mandatory sinking fund redemption prior to maturity.

In lieu of making all or any part of any sinking fund payment in cash, the City may, at its option, redeem the Series 1989 Bonds through the purchase of Series 1989 Bonds in the open market. Series 1989 Bonds shall not be purchased in the open market from moneys in the Water Fund at a price in excess of the principal amount of the Series 1989 Bonds plus the redemption premium applicable to the redemption of such Series 1989 Bonds on the next date on which they may be optionally redeemed and accrued and unpaid interest on the principal of the purchased Series 1989 Bonds to the date of purchase (or for Capital Appreciation Series 1989 Bonds, their Compound Accreted Value at such date of purchase). Series 1989 Bonds of any maturity which are purchased by the City on the open market and deposited by the City with the Bond Registrar, if purchased from moneys in the Matured Water Bond and Interest Account, shall be credited against and shall reduce the next sinking fund installment or installments up to the principal amount so purchased for the Series 1989 Bonds of that maturity or, if purchased from other moneys, shall be credited against and shall reduce the sinking fund installments for the Series 1989 Bonds of that maturity in a manner consistent with that provided in the preceding paragraph with respect to optional redemption of the Series 1989 Bonds.

Notice Of Redemption And Manner Of Selection.

Notice of redemption of the Series 1989 Bonds will be given by first class mail, postage prepaid, at least 30 days, but not more than 60 days, prior to the date fixed for redemption, to each Registered Owner of Series 1989 Bonds to be redeemed at the address as shown on the bond register kept by the Bond Registrar and by such other additional methods, if any, as the City shall deem appropriate. Notice of redemption shall specify the maturities of the Series 1989 Bonds to be redeemed, the date fixed for redemption and, if less than all of the Series 1989 Bonds of any maturity are to be redeemed, the numbers of such Series 1989 Bonds redeemed in part only, the respective portions of the principal amounts of such Series 1989 Bonds to be redeemed. Failure to give such notice by mail or a defect in the notice or the mailing as to any Series 1989 Bond will not affect the validity of any proceedings for redemption as to any other Series 1989 Bond as to which notice was given properly and the failure of any owner of a Series 1989 Bond to receive the notice shall not affect the validity of the redemption.

So long as Kray & Company, as nominee of Midwest Securities Trust Company, Chicago, Illinois ("M.S.T.C."), is the Registered Owner of the Series 1989 Bonds, all notices of redemption will be sent only to Kray & Company with a request that M.S.T.C. forward (or cause to be forwarded) the notices to the M.S.T.C. participants (the "Participants") so that such Participants may forward (or cause to be forwarded) the notices to beneficial owners ("Beneficial Owners"). For the purposes of this section of the Official Statement, the term "Beneficial Owner" means the person for whom the Participant acquires an interest in the Series 1989 Bonds. The Series 1989 Bonds so called for redemption will not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Paying Agent to redeem the same. The Series 1989 Bonds shall be called for redemption in multiples of \$5,000, and Series 1989 Bonds of denominations of

more than \$5,000 shall be treated as representing the number of bonds obtained by dividing the denomination of the Series 1989 Bonds by \$5,000, and such Series 1989 Bonds may be redeemed in part. The Bond owners selected for redemption in part, upon surrender of the Series 1989 Bonds for redemption shall receive, without cost, a new Series 1989 Bond or Series 1989 Bonds of like interest rate and maturity in the amount of the unredeemed portion of the Series 1989 Bond being surrendered.

Transfer And Exchange.

As provided in the Bond Ordinance and subject to certain limitations and payment of certain taxes, fees or other governmental charges set forth in the Bond Ordinance, the Series 1989 Bonds are transferable or exchangeable by the Registered Owner at the principal corporate trust office of the Bond Registrar.

Lost, Stolen, Mutilated Or Destroyed Bonds.

If a Series 1989 Bond is mutilated, lost, wrongfully taken or destroyed, the City may execute and the Bond Registrar will authenticate and deliver a new Series 1989 Bond. Any mutilated Series 1989 Bond must first be surrendered to the City, and in the case of any lost, wrongfully taken or destroyed Series 1989 Bond, there must first be furnished to the City and the Bond Registrar, satisfactory evidence of such loss, wrongful taking or destruction, together with indemnity satisfactory to them.

Global Book-Entry Form.

M.S.T.C. will act as securities depository for the Series 1989 Bonds. The ownership of one fully registered Series 1989 Bond for each maturity as set forth on the cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Kray & Company, as nominee of M.S.T.C. M.S.T.C. is a limited purpose trust company organized under the laws of the State of Illinois, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Illinois Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. M.S.T.C. was created to hold securities of its Participants and to facilitate the clearance and settlement of securities transactions among Participants in such securities through electronic book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. Access to the M.S.T.C. system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly.

Ownership interests in the Series 1989 Bonds may be purchased by or through Participants. Such Participants and the persons for whom they acquire interests in the Series 1989 Bonds as nominees will not receive certificated Series 1989 Bonds; but each such Participant will receive a credit balance in the records of M.S.T.C. in the amount of such Participant's interest in the Series 1989 Bonds, which will be evidenced by reports from M.S.T.C. to such Participants. Each such person for whom a Participant has an interest in the Series 1989 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications of the City and the Bond Registrar to M.S.T.C., which may affect such person, forwarded in writing by such Participant and to have notification made of all principal, premium, if any, and interest payments. The City And The Bond Registrar Will Have No Responsibility Or Obligation To Such Participants Or The Persons For Whom They Act As Nominees With Respect To The Series 1989 Bonds.

So long as M.S.T.C. or a nominee of M.S.T.C. is the Registered Owner of the Series 1989 Bonds, references in this Official Statement to the Series 1989 Bondholders or registered owners of the Series 1989 Bonds shall mean M.S.T.C. or such nominee and shall not mean the Beneficial Owners of the Series 1989 Bonds.

M.S.T.C. will receive payments from the Paying Agent to be remitted to the Participants for the benefit of the Beneficial Owners. The ownership interest of each Beneficial Owner in the Series 1989 Bonds will be recorded through a computerized book-entry system operated by M.S.T.C. and through the records of the Participants.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Bond Registrar to M.S.T.C. with a request that M.S.T.C. forward (or cause to be forwarded) the notices to the Beneficial Owners.

It will be the responsibility of the Participants to furnish confirmations of purchases of the Series 1989 Bonds to the Beneficial Owners. Transfers of ownership interests in the Series 1989 Bonds will be accomplished by book entries made by M.S.T.C. and the Participants who act on behalf of Beneficial Owners of the Series 1989 Bonds. Interest, premium, if any, and principal will be paid by the Paying Agent to M.S.T.C., and is then required to be paid by M.S.T.C. to the Participants and thereafter is required to be paid by the Participants to the Beneficial Owners when due.

For every transfer and exchange of the Series 1989 Bonds, the Bond Registrar, M.S.T.C. and the Participants may charge the Beneficial Owner a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

No transfer or exchange of any Series 1989 Bond shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Series 1989 Bond. "Record Date" means (a) in the case of each interest payment date, the Bond Registrar's close of business on the last day of the calendar month preceding such interest payment date or, if such day is not a regular business day of the Bond Registrar, the next

preceding day which is a regular business day of the Bond Registrar, and (b) in the case of redemption, such Record Date as shall be specified by the Bond Registrar in the notice of redemption required under the Bond Ordinance provided that such record date shall be not less than 15 calendar days before the mailing of such notice of redemption. The Bond Registrar shall not be required to register the transfer of or exchange any Series 1989 Bond selected for redemption in whole or in part, except the unredeemed portion of any Series 1989 Bond being redeemed in part.

M.S.T.C. may determine to discontinue providing its services with respect to the Series 1989 Bonds at any time by giving notice to the City and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, (if there is no successor securities depository) the City and the Bond Registrar are obligated to deliver Series 1989 Bond certificates as described in the Bond Ordinance. If the City determines that M.S.T.C. is incapable of discharging its responsibilities or that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Series 1989 Bonds, the City may cause the Bond Registrar to authenticate and deliver Series 1989 Bond certificates to the Beneficial Owners.

M.S.T.C. will agree and represent that M.S.T.C. will, subject to M.S.T.C.'s rules and bylaws and to requirements of law, hold the Series 1989 Bonds as securities depository for M.S.T.C.'s Participants.

Security For The Series 1989 Bonds.

The Series 1989 Bonds will be on a parity with the unrefunded Series 1983 Bonds and the Series 1985 Bonds, and Series 1986 Bonds and any Parity Bonds hereafter issued, all of which collectively are referred to as the "Bonds". See "Outstanding Debt And Annual Debt Service -- Outstanding Debt".

The Series 1989 Bonds have a claim for payment as to principal of, premium, if any, and interest on an equal and ratable basis solely from the Net Revenues derived by the City from the ownership and the operation of the Water System and from accounts in the Water Fund securing the Series 1989 Bonds. "Net Revenues" is defined in the Bond Ordinance to mean that portion of the Gross Revenues remaining after providing sufficient funds for Operation and Maintenance Costs.

The Series 1989 Bonds are secured by a lien on and security interest in the Net Revenues of the Water System, subject to amounts in the various accounts of the Water Fund described below being deposited and expended as provided in the Bond Ordinance.

The Series 1989 Bonds are not secured by a lien or security interest on the physical assets of the Water System.

The Series 1989 Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness. The Bonds do not have a claim for payment from any taxes of the City.

Flow Of Funds.

Gross Revenues of the Water System are credited as they are collected to a separate fund of the City entitled the Water Fund. The Water Fund includes the various accounts listed below. Under the Bond Ordinance, the Water Fund is irrevocably pledged for the purpose of carrying out the City's covenants under the Bond Ordinance and the bond ordinances authorizing the issuance of Outstanding Bonds, including paying Operation and Maintenance Costs, paying debt service on Bonds and establishing and maintaining various reserves and accounts required under the Bond Ordinance, with any excess amount being used for any lawful purpose of the Water System.

Amounts in the Debt Service Reserve Account, the Rebate Accounts and the Construction Account: Series 1989 Bonds, along with amounts in the Water System's existing bond-funded construction accounts, are held pursuant to depository agreements in separate bank accounts and in separately identifiable investments. The remainder of all amounts in the Water Fund is deposited in bank accounts and invested on a commingled basis with a variety of other funds of the City, including its main Corporate Fund, referred to as the City's "consolidated cash". Use of consolidated cash reduces the expenses of external borrowing to meet the short-term needs of particular funds of the City.

The City is required, in order to comply with the Bond Ordinance, to maintain balances in its consolidated cash so that the cash available to the Water Fund is sufficient to apply Net Revenues to timely payment of debt service on Bonds and to make other required deposits in the various accounts as required by the Bond Ordinance. The City has always met these obligations in a timely fashion.

The following separate accounts are maintained within the Water Fund for the following purposes:

(a) Matured Water Bond And Interest Account.

Not later than ten days prior to each principal or interest payment date for the Series 1989 Bonds, there must be transferred to the Matured Water Bond and Interest Account sufficient funds, together, with respect to the May 15, 1990 interest payment date for Current Interest Series 1989 Bonds, with accrued interest received upon delivery of the Series 1989 Bonds (other than Capital Appreciation Series 1989 Bonds), if any, to pay the amount of principal, redemption premium, if any, and interest becoming due, whether upon maturity, redemption or otherwise, on such payment date on all Outstanding Bonds.

Funds in the Matured Water Bond and Interest Account can be used only for the purpose of paying principal of, redemption premium, if any, and interest on Outstanding Bonds as the same become due.

(b) Debt Service Reserve Account.

At the time of the delivery of the Series 1989 Bonds, sufficient funds from cash balances of the City's Department of Water ("Water Department") will be transferred to the Debt Service Reserve Account to maintain a balance in such Account, together with amounts on deposit in that Account and transferred to it as described above, at least equal to the Debt Service Reserve Requirement. The Debt Service Reserve Account must be deposited in a separate account in a bank or banks designated by the Treasurer pursuant to a depository agreement. After all Bonds issued prior to 1989 are no longer Outstanding, the Debt Service Reserve Requirement may be met, in whole or in part, by a Reserve Account Credit Instrument to the extent of the Reserve Account Credit Instrument Coverage. Whenever the balance in the Debt Service Reserve Account is less than the Debt Service Reserve Requirement, there must be transferred from the Water Fund and deposited into the Debt Service Reserve Account during the next 12-month period sufficient funds to maintain a balance in the Debt Service Reserve Account at least equal to the Debt Service Reserve Requirement. Upon issuance of the Series 1989 Bonds, the Debt Service Reserve Account will be fully funded with a balance of approximately \$30,563,000.*

Funds in the Debt Service Reserve Account can be used only to pay principal of, redemption premium, if any, and interest on Outstanding Bonds as the same shall become due at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account.

(c) Rehabilitation And Improvement Reserve Account.

Whenever the balance in the Rehabilitation and Improvement Reserve Account is less than \$10,000,000, an amount equal to \$2,500,000, or such lesser amount as may be necessary, must be transferred to that Account in each Fiscal Year after the Fiscal Year in which such deficiency first exists until the balance in that Account equals \$10,000,000.

* Subject to change.

Funds in the Rehabilitation and Improvement Reserve Account can be used (i) to pay principal of, redemption premium, if any, and interest on the outstanding obligations of the City that are payable by their terms from the revenues of the Water System as the same become due at any time when there are insufficient funds available for that purpose in the Matured Water Bond and Interest Account and the Debt Service Reserve Account, (ii) to pay the cost of constructing any emergency replacement to any part of the Water System deemed necessary in order to render efficient service when there are no other funds available for such purpose, provided that prior to such payment, there must be filed with the Comptroller and the Treasurer a certificate of the Commissioner to evidence that in the Commissioner's opinion the making of such improvement is an emergency replacement of part of the Water System, such replacement is essential for the continued efficient operation of the Water System and no other funds are available for such purpose, and (iii) to pay the cost of constructing new facilities for or making necessary improvements to the Water System in each case constituting capital improvements, provided that such capital improvements are set forth in plans and a report of the improvements prepared by the Commissioner submitted to and approved by the City Council.

(d) Rebate Accounts.

From time to time, there must be transferred from the Water Fund and deposited into the Rebate Accounts amounts required to be held available for rebate to the United States of America of certain investment earnings with respect to each series of Bonds issued after August 1, 1986, including the Series 1989 Bonds. Each Rebate Account will be deposited in a separate bank account in a bank or banks designated by the Treasurer pursuant to a depository agreement. The amount so to be held available will be determined from time to time by the City pursuant to the ordinances authorizing the various series of Bonds. Amounts in the Rebate Accounts will be used at the direction of the City to make rebate payments to the United States of America. Amounts in the Rebate Accounts may be used to pay principal of, redemption premium, if any, and interest on the outstanding obligations of the City that are payable by their terms from the revenues of the Water System as the same become due, at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account, the Debt Service Reserve Account and the Rehabilitation and Improvement Reserve Account. Pursuant to the Bond Ordinance, a separate bank account will be established for the Rebate Account for the Series 1989 Bonds, which will be excluded from the City's consolidated cash balances and maintained separately. The City is obligated to make timely rebates.

Deficiencies And Excesses.

In the event of a deficiency in any Fiscal Year in the Debt Service Reserve Account, the Rehabilitation and Improvement Reserve Account or any Rebate Account, the Bond Ordinance requires the amount of such deficiency to be included in the amount to be transferred from the Water Fund and deposited into such Account during the next 12-month period or succeeding Fiscal Year, as appropriate. Whenever the balance in the Debt

Service Reserve Account or the Rehabilitation and Improvement Reserve Account or any Rebate Account exceeds the amount required to be on deposit in that Account, such excess may be transferred to the Water Fund, provided that no such transfers will be made when any debt service payments on outstanding obligations of the City that are payable by their terms from the revenues of the Water System are past due.

Any funds which remain in the Water Fund at the end of any Fiscal Year are retained in the Water Fund. Such funds will, except for funds maintained in the separate accounts described above, be available for appropriation for any proper purpose of the Water System.

Investment Of Funds.

Funds in the four accounts described under "Flow of Funds" are required to be invested in Permitted Investments. All amounts in the Debt Service Reserve Account and each Rebate Account may only be invested in Permitted Investments which are held separate and distinct from those of any other Fund or Account. Investments must be scheduled to mature before needed for the respective purposes of each of such Accounts. All Investment Earnings on any funds so invested, except those in the Rebate Accounts, will be credited to the Water Fund and will be considered as Gross Revenues. Earnings on the investment of amounts so invested in the Rebate Accounts will be retained in the respective Rebate Accounts, except to the extent no longer required for rebate purposes, and will not be Investment Earnings or considered to be Gross Revenues.

Construction Account: Series 1989 Bonds.

A portion of the proceeds of the Series 1989 Bonds will be set aside in the Construction Account: Series 1989 Bonds, a separate account in the Water Fund for the purpose of financing part of the Project Costs, including the Costs of Issuance. The Construction Account: Series 1989 Bonds will be deposited in a bank or banks designated by the Treasurer pursuant to a depository agreement. Funds in the Construction Account: Series 1989 Bonds will be invested by the depository at the direction of the Treasurer in Permitted Investments scheduled to mature before needed to pay Project Costs, including Costs of Issuance. Earnings on the investment of funds in the Construction Account: Series 1989 Bonds will be credited to and remain in that Account and are not investment earnings included in Gross Revenues. Pursuant to the Bond Ordinance, a separate bank account is established for the Construction Account: Series 1989 Bonds, which is excluded from the City's consolidated cash balances and maintained separately.

Within 60 days after completion of the Projects and the payment of all Project Costs, any funds remaining in the Construction Account: Series 1989 Bonds shall be transmitted by said depository to the Treasurer for transfer to the Debt Service Reserve Account, or, if such account is fully funded, to the Water Fund.

Rate Covenant.

The City covenants in the Bond Ordinance to establish, maintain and collect at all times fees, charges and rates for the use and service of the Water System sufficient at all times to (a) pay Operation and Maintenance Costs and (b) produce Net Revenues sufficient to pay the principal (at maturity or pursuant to mandatory sinking fund redemption) of and applicable redemption premium and interest on all Bonds Outstanding from time to time and to establish and maintain all reserve funds or accounts as may be covenanted for in bond ordinances authorizing the issuance of Bonds which Net Revenues shall each year at least equal 125% of the sum required to pay promptly when due the Debt Service Requirement on all Bonds then Outstanding (treating mandatory redemption requirements of Bonds as principal requirements for those Bonds). These fees, charges and rates will not be reduced below the level necessary to ensure compliance with this covenant while any Bonds are Outstanding.

Additional Bonds.

The City has reserved the right to issue additional bonds which are payable from Net Revenues on an equal and ratable basis with all Outstanding Bonds (the "Parity Bonds").

As provided in the ordinances authorizing the Series 1983 Bonds, the Series 1985 Bonds and the Series 1986 Bonds, Parity Bonds may be issued for the purpose of paying the costs of repairs, replacements, renewals, improvements or extensions to the Water System or for refunding Outstanding Bonds, upon compliance with the following conditions:

(a) The funds required to be transferred to the Matured Water Bond and Interest Account, the Debt Service Reserve Account, and the Rehabilitation and Improvement Reserve Account must have been transferred in full up to the date of the delivery of such Parity Bonds;

(b) The ordinance authorizing the issuance of Parity Bonds will require either (i) the transfer at the time of the delivery of such Parity Bonds of sufficient proceeds of such Parity Bonds or Net Revenues or the deposit of a Reserve Account Credit Instrument, or a combination thereof, to the Debt Service Reserve Account so that the balance in such Account is at least equal to the Debt Service Reserve Requirement or (ii) equal monthly transfers to such account during a period not exceeding 60 months following the delivery of such Parity Bonds sufficient to restore such Account to an amount at least equal to the Debt Service Reserve Requirement; and

(c) Net Revenues for the last completed Fiscal Year prior to the issuance of the Parity Bonds (as shown by the audit of an independent certified public accountant), or Net Revenues for such last completed Fiscal Year, adjusted as described below, must equal at least 125% of the Debt Service Requirement for Bonds which will be Outstanding following the issuance of the proposed Parity Bonds, computed on a pro forma basis

assuming the issuance of the proposed Parity Bonds. Net Revenues may be adjusted as follows for purposes of this paragraph (c):

- (i) In the event of an increase in the rates of the Water System from the rates in effect for such last completed Fiscal Year, which increase is in effect at the time of the issuance of any such Parity Bonds, Net Revenues may be adjusted to reflect the Net Revenues for such last completed Fiscal Year as they would have been had the then existing rates been in effect during all of the last completed Fiscal Year; and
- (ii) Any such adjustment must be evidenced by the certificate of an independent Consulting Engineer or an independent certified public accountant employed for that purpose, which certificate is required to be filed with and approved by the City Council prior to the sale of the proposed Parity Bonds.

The Bond Ordinance provides that the following additional provisions will apply to the issuance of Parity Bonds when the Series 1983 Bonds, the Series 1985 Bonds and the Series 1986 Bonds are no longer Outstanding:

(A) In addition to the purposes mentioned above, Parity Bonds may be issued to fund capitalized interest and reserve funds for particular series of Bonds, and to fund working capital for the Water System.

(B) A Reserve Account Credit Instrument or Instruments may be deposited into the Debt Service Reserve Account in lieu of or in combination with bond proceeds and Net Revenues to satisfy the requirements of paragraph (b)(i) above.

(C) If during the first six months of a Fiscal Year, an audit of the Water System for the preceding Fiscal Year by an independent certified public accountant is not available, the conditions of paragraph (c) will be deemed to have been satisfied if both (i) Net Revenues for the second preceding Fiscal Year (as shown by the audit of an independent certified public accountant), adjusted as described in paragraph (c) above, and (ii) Net Revenues for the preceding Fiscal Year (as estimated by the Comptroller and either estimated by an independent Consulting Engineer or certified by an independent certified public accountant based on review the scope of which, as specified by such accountant, may be less complete than an audit), adjusted as described in paragraph (c) above, shall equal at least 125% of the maximum Debt Service Requirement for any Fiscal Year for Bonds which will be Outstanding following the issuance of the proposed Parity Bonds, computed on a pro forma basis assuming the issuance of the proposed Parity Bonds and the application of the proceeds of any Bonds as provided in the ordinance authorizing their issuance, sale and delivery.

(D) The City may issue Parity Bonds without complying with either of the tests in paragraph (c) of this Section (i) to pay, redeem or refund Bonds if in the judgment of the City there will be no money available to make payments of interest or principal of those

Bonds (at maturity or on sinking fund installment dates) as such amounts become due; and (ii) to pay, redeem or refund any Bonds if the total Debt Service Requirement on all Outstanding Bonds after the issuance of the Parity Bonds and the payment, redemption or refunding of such Bonds will not be in excess of the total Debt Service Requirement on all Bonds outstanding prior to the issuance of the Parity Bonds in each Fiscal Year in which there was to be any Debt Service Requirement on those prior Bonds.

Other obligations, including bonds, may be issued payable from Net Revenues on a basis subordinate to the Outstanding Bonds.

Other Covenants.

In addition to the covenants referred to above, the City has covenanted under the Bond Ordinance, so long as any of the Series 1989 Bonds are outstanding, as follows:

(1) To maintain the Water System in good repair and working order, to operate continuously the same on a Fiscal Year basis, to construct promptly the Projects, and to perform punctually all duties with respect to the Water System required by the Constitution and laws of the State of Illinois. See "The Sewer System-Capital Improvements Program".

(2) So long as the Series 1989 Bonds are Outstanding, to continue to operate the Water System as a revenue-producing system so as to produce Net Revenues sufficient to satisfy the requirement described above under "Rate Covenant".

(3) Prior to the end of each Fiscal Year, to conduct a review to determine compliance with the requirement described above under "Rate Covenant" and, whenever this annual review indicates that the projected Net Revenues will not be sufficient to comply with the rate covenant, to have the Department, after consultation with the Office of Budget and Management of the City and the Comptroller recommend appropriate action to comply with the rate covenant. See "Financial Operations -- Annual Budget Review and Implementation of Annual Budget".

(4) To make all necessary and proper repairs, replacements, additions and betterments to the Water System so that it may at all times be operated efficiently, economically and properly; and when any necessary equipment or facility becomes worn out, destroyed or otherwise is insufficient for proper use to promptly replace it so that the value and efficiency of the Water System will be at all times fully maintained.

(5) To establish such rules and regulations for the control and operation of the Water System as are necessary for safe, lawful, efficient and economical operation of the Water System.

(6) To make and keep proper books, records and accounts (separate and apart from all other books, records and accounts of the City) in which correct and complete entries are

made of all transactions relating to the Water System, and within 180 days following the close of each Fiscal Year, to cause the financial statements of the Water System to be audited by an independent certified public accountant, which audited financial statements will be available for inspection by the registered owners of any of Series 1989 Bonds. The financial statements will include but not be limited to: (a) a statement of revenue and expenses of the Water System for each Fiscal Year; (b) a balance sheet as of the end of such Fiscal Year including the amounts in each of the Funds and Accounts of the Water Fund; (c) a statement of changes in the financial position of the Water System for such Fiscal Year; and (d) the amounts, maturities, interest rates and redemption provisions of all Outstanding Bonds. The independent certified public accountant who audits such financial statements is also required to prepare a separate compliance letter regarding the City's compliance with the financial covenants of the Bond Ordinance.

(7) To prepare annually a report of the number of customers served by the Water System at the end of each Fiscal Year, the number of metered and nonmetered customers at the end of the Fiscal Year, and the quantity of water provided.

(8) Not to sell, lease, loan or mortgage, or in any manner dispose of or encumber, the Water System (subject to the right of the City to issue Parity Bonds as provided in the Bond Ordinance, to issue bonds payable from Net Revenues on a basis subordinate to the Bonds, and to dispose of real or personal property which is no longer useful or necessary to the operation of the Water System).

(9) Not to take and to permit no action to be taken which would cause any Series 1989 Bond to be an "arbitrage bond" within the meaning of Section 147 (a) of the Internal Revenue Code of 1986, as amended, or direct or permit any action inconsistent with the regulations under the Internal Revenue Code of 1986 as promulgated and as amended from time to time and as applicable to the Series 1989 Bonds. In carrying out this covenant, the City will receive from bond counsel at or prior to the initial issuance and delivery of the Series 1989 Bonds a further explanation of the arbitrage rebate requirements of the Code. The City will, unless it receives an opinion from nationally recognized bond counsel that compliance with those requirements as so described is no longer necessary, comply with the requirements as so described by bond counsel. This shall not be a limitation on the obligation of the City under this covenant.

(10) To take all actions required as a result of the provision of the Internal Revenue Code of 1986, as amended, including rebate requirements, so that interest on any of the Series 1989 Bonds will not be or become includable in "gross income" for federal income tax purposes.

Remedies.

Any Registered Owner of a Series 1989 Bond may proceed by civil action to compel performance of all duties required by the Bond Ordinance, including the establishment and collection of sufficient fees, charges and rates for the service supplied by the Water System and the application of the income and revenue from the Water System.

Modification Of Bond Ordinance.

The Bond Ordinance includes a provision under which the City may, by supplemental bond ordinance, modify or amend the Bond Ordinance without the consent of the Registered Owners of the Series 1989 Bonds in order to add additional covenants and agreements of the City to further secure or provide for payment of the Series 1989 Bonds, to impose further limitations on the issuance of Parity Bonds or the incurring of other obligations by the City, or to surrender only any right, power or privilege reserved to or conferred upon the City by the Bond Ordinance, to confirm as further assurance any covenants, lien, pledge or security interest created under or recognized by the Bond Ordinance, to take further actions necessary or desirable to assure collection and application of Net Revenues sufficient to pay the principal of and interest on the Series 1989 Bonds, or to correct any ambiguity or defect or inconsistent provisions in the Bond Ordinance or to insert such provisions clarifying matters or questions arising under the Bond Ordinance as are necessary or desirable, provided that any such amendments or modifications to clarify matters are not contrary to or inconsistent with the Bond Ordinance as in effect prior to the adoption of any such supplemental bond ordinance, and provided further that any such amendments or modifications are not adverse to the interests of the registered owners of the Series 1989 Bonds.

Other than these amendments and modifications, the Bond Ordinance may not be amended or modified while any of the Series 1989 Bonds are Outstanding except with the consent of the Registered Owners of 66-2/3% in principal amount of all Outstanding Series 1989 Bonds by written instrument. No modification or amendment may extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the City to pay the principal of, redemption premium, if any, or interest on any Series 1989 Bond without the express consent of the Registered Owner of such Series 1989 Bond, nor permit the creation by the City of any mortgage, pledge, lien or security interest on the Water System, or upon the Net Revenues or other moneys held pursuant to the Bond Ordinance, other than those contemplated by the Bond Ordinance, nor permit the preference or priority of any Bond over any other Bond, nor reduce the percentage of Series 1989 Bonds required for the written consent to an amendment or modification of the Bond Ordinance, nor modify any of the rights or obligations of any Paying Agent at the time acting pursuant to the Bond Ordinance without the written consent of such Paying Agent.

Defeasance.

If the City pays or causes to be paid, or there is otherwise paid, to the owners of the Series 1989 Bonds then Outstanding, the principal, redemption premium, if any, and interest to become due on the Series 1989 Bonds at the times and in the manner stipulated in the Bond Ordinance and in the Series 1989 Bonds, then the covenants, agreements and other obligations of the City to the owners of the Series 1989 Bonds will be discharged and satisfied.

Series 1989 Bonds for the payment and redemption of which moneys have been set aside and are held in trust by any Paying Agents (through deposit by the City of funds for such payment or redemption or otherwise), whether at or prior to maturity or the redemption date of such Series 1989 Bonds, will be deemed to have been paid within the meaning of and with the effect expressed in the paragraph above. All Outstanding Series 1989 Bonds will, prior to their maturity or redemption dates, be deemed to have been paid within the meaning and with the effect expressed in the paragraph above if (a) there have been deposited with any Paying Agent either money in an amount which is sufficient, or Governmental Obligations the principal of and interest on which when due will provide moneys which, when added to the moneys, if any, deposited with the Paying Agent at the same time, are sufficient to pay when due the principal, redemption premiums, if any, and interest due and to become due on those Series 1989 Bonds on and prior to the redemption date or maturity date of those Series 1989 Bonds, as the case may be, (b) in the case of Series 1989 Bonds to be redeemed prior to maturity, the City has given the Paying Agent irrevocable instructions to publish notice of redemption of such Series 1989 Bonds as provided in the Bond Ordinance, and (c) the City has received an opinion of nationally recognized bond counsel to the effect that the defeasance of the Series 1989 Bonds will not cause interest on the Series 1989 Bonds to be included in the "gross income" of the owner for federal income tax purposes. Neither Governmental Obligations nor moneys deposited with the Paying Agent nor principal or interest payments on any such Governmental Obligations may be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, redemption premium, if any, and interest on those Series 1989 Bonds.

Unclaimed Moneys.

Any moneys held by the Paying Agent in trust for the payment and discharge of any of the Series 1989 Bonds which remain unclaimed for six years after the date of deposit of such moneys if deposited with the Paying Agent after the date when the Series 1989 Bonds became due and payable will, at the written request of the City, be repaid by the Paying Agent to the City as its absolute property and free from trust. The Paying Agent will be released and discharged with respect to such amounts and the owners of the Series 1989 Bonds will be required to look only to the City for the payment of such Series 1989 Bonds, provided that before making any such payment to the City, the Paying Agent must, at the expense of the City, cause notice of the unclaimed moneys and of the proposed transfer of those moneys to the City to be published at least twice, in the manner provided in the Bond Ordinance, with the first publication to be not less than 30 days before the date of the proposed transfer.

Estimated Use Of Proceeds.

The Series 1989 Bonds are being issued to provide a portion of the funds for the 1989 -- 1993 Capital Improvements Program requirements, and to make certain required deposits pursuant to the Bond Ordinance. The City will make a deposit to the Debt Service Reserve Account in an amount sufficient to cause the balance of that Account to equal the Debt Service Reserve Requirement from available money in the Water Fund. The proceeds of the sale of the Series 1989 Bonds (exclusive of accrued interest which is to be deposited in the Maturity Bond and Interest Account) are estimated to be applied as follows:

Deposit to Construction Account	\$78,300,000 ²
Series 1989 Bonds Costs of Issuance ¹	
Original Issue Discount	_____
TOTAL:	\$ _____

¹ Including amounts for payment of underwriters' discount, legal, printing, accounting, engineering and miscellaneous other expenses of issuance.

² Subject to change.

Outstanding Debt And Annual Debt Service.

Outstanding Debt.

There remain Outstanding \$17,565,000 principal amount of Series 1983 Bonds, \$44,510,000 principal amount of Series 1985 Bonds and \$103,460,000 principal amount of Series 1986 Bonds. The Outstanding Series 1983 Bonds and Series 1985 Bonds collectively mature, in various principal amounts, on November 1 in each of the years 1990 through 1995, inclusive. The Outstanding Series 1986 Bonds mature, in various principal amounts, on November 1 in each of the years 1990 through 2004, inclusive. As of December 2, 1989, there were outstanding certain certificates and bonds (the "Certificates") of the City in the principal amount of \$69,825,000 that were payable from Net Revenues.

Pursuant to an escrow agreement, dated as of December 1, 1985, between the City and American National Bank and Trust Company of Chicago (the "Certificate Escrow Agent"), the City irrevocably deposited certain Governmental Obligations with the Certificate Escrow Agent and pledged that deposit and interest thereon solely and irrevocably for the benefit of the owners of the Certificates. According to Touche Ross & Co., certified public accountants, the Governmental Obligations so deposited bear interest at such rates and are scheduled to mature at such times and in such amounts that, when paid in accordance with the terms, sufficient moneys will be available, together with the initial cash deposit, to make full and timely payment of the maturing principal of and interest on the Certificates to their respective final maturity dates. Although such deposit will provide sufficient monies to pay the principal of and interest on the Certificates, the Certificates may continue to have a claim for payment from the Net Revenues, until paid in accordance with their terms. The City does not anticipate that any Net Revenues will be required for the payment of the Certificates.

Annual Debt Service.

The debt service of the Water System on a cash basis, after the issuance of the Series 1989 bonds is shown below:

Debt Service of the Water System¹

Fiscal Year Dec. 31	Unrefunded Series 1983 Bonds	Series 1985 Bonds	Series 1986 Bonds	Series 1989 Bonds ²			Total Debt Service Requirements
				Principal	Interest	Total	
1990	\$ 4,565,333	\$ 9,721,718	\$ 9,162,706		\$ _____	\$ _____	\$ _____
1991	4,563,520	9,724,818	9,161,956		_____	_____	_____
1992	4,566,420	9,720,955	9,155,136		_____	_____	_____
1993	4,564,520	9,724,955	9,160,956	\$ 1,810,000	_____	_____	_____
1994	4,563,520	9,723,600	9,183,596	1,930,000	_____	_____	_____
1995		9,724,000	13,019,596	2,060,000	_____	_____	_____
1996			13,028,996	2,190,000	_____	_____	_____
1997			12,592,716	2,340,000	_____	_____	_____
1998			12,594,956	2,500,000	_____	_____	_____
1999			12,598,531	1,359,863	_____	_____	_____
2000			12,592,725	1,265,737	_____	_____	_____
2001			12,593,875	1,172,613	_____	_____	_____
2002			12,598,850	1,087,334	_____	_____	_____
2003			12,593,900	1,007,271	_____	_____	_____
2004			12,593,900	938,925	_____	_____	_____
2005				875,233	_____	_____	_____
2006				2,675,000	_____	_____	_____
2007				2,880,000	_____	_____	_____
2008				3,090,000	_____	_____	_____
2009				3,330,000	_____	_____	_____
2010				3,580,000	_____	_____	_____
2011				3,850,000	_____	_____	_____
2012				4,140,000	_____	_____	_____
2013				4,455,000	_____	_____	_____
2014				4,790,000	_____	_____	_____
2015				5,160,000	_____	_____	_____
2016				5,540,000	_____	_____	_____
2017				5,955,000	_____	_____	_____
2018				6,320,000	_____	_____	_____
2019				6,690,000	_____	_____	_____
TOTAL	\$ 22,823,313	\$ 58,340,045	\$ 172,602,398	\$ 82,981,976	\$ _____	\$ _____	\$ _____

¹ Rounded to the nearest \$1.00.
² Subject to change.

The Water System.

Organization And Staffing.

Pursuant to an ordinance adopted by the City Council, the Water Department was established in January, 1980 as an executive department of the City with responsibility for the operation, maintenance, repair, improvement and extension of the Water System. Before 1980, the Water System was maintained by the Department of Water and Sewers.

The chief administrator of the Department is the Commissioner who is appointed by the Mayor with the approval of the City Council. Under the direction of the Commissioner, the Water Department is organized into four bureaus: (1) Water Operations; (2) Water Distribution; (3) Water Service; and (4) Engineering. The Bureau of Water Operations has the responsibility for water pumping and water purification through its Pumping Station Operation Division and Water Purification Division, respectively. The Bureau of Water Distribution has responsibility for maintenance and construction of the distribution system including valves, fire hydrants and other appurtenances. The Bureau of Water Service has responsibility for water metering and revenue collection through its Water Meter Division and Water Collection Division, respectively. The Bureau of Engineering has the responsibility for providing engineering and inspection support for the planning, design, expansion, rehabilitation, operation, monitoring and inspection functions of the Water System. Included in the Commissioner's Office are the areas of finance, data processing, personnel, payroll, safety, labor relations, contracts, legal assistance and program services, all of which function in a staff capacity to the Commissioner.

The Department has 46 professionals with State of Illinois Water Plant Operator's Certificates. The employment level of the Water Department as of November 1, 1989 was 2,175. The average employment level of the Water Department for the past five years has been 2,147 employees. The Water Department does not anticipate increasing its staff within the next several years. Substantially all of the Water Department's employees are covered by collective bargaining agreements.

The City maintains an unfunded self-insurance program for general liability for the Water System and for workers' compensation which covers the Department as well as the City agencies and departments.

Management Personnel.

Presented below is certain information concerning the senior management personnel of the Department:

Samuel W. Hurley, Jr., Commissioner.

Mr. Hurley possesses a Bachelor of Science degree in Civil Engineering and Masters of Public Works Engineering and Administration. Mr. Hurley is a licensed professional engineer in the State of Illinois. Prior to his appointment as Commissioner of Water in 1987, Mr. Hurley served as Commissioner of Sewers for the City and as Deputy Commissioner for the Department of Public Works of the City. Mr. Hurley has been an employee of the City since 1957, except for the four years from 1958 to 1962. Mr. Hurley is a member of the American Waterworks Association, Water Utility Council, American Public Works Association, the Association of Metropolitan Water Agencies and National Society of Professional Engineers.

Gerald C. Toren, Chief Water Engineer.

Mr. Toren has been employed by the Water Department and its predecessor, the Department of Water and Sewers, since 1964, and has held his current position of Chief Water Engineer since February, 1987. He is a graduate of the Illinois Institute of Technology with a Bachelor of Science degree in Chemical Engineering. Mr. Toren has also received a Master of Public Works degree from the University of Pittsburgh. He is a registered professional engineer and the certified operator of the Water System. Mr. Toren is both a member of the American Water Works Association and the American Public Works Association.

Wanda T. Gladysz, Assistant Commissioner Of Water.

Ms. Gladysz has been employed by the City since 1981. Prior to her appointment to her current position in 1988, Ms. Gladysz served as Director of Finance for the Water Department and as Assistant Budget Director for the City. She holds a Bachelor of Science degree from DePaul University's College of Commerce, specializing in management and accounting, and is currently working toward a Masters of Business Administration at DePaul University. Ms. Gladysz is a member of the American Water Works Association, the Association of Metropolitan Water Agencies, and the American Public Works Association.

Richard F. Pielan, Director Of Finance.

Mr. Pielan has been employed by the Water Department since 1971 and has held his present position since October 1988. He is a graduate of Loyola University of Chicago with a Bachelor of Business Administration degree in Accounting. Prior to his present position, Mr. Pielan was Chief Water Fund Accountant.

Edwin J. Rann, Chief Water Fund Accountant.

Mr. Rann has been employed by the Water Department since 1971 and in his present position since 1985. He is a graduate of the Illinois Institute of Technology with a Bachelor of Science degree in Industrial Engineering.

Billing For Water And Sewer Services.

The Water Department and the Sewer Department have been operated separately since 1980. The Water Department has separate management, separate accounting, and issues its own debt securities secured by Water Department revenues. The only current connection between the two departments is the combined billing procedure described below.

The sewer service charge relating to the delivery of sewer services is billed together with the water usage charge on customer billings. The sewer service charge is established by an ordinance of the City in amounts designed to pay the costs of sewer system operations and capital improvements, including any related debt service. Currently, the sewer service charge is set at 78% of the water usage charge within the City. Any delinquencies for sewer service charges are carried on the books of the Sewer Revenue Fund. All billings and collections for both departments are handled by the Water Department's Collections Division.

Description Of Facilities.

The Water Department operates two of the world's largest water treatment facilities, the South Water Purification Plant and the James W. Jardine Water Purification Plant, aggregating a continuous service capacity of 2,160 million gallons per day ("M.G.D."). These plants are supplied from six water intakes, four of which are water intake cribs located in Lake Michigan 2 to 4 miles from shore (one of which is on standby service), and two of which are shore intakes (one at each plant). There are 11 pumping stations, five of which are steam powered and six of which are electrically powered, with a total installed pumping capacity of 3,095 M.G.D. and safe pumping capacity (largest pump in each station out of service) of 2,385 M.G.D. Water is transported throughout the Water System by 65 miles of water supply tunnels. These tunnels are located 40 to 200 feet below the surface of the ground and range in size from 6 feet to 20 feet in diameter. Water is raised from the tunnels by the pumps in the 11 pumping stations and delivered to customers through over 4,200 miles of water mains ranging in size from 4 inches to 60 inches in diameter.

Capital Improvements Program.

In order to provide for additions to the Water System, replacement of facilities and rehabilitation of existing facilities, the City, through the Water Department, has developed and is implementing the Water System's 1989 -- 1993 Capital Improvements Program. The estimated cost of the Capital Improvements Program requirements through 1992 will be funded from a combination of unencumbered amounts presently on deposit in the Water Department's bond-funded existing construction accounts, existing Water Fund surpluses and surpluses projected to be generated at current water rates in fiscal years 1990, 1991, and 1992 and a deposit of approximately \$78,300,00 to be made to the Construction Account: Series 1989 Bonds from the proceeds of the Series 1989 Bonds. As used in this Official Statement, "Water Fund surplus" means Water Fund revenues remaining after payment of Operation and Maintenance Costs, debt service and deposits necessary to maintain all reserve funds or accounts of the Water Fund. For further information regarding the above, see "Financial Operations -- Projected Operations", "Financial Operations --Revenue Requirements and Funding of Capital Improvements" and Appendix A -- Consulting Engineer's Report.

The Capital Improvements Program includes improvements to the following plants and facilities:

(a) Jardine Water Purification Plant.

The Jardine Water Purification Plant is the largest water purification plant in the world with a rated capacity of 1,440 M.G.D., and has been in operation since 1964 serving the City north of 39th Street and 42 suburban communities. A total of \$19,893,000 is programmed for the capital improvement of this Plant. Since the Plant has been in continuous service for over 20 years, the program includes selective equipment replacement in order to maintain and improve its current state-of-the-art technology and equipment.

(b) South Water Purification Plant.

South Water Purification Plant has a rated capacity of 720 M.G.D. This Plant was placed into service in 1947 with a rated capacity of 480 M.G.D. In 1966, this Plant was expanded by 50% which increased its capacity by 240 M.G.D. to its current rated capacity. This Plant serves the City south of 39th Street and 50 suburban communities. The Capital Improvements Program is \$16,974,000 which primarily is budgeted for modernizing this Plant.

(c) Water Distribution.

The water distribution system consists of over 4,200 miles of water mains and 46,000 fire hydrants and valves. Its Capital Improvements Program is \$98,020,000.

(d) Meters.

The Capital Improvements Program includes \$1,293,000 for the purchase of new meters. This represents an effort to retire aged and obsolete metering facilities and to insure accurate measurement of all water delivered through meters.

(e) Pumping Station Operations.

There are five steam and six electric pumping stations and 65 miles of tunnels in the Water System. The capital improvements for the facilities are programmed to be \$70,958,000 of which the primary improvement will be for the extension of the 79th Street tunnel.

In the opinion of the Consulting Engineer, (a) the Capital Improvements Program for the Water System is reasonable and compares favorably to other similar water systems and (b) the Capital Improvements Program is adequate to both maintain the Water System in excellent condition and reduce costs through improvements to the Water System where such improvements are feasible.

The Water System Service Area.

Service Area.

The Water System supplies water to a service area of approximately 599 square miles. The City accounts for approximately 228 square miles of this service area and the 95 suburban municipal customers currently supplied account for approximately 371 square miles. The 95 suburban municipal customers served in 1988 accounted for 23% of the water pumpage and 35% of the net water sales of the Water System for 1988.

Twenty-four suburbs acting through the Du Page Water Commission have contracted with the City to become customers of the Water System in the future. Service to these 24 suburbs will add another 140 square miles to the Water System's service area, increasing it by 24% to approximately 743 square miles. The Water Department anticipates initiating water service to these 24 suburbs by mid-1992, subject to anticipated completion of the Du Page Water Commission facilities. The projections of operations contained in this Official Statement include projections related to the provision of water services to these additional suburbs.

The Water Department will be able to supply water to the Du Page Water Commission with existing facilities and does not expect to incur any substantial capital costs in providing such service. The Du Page Water Commission is responsible for the construction of pumping, water retention and related facilities at delivery points just within the City's territorial limits. These additional facilities will be acquired by the City from the Du Page Water Commission over time through a credit for a portion of charges for water purchased

by the suburbs under their contracts. The City treats the obligations under the contract with the Du Page Water Commission as liabilities of the Water System payable solely from the credits described above. The amounts of these credits are not treated as Gross Revenues under the Bond Ordinance.

Also included in the service area are seven suburbs (Elk Grove Village, Hanover Park, Hoffman Estates, Mount Prospect, Rolling Meadows, Schaumburg and Streamwood) which formed the Northwest Suburban Municipal Joint Action Water Agency ("J.A.W.A.") which have built facilities necessary to obtain water from the City. These facilities are being acquired by the City from J.A.W.A. over time through a credit for a portion of charges for water purchased by J.A.W.A. under their contract. The City treats the obligations under the contract with J.A.W.A. as liabilities of the Water System payable solely from the credits described above. The amounts of these credits are not treated as Gross Revenues under the Bond Ordinance.

Water System Service Area.
(Square Miles)

(Current And Forecasted)

Area Description.

City	228.13	
Current 95 Suburbs ¹	<u>370.76</u>	
Subtotal:		598.89
24 Suburbs ¹ under contract but not currently served ²	<u>143.63</u>	
Subtotal:		<u>143.63</u>
TOTAL:		<u>742.52</u>

¹ For a listing of these suburbs, see Appendix A -- Consulting Engineer's Report.

² These suburbs, all a part of the Du Page Water Commission, now depend on groundwater.

Water Accounts.

As of December 31, 1988, the Water System supplied 492,599 accounts. Of these, 338,370 were non-metered and 154,229 were metered. The number of non-metered accounts exceeds the number of metered accounts because all single and two-family dwellings within the City were non-metered accounts prior to 1982. However, pursuant to a City ordinance adopted in 1982, all new accounts, regardless of character, and all new services to existing accounts are required to be metered. All suburban customers (primarily municipal corporations) are metered. The following table reflects the total accounts of the Water System, non-metered and metered:

Year Ended December 31,	Non-metered	Metered	Total
1981	343,614	152,881	496,495
1982	343,729	152,325	496,054
1983	340,981	150,740	491,721
1984	340,305	151,972	492,277
1985	339,357	152,331	491,688
1986	339,267	152,531	491,798
1987	338,862	152,599	491,461
1988	338,370	154,229	492,599

In the opinion of the Water Department there has been no material change in the numbers of such accounts during 1989. As of November 21, 1989, the Consulting Engineer estimates that the City has approximately 155,397 meters in service, ranging from 5/8 inch to 16 inch.

Combined, there are no large industrial or commercial users that account for more than 5% of water sales.

Suburban Customers.

The Water Department's relationships with its suburban customers are based on contract and the statute under which the Metropolitan Water Reclamation District of Greater Chicago (the "Water Reclamation District"), formerly known as the Metropolitan

Sanitary District of Greater Chicago, is organized and operates. Among other things, that statute requires the City to supply water at the City limits to any municipal corporation within or outside the Water Reclamation District at no greater price or charge than that applicable to similar large users in the City. See "Litigation".

The Water Department now serves 95 suburbs in the metropolitan Chicago region. The Water Department prefers to have standard contracts with suburban customers. The Water Department's standard contract is for a term of 10 years, renewable at the option of the suburb, and includes certain water supply and planning provisions, such as requiring suburbs to maintain storage capacity for a two-day supply of water and establishing the maximum rate at which suburbs may withdraw water from the Water Department's mains. The City has continued to supply water to those suburbs which have not yet renewed their contracts at the current water rate.

The contracts which the City has executed with J.A.W.A. and the Du Page Water Commission are substantially similar to each other, but are different from the standard contracts discussed above. These new contracts are for forty-year terms. J.A.W.A. has made, and the DuPage Water Commission is now making, substantial capital investments to connect with the Water System. J.A.W.A. was the Water Department's largest suburban customer with sales, net of credits described above, of \$8,295,077 during 1988. See "The Water System Service Area -- Service Area". The Department also estimates that the Du Page Water Commission will become the Department's largest suburban customer when the Water Department begins serving the Du Page Water Commission in mid-1992.

Since the City began serving suburbs in 1909, only one suburban customer has ever chosen to cease purchasing water from the City. The Department and the Consulting Engineer consider it unlikely that any current suburban customer will choose not to purchase water from the Water System, for the following reasons among others:

1. Their water systems are in place and it would require large capital investments for these customers to connect directly with Lake Michigan or to connect to another system capable of supplying them with water from Lake Michigan.
2. The Water System provides a reliable, high quality supply of water to its suburban customers.
3. The present demand on available groundwater exceeds its potential yield thereby reducing its reliability as a long-term source of water supply.
4. The quality of Lake Michigan water is superior to local groundwater.

Listed below are the Water Department's ten largest suburban customers in 1988. Due to submetering, several of these suburbs supply one or more other suburbs. In 1988, 48 of the Water Department's 95 suburban customers were served through the Water Department's ten largest suburban customers and accounted for 19% of net water sales.

Customer	Amount Of Net Sales
Northwest Suburban Municipal Joint Action Water Agency (J.A. W.A.)	\$8,295,077 ¹
Oak Lawn	5,435,911
Melrose Park	4,135,469
Cicero	3,354,741
Bedford Park	3,253,236
Harvey	3,211,761
McCook	2,369,618
Des Plaines	2,172,965
Alsip	1,926,447
Oak Park	<u>1,844,611</u>
	<u>\$35,999,836</u>

¹ J.A. W.A.'s total is based on net sales less applicable credits under the J.A. W.A. contract.

Water Pumpage.

During 1988 the Water System pumped a total of approximately 400 billion gallons of water. This level of water pumpage was the highest ever and was primarily due to a drought in that summer. Because the Water System supplies water to non-metered customers and certain exempt users, many of which are also not metered, it is impossible for the Water Department to account exactly for its total system pumpage. However, the Water Department estimates that approximately 32% of the Water System's total pumpage is presently consumed through non-revenue producing uses. Such non-revenue producing uses include water provided to public buildings and charitable users, water used through fire hydrants, water lost through under-registration of meters, water lost through system leakage and other unaccounted-for-flows. Of the water pumped in 1988, 23% was supplied to the suburbs. The Water System's revenues are derived from collections from its metered and non-metered customer accounts. In 1988, revenues were derived from general classifications of customers approximately as follows: City industrial and commercial (29%); City residential (36%); and suburban (35%). When the City begins service to the DuPage Water Commission, there will be a substantial increase in the revenues derived from suburban customers.

The forecast in the table set forth below is based on the assumption that the demand for water by City customers will remain static at a level which adheres closely to the City's proposed Lake Michigan allocation and the demand by suburban customers will increase in accordance with each suburb's proposed Lake Michigan allocation. The table shows total water pumped or expected to be pumped.

Water Pumpage to City and Suburbs
(In Millions of Gallons)

<u>Year</u>	<u>City</u>	<u>Suburbs</u>	<u>Total</u>	<u>No. of Suburbs</u>
Historical				
1980	290,216	67,372	357,588	75
1981	277,101	65,775	342,876	75
1982	282,863	64,044	346,907	77
1983	285,100	63,948	349,048	79
1984	289,970	67,928	357,898	84
1985	288,749	70,070	358,819	90
1986	296,596	76,636	373,232	94
1987	298,501	82,300	380,801	95
1988	309,344	90,663	400,007	95
Forecast				
1989	298,684	80,560	379,244	95
1990	299,275	81,372	380,647	95
1991	299,735	82,004	381,739	95
1992	300,196	90,270	390,466	106
1993	300,661	110,471	411,132	118

As the table below indicates, for the past seven years the Water System's maximum daily pumpage ranged from 62% to 78% of the Water System's capacity. This indicates that the Water System has the capacity to serve the additional anticipated customers. A pumping station is being constructed by the DuPage Water Commission which will be sufficient for the demand of the 24 suburbs within the DuPage Water Commission.

Water System Pumpage and Capacity

<u>Year</u>	<u>Total Pumpage (MG)</u>	<u>Average Daily Pumpage (MGD)</u>	<u>Maximum Days Pumpage (MGD)</u>	<u>System's Rated Pumpage Capacity (MGD)</u>	<u>Maximum Pumpage as % of Capacity</u>
1980	357,588	980	1,639	2,160	76%
1981	342,876	939	1,456	2,160	67%
1982	346,907	950	1,346	2,160	62%
1983	349,048	956	1,507	2,160	70%
1984	357,898	980	1,595	2,160	74%
1985	358,819	983	1,436	2,160	66%
1986	373,232	1023	1,682	2,160	78%
1987	380,801	1043	1,620	2,160	75%
1988	400,007	1093	1,678	2,160	78%

Lake Michigan Allocations

Diversion of water from Lake Michigan began in 1900 when the flow of the Chicago River was reversed. In 1922 the State of Wisconsin filed the first lawsuit relating to the diversion of Lake Michigan water at Chicago. The United States Supreme Court referred the case to a Special Master and a decree was issued in 1930 which allowed the State of Illinois to divert 6,500 cubic feet per

second ("cfs") until 1938 and 1,500 cfs thereafter. Water pumpage for potable water supply use was not chargeable to the amounts allowed for diversion under the decree. In 1957 the State of Wisconsin again filed suit in the United States Supreme Court. The suit led to the appointment of a Special Master and the resultant 1967 decree, based on the Special Master's findings, restricted the State of Illinois from diverting more than 3,200 cfs. This limitation on diversion included water pumpage for potable water supply.

In 1980 the State of Illinois Department of Transportation ("IDOT"), which is the State Agency responsible for apportionment (Ill. Rev. Stat. ch. 19, ¶119, *et seq.*), published LMO 80-4 which allocated Lake Michigan water to 196 entities, including Chicago and the 75 suburbs that the City was supplying at that time. Since 1980, 20 additional suburbs that had received an allocation have begun purchasing water from the City, with seven of those coming on line through JAWA in 1986. The 24 suburbs with contracts to purchase water from the City have also received an allocation.

On November 22, 1989, IDOT entered its Order LMO 89-2 revising its Lake Michigan water allocation. This Order increases the City's allocation. This Order remains subject to motions for reconsideration or judicial appeal. The allocations as so ordered by IDOT are as follows:

**Revised Lake Michigan Allocation
to City and Suburbs¹
(MGD)**

<u>Year</u>	<u>Customers Presently Covered</u>			<u>24 Suburbs With Contracts Not Receiving Water</u>	<u>Total</u>	
	<u>Chicago</u>	<u>94 Suburbs²</u>	<u>Total</u>	<u>MGD</u>	<u>Suburbs</u>	
1989	777.6	220.7	998.3	78.0	1076.3	118
1990	819.9	222.9	1042.8	80.0	1122.8	118
1995	826.3	231.6	1057.9	89.0	1146.9	118
2000	833.3	238.3	1071.6	96.0	1167.6	118
2010	841.6	244.7	1086.3	102.0	1188.3	118
2020	846.3	253.0	1099.3	106.8	1206.1	118

¹ Allocations are rounded to tenths; actual allocations are specified to .001 MGD.

² Willowbrook allocation included in 24 Suburbs with contracts not receiving water.

An allocation of lake water may be modified or terminated in certain circumstances: (1) evidence of a substantial change in circumstances which results in a change in water needs; (2) violation of a permit condition or failure or neglect properly to utilize an allocation; (3) a determination that a total reallocation is necessary to best utilize the Lake Michigan diversion to preserve the health, safety and welfare of the Northeastern Illinois Metropolitan Region; or (4) a determination that needs for dilution in the Sanitary and Ship Canal have changed.

I.D.O.T.'s water allocation rules limit the amount of Lake Michigan Water that is lost, or for which a municipality cannot account. A municipality's "unaccounted-for-flows" are limited to 8% of total usage. The City has reported to I.D.O.T. that it estimates its unaccounted-for-flows to be 12% of usage.

In its Order LMO 89-2, I.D.O.T. ordered the City to take various steps to reduce its "unaccounted-for-flows" to the 8% limit. Among these steps so ordered is that the City require installation of water meters in previously unmetered accounts whenever the property is transferred. The City is also ordered to submit to I.D.O.T. within the year "a report that outlines a plan of action to meter all unmetered accounts over a ten-year period", with an analysis of the cost and effectiveness of such a plan.

The City is presently considering what steps to take in respect of the Order, including whether to seek further I.D.O.T. consideration and whether to seek judicial review.

The City estimates that the costs of metering all accounts would be substantial. The City is presently unable to project what, if any, impact there would be on the Water Fund if accounts are so required to be metered, or what alternative means would be used to pay for the cost of metering. The City's projections of Water Fund revenues and expenses set forth in this Official Statement do not make provisions for any possible impact of the Order LMO 89-2.

I.D.O.T. is planning to revise the allocations published in Order LMO 80-4. A February 27, 1989, I.D.O.T. publication listed the proposed new allocations and since the publication there have been several changes which the Consulting Engineer has obtained from I.D.O.T. The forecasts of future water requirements, upon which future revenues were calculated, did not exceed the proposed allocations. The total proposed allocations for Chicago and the suburbs are higher than the 1980 allocations.

Financial Operations.

Rates, Fees And Users.

The Water Fund is self-supporting and receives no share of any state or local property or income taxes. Revenues from the sale of water provide for the operation, maintenance and debt service of the Water System.

Water rates are set by City ordinance. No regulation by any administrative agency applies to City water rates.

Payment on both metered and non-metered accounts is due 21 days after billing date. If payment is received within 21-day period, a 2-1/2% discount is allowed on the water charge. A proposed ordinance is pending to allow the Water Department to begin to charge, beginning in 1990, a one and one-half percent (1-1/2%) per month penalty on all accounts which are over 21 days due. See "Financial-Operations -- Collections and Delinquencies" for further discussions on the treatment of such accounts.

The present water rate for metered accounts, in effect since May 1, 1989, is \$6.86 per thousand cubic feet or 91.7 cents per thousand gallons, and, if paid within 21 days, is \$6.69 per thousand cubic feet, or 89.4 cents per thousand gallons. The assessment of non-metered users is based on a formula primarily involving the front width of the building and the number of stories therein plus a charge for an outside hose connection plus extra charges for large water-using devices such as water-cooled air conditioners.

The metered water rate is applicable to the 95 suburbs presently served by the Water System and the 24 other suburbs that will be served by the Water System. See "Litigation". The J.A.W.A. agreement has a "buy back" provision for certain capital facilities constructed by J.A.W.A. within the City's corporate boundaries. The effect of that agreement reduces the rates charged by the City by 12% up to a minimum contract amount which is 7,300 million gallons per year through the year 1990, 8,030 million gallons per year 1991 through 1995, 8,760 million gallons per year 1996 through 2000, 9,125 million gallons per year 2001 through 2005, 9,490 million gallons per year 2006 through 2010, 9,855 million gallons per year 2011 through 2015 and by 25% for all water used over the contractual minimum amount until the capital improvements are paid for. The Du Page Water Commission agreement also has a "buy back" provision for certain capital facilities constructed by Du Page Water Commission within the City's corporate boundaries. The effect of that agreement reduces the rates charged by the City by 20% for all water used until the capital improvements are paid.

Whenever projected Net Revenues will not be sufficient to comply with the rate covenant in the Bond Ordinance, the Water Department is required, after consultation with the Office of Budget and Management of the City and the Comptroller and, when appropriate, a qualified independent Consulting Engineer, to recommend appropriate action to comply with the rate covenant.

A water rate increase would then be recommended by the Commissioner to the Budget Director. Upon review of each rate increase, the Budget Director in turn recommends the rate increase to the Mayor. The Mayor, thereafter, proposes such rate increase to the City Council for its consideration and the City Council in turn must approve the rate increase for it to become effective.

Recent Water Rate Increases.

Since January 1, 1977, the Water System has had four rate increases. The water rate increase which became effective in January, 1977 represented a 21% increase. The water rate increase which became effective in May, 1981 represented a 51% increase. The water rate increase which became effective in May, 1985 represented an 11% increase. The water rate increase which became effective in May of 1989 represented a 16% increase.

Recent Water Rate History

Date Effective	Gross Water Rate		Net Water Rate ¹	
	1,000 Cubic Feet	1,000 Gallons	1,000 Cubic Feet	1,000 Gallons
January 1, 1977	\$3.52	47.1c	\$3.43	45.8c
May 1, 1981	\$5.32	71.1c	\$5.19	69.4c
May 1, 1985	\$5.91	79.0c	\$5.77	77.1c
May 1, 1989 ²	\$6.86	91.7c	\$6.69	89.4c

¹ Reflects 2-1/2% discount for paying within 21 days.

² Current metered water rate.

Distribution Of Revenues By Type Of Account.

The following table identifies the approximate percentage distributions of revenues by type of account for the years 1980 to 1988:

Year	City Service Area					Total
	Residential		Total	Industrial and Commercial	Suburban Service Area	
	Metered	Non-Metered				
1980	16 %	22 %	38 %	34 %	28 %	100%
1981	16	23	39	34	27	100
1982	16	23	39	33	28	100
1983	16	23	39	32	29	100
1984	16	23	39	32	29	100
1985	17	22	39	31	30	100
1986	17	21	38	31	31	100
1987	16	21	37	30	33	100
1988	16	20	36	29 ¹	35	100

¹ Combined, the ten largest industrial and commercial customers account for less than 5% of 1988 water sales.

Annual Budget Review and Implementation of Annual Budget,

The Water Department's annual budget is developed and implemented along with the City's annual budget. The Water Department's proposed annual budget is based upon an analysis of its Operation and Maintenance Costs for the previous 18 months. The results of this analysis are used to project the Water Department's revenue requirements for the succeeding fiscal year. The Water System's revenue requirements must satisfy its rate covenants. The Water Department reviews its water usage charges and determines whether they will be adequate to meet projected revenue requirements. If necessary, proposed rate increases will be included in the Water Department's proposed annual budget.

Once the Water Department has finalized its proposed annual budget, the Commissioner recommends it to the Budget Director. The Budget Director considers the Water Department's proposed budget along with the proposed annual budgets recommended and submitted by all of the other departments, agencies, etc. whose budgets become part of the City's proposed annual budget. The Budget Director reviews each recommended budget with the respective commissioner. In the case of the Water Department's budget, the Director and the Commissioner will review each item of the budget and the Commissioner will be called upon to explain and justify such items. When the Budget Director approves all of the proposed budgets, they are recommended to the Mayor.

The Mayor, along with the Budget Director, reviews each proposed budget and then confers with the respective commissioners. After conferring with the commissioners and the Budget Director, the Mayor recommends these separate budgets as the City's entire annual budget to the City Council.

Once the City Council receives the proposed City budget, the City Council refers it to its Committee on Budget. The Committee on Budget holds public hearings which include testimony by the commissioners, the Budget Director and the Comptroller. The Comptroller's participation in these hearings is necessary since the Comptroller is responsible for implementing the City's budget once the City Council has approved it.

The City's proposed budget may be changed by the Committee on Budget or the members of the City Council. However, when the City Council has approved the proposed annual budget as the annual appropriation ordinance, it is forwarded to the Mayor for approval.

Should the Mayor veto the approved annual appropriation ordinance, the City Council with a two-thirds vote may override the veto. The City Council may also refuse to approve the Mayor's proposed annual budget. In such a case, the appropriate process for passage of the City budget may have to be judicially determined. The Executive Budget for 1990 has been submitted to the City Council. Hearings are currently being held on the budget. By law, the City budget for 1990 must be approved by December 31, 1989.

During the fiscal year, the Comptroller allocates certain funds to meet debt service requirements and central services and general fund reimbursements. The Budget Director uses the system to manage each department's expenditures against its respective annual appropriation. The Budget Director requires departments to submit quarterly allotment budgets which the Budget Director, in turn, monitors. Should any department's expenditures exceed its receipt of revenues, the Budget Director through the quarterly budget allotment procedure has the authority to institute economy-saving measures against such department to insure that its expenditures do not exceed or outpace its revenue collection. Under this procedure, during 1988 there was no restriction in the Water Department's quarterly expenditures.

Historical Operations.

Following are the Water Fund's statements of operations as summarized from the audited financial statements of the Water Fund for the years ended December 31, 1984 through December 31, 1988.

Statements of Historical Operations
(in thousands)

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Total Operating Revenue	\$161,384	\$172,732	\$185,575	\$186,086	\$191,111
Operating Expenses:					
Source of Supply	728	662	707	1,080	797
Power and Pumping	28,844	29,415	30,410	33,669	31,161
Purification	24,653	21,058	25,822	27,734	25,885
Transmission & Distribution	32,909	34,225	37,235	38,139	42,556
Administration & General	39,840	42,282	44,968	48,291	49,606
Doubtful Accounts	<u>6,088</u>	<u>5,523</u>	<u>7,208</u>	<u>7,829</u>	<u>8,669</u>
Total Operating Expenses	<u>\$133,062</u>	<u>\$133,165</u>	<u>\$146,350</u>	<u>\$156,742</u>	<u>\$158,674</u>
Operating Income (before depreciation)	28,322	39,567	39,225	29,344	32,437
Interest Income (other than from Construction Account)	<u>2,855</u>	<u>2,816</u>	<u>3,942</u>	<u>4,373</u>	<u>4,082</u>
Net Revenues Available for Debt Service	<u>31,177</u>	<u>42,383</u>	<u>43,167</u>	<u>33,717</u>	<u>36,519</u>
Debt Service	<u>28,809</u>	<u>29,816</u>	<u>20,707</u>	<u>22,854</u>	<u>23,337</u>
Actual Coverage	<u>1.05x¹</u>	<u>1.42x</u>	<u>2.08x</u>	<u>1.48x</u>	<u>1.47x</u>

1 Prior to issuance of the Series 1986 Bonds, the debt service coverage requirement for the Water Fund was 1.00x.

The increases in operating revenues during 1985 were due primarily to a water rate increase of 11% which was approved by City Council in December, 1984 and became effective on May 1, 1985. The first full year of water sales with the 11% increase in effect was 1986. The increase in operating revenues in 1988 was largely due to drought conditions during that summer. Operating revenues were also affected by other factors such as the number of customers served and their respective water usage habits, water conservation programs and weather conditions during the period.

Between the years of 1984 to 1988; 1985 to 1988; 1986 to 1988 and 1987 to 1988, the operation and maintenance expenses of the Water Department increased at a compounded rate of 4.5%, 6.0%, 4.4% and 1.2%, respectively. A substantial portion of these increases was related to employee compensation including such fringe benefits as pensions, earned vacation pay, workmen's compensation, life insurance and dental insurance. Other notable causes of increased operating expenses included significant increases in the cost of energy to pump and chemicals to treat water.

The provision for doubtful accounts is dependent largely on factors which affect collections, such as customer response to water rate increases and general economic conditions.

Collections And Delinquencies.

Payments on both metered and non-metered accounts are due 21 days from the date of the water bill. A 2-1/2% discount is allowed for any water bill that is paid before the 21st day. An account is considered delinquent if a water bill is not paid within such 21-day period. A proposed ordinance is pending which will allow the Water Department to collect a one and one-half percent (1-1/2%) per month penalty on all accounts which are over 21 days due.

The Water Department bills large industrial accounts and suburban accounts each month except for J.A.W.A., which is billed quarterly. The Water Department does not mail these metered accounts delinquency notices if such accounts are delinquent because of their short billing period. However, the Water Department will send a bill collector out to collect the balance due or to shut off the water service whenever an account is in arrears by \$300 for all metered accounts and \$1,000 for all non-metered accounts which have not been transferred to a collection agency.

The Water Department bills the metered commercial and metered City residential accounts once every two months. Delinquency notices are sent to these customers whenever their account becomes 14 days delinquent. The Water Department's policy is to shut off their water service at any time when their account is in arrears by \$500 or more.

Non-metered accounts are billed once every 6 months. Delinquency notices are sent to these customers whenever their accounts become 14 days, 35 days, and 56 days delinquent. In January, 1985 the Water Department instituted a program of retaining collection agencies to assist in the collection of past due non-metered accounts.

Delinquent amounts due for water service charges which were billed but not paid as of June 30, 1989 were approximately \$51,823,220. This amount is a cumulative amount of doubtful accounts over several years. The Water Department is in the process of installing a computerized system for the aging of accounts receivable as well as instituting other improvements in the billing system, described below.

Due to the concern for public safety, the Water Department makes every effort to collect delinquent accounts rather than shut their water service off. Pursuant to law, water services will not be shut off during cold weather.

On August 9, 1989, a program to improve collection of overdue water and sewer bills was initiated. Delinquent accounts, both residential and commercial, were targeted for legal action, including intent to file liens, filing liens, obtaining personal judgments and foreclosures. As of November 1, 1989, this process has collected an estimated \$540,000 from these targeted properties.

In 1989, an automated lien process program was initiated. The result will be the ongoing distribution of intent to file lien notices and actual filing of a lien against the delinquent customer. The next step, if necessary, will be foreclosure notices. There are approximately 18,000 active water/sewer accounts which are delinquent in amounts exceeding \$300. All of these accounts will be targeted in the automated lien process. A conservative estimate of improved collections due to the automated lien process is \$1,200,000 for 1990.

By ordinance of the City Council, a transfer of residential property cannot be recorded unless the Water Department certifies that all water service charges with respect to such property have been paid in full.

The annual amounts of net water sales and cash collected from current and prior years' billings are included in the table below. During the period of five years ended December 31, 1988, total cash collected by the Water Department averaged approximately 96.3% of aggregate net water sales.

Year	New Water Sales	Cash Collected During Year For Current And Prior Years' Sale
1984	\$160,236,336	\$154,224,731
1985	171,768,230	166,461,956
1986	183,543,188	173,741,254
1987	184,376,602	177,397,697
1988	<u>188,987,230</u>	<u>183,766,611</u>
TOTALS:	<u>\$888,911,586</u>	<u>\$855,592,245</u>

Projected Operations.

Following are the principal assumptions used by the Consulting Engineer in projecting the Water System's operating results for the years 1989 through 1994. See Appendix A -- Consulting Engineer's Report.

In projecting the Department's operating results for the years 1989 through 1994, over 98% of the operating revenues of the Water System are forecast to come from the sale of water. Operating revenues from water sales were derived from metered accounts and non-metered accounts. Rates throughout the forecast period were assumed to be those currently in effect.

For the projected operating results, the number of non-metered accounts used was 338,000. Forecasted income from non-metered accounts was based on \$135.50 per account for the years 1990 through 1993.

It was assumed that water usage billed through meters in the City will remain relatively constant throughout the projection period and, therefore, that future operating revenues from such sales will also remain relatively constant.

It is anticipated that the Water System will pump 379,244 million gallons of water in 1989; 380,647 million gallons of water in 1990; 381,739 million gallons of water in 1991; 390,466 million gallons of water in 1992; 411,132 million gallons of water in 1993. This forecast is based on the assumption that the demand for water by City customers and suburban customers will increase in proportion with their proposed Lake Michigan allocation.

Operation and maintenance expenses, except Central Services and General Fund Reimbursement for the years 1989 through 1993, have been increased at the compounded rate of 5% plus \$722,000 and \$2,723,000 in the years 1992 and 1993, respectively, for supplying water to the 24 Du Page Water Commission suburbs.

Revenue Requirements And Funding Of Capital Improvements Program.

The Water Department's Consulting Engineer maintains the financial planning capability to determine at any time the amount of revenue required to maintain acceptable levels of debt service coverage and to provide for the funding through 1992. Such analysis also evaluates the effect of funding the Water System capital improvements internally or through the issuance of Parity Bonds. See Appendix A -- Consulting Engineer's Report.

Comparison Of Water Charges.

Water charges are dependent upon the source of supply, the quality of water, the age of the system and policies regarding the charges to be included in water rates. For these

reasons, a comparison of water rates between cities is not a valid indicator of efficiency. Nevertheless, as a practical matter, there is general interest as to what another city is charging. The following table shows the City's rates in comparison to 20 major United States cities. As column (a) of this table indicates, the cost of water for the small user in the City is lower than in most cities listed. Columns (b) and (c) indicate that for moderate and large users the cost of water is, approximately, the median (i.e., in approximately half of the cities the costs are higher and, in approximately half, they are lower) for the 20 cities.

**Comparative Monthly Water Bills Of 20 Major
United States Cities¹.**

	(a) 5/8" Meter 1,000 C.F. \$/Month	(b) 2" Meter 50,000 C.F. \$/Month	(c) 4" Meter 1,000,000 C.F. \$/Month
Baltimore	5.93	147.82	2,522.82
Boston	8.82	445.97	8,983.07
Chicago ²	6.69	334.50	6,690.00
Cleveland	6.23	335.46	6,738.46
Columbus	9.09	334.03	5,905.33
Dallas	9.35 (S)(W)	314.70 (S) 275.21 (W)	5,270.20 (S)(W)
Denver	8.36	207.64	3,517.00

Note: C.F. = cubic feet

¹ Source: Arthur Young, 1988 National Water and Wastewater Rate Survey as of the first quarter of 1987.

² Gross water rate (\$6.86) per 1,000 cubic feet as of May 1, 1989. Net water rate is \$6.69 per 1,000 cubic feet as of May 1, 1989.

S Summer Rate

W Winter Rate

Detroit	4.77	175.89	3,077.49
Indianapolis ³	12.85	404.30	4,469.75
Jacksonville	9.40	211.00	2,847.00
Los Angeles	11.23 (S)	464.30 (S)	9,112.30 (S)
	10.20 (W)	412.80 (W)	8,082.30 (W)
Memphis	5.62	225.06	2,877.59
New Orleans	16.53	628.16	9,847.60
New York	8.10	405.00	8,100.00
Philadelphia	11.53	377.08	6,477.97
San Diego	11.81	486.34	9,398.74
San Francisco	6.60	256.50	5,101.50
Seattle	7.55	178.40	3,493.40
St. Louis ³	8.99	386.27	4,962.32
Washington, D.C.	10.04	502.00	10,040.00

³ Investor-Owned

S Summer Rate

W Winter Rate

Litigation.

The City was a defendant in a lawsuit filed by 52 suburban municipalities, captioned *Village of Niles, et al. v. City of Chicago*, which alleged that the City's water rates were arbitrary, unreasonable and discriminatory as applied to them. The amended complaint was dismissed by the Circuit Court of Cook County on the basis of law only. The Illinois

Appellate Court reversed and remanded the case to the Circuit Court and ordered a full trial on the merits. The amended complaint and a supplemental complaint filed March 6, 1981 sought, inter alia, an injunction preventing the City from collecting allegedly discriminatory water rates and an accounting (and thus a return) of \$60,000,000 in allegedly discriminatory water rates collected from plaintiffs during the years 1974 through 1980 and any similar amounts collected thereafter. The City filed an answer to the amended and supplemental complaints. On April 27, 1981, the Circuit Court denied the plaintiffs' request to certify the lawsuit as a class action on behalf of all municipalities within the Sanitary District receiving water from Lake Michigan through the City's water system. The plaintiffs further petitioned for injunctive relief to prevent the City from collecting from them increased water charges pursuant to rate increases in 1981 and 1985. Both petitions were denied. After a trial on the merits, the Circuit Court, on November 20, 1986, held that the plaintiffs failed to establish that the water rates charged by the City were unjustly discriminatory, unreasonable or excessive as to them and denied their claim for relief. The plaintiffs filed a notice of appeal to the Illinois Appellate Court on June 2, 1987. Briefing should be completed by approximately February of 1990.

The City is a defendant in a lawsuit in the Circuit Court of Cook County in 1982, captioned *Wilder, et al. v. City of Chicago*. This is a class action brought by a non-metered water user claiming that she overpaid because the City incorrectly calculated her water bill and that the City does not charge non-metered water users only for actual water used. Most of the single-family homes and two-flats in the City do not have water meters (approximately 340,000 non-metered water accounts out of a total of 490,000 water accounts). Plaintiff does not challenge the water rate itself. A class was certified on October 28, 1986, and the case is in the preliminary stages of discovery. In November, 1986, plaintiff made a settlement demand of approximately \$4,000,000. In August, 1989, plaintiff's motion for partial summary judgment was denied. The City believes that the water rates being charged the plaintiff are fair and nondiscriminatory and intends to contest vigorously the plaintiff's claims. In the opinion of the Corporation Counsel, the City has substantial defenses to the claims presented.

The City was a defendant in a lawsuit filed in the Circuit Court of Cook County in 1984, captioned *Bobrowicz, et al. v. City of Chicago*. This was a class action suit filed on behalf of persons in unincorporated areas of the Chicago metropolitan area who purchased City water from municipalities and other non-resident customers, who in turn purchase their water from the City. Past water contracts with these municipalities and non-resident customers required a 50% surcharge to be added to the water bills for consumers in the unincorporated areas and for that surcharge to be paid to the City. Estimates of the total surcharge for the years 1980 -- 1985 range from approximately \$1,400,000 to \$2,400,000. On October 14, 1986, the Circuit Court found that the 50% surcharge resulted in an excessive charge to the plaintiffs in violation of the Sanitary District Act. On March 16, 1988, the Illinois Appellate Court upheld the Circuit Court's decision. In 1989, the City's petition for leave to appeal to the Illinois Supreme Court was denied. In accordance with a Circuit Court order, the City deposited \$2,350,000 in escrow for class claimants in July, 1989, and is presently engaged in discovery to determine the identities of class claimants and the amounts of their individual claims.

The City, like other large municipalities, is involved in various litigation relating principally to claims arising from contracts, personal injury, property damage, tax claims,

police conduct and other matters. However, there is neither litigation pending nor, to the best of the City's knowledge, threatened, seeking to restrain, enjoin or adversely affect the issuance or delivery of the Series 1989 Bonds or, except as disclosed herein, the collection, pledge or application of any moneys or security provided for the payment of the Series 1989 Bonds.

Financial Statements.

The financial statements included as Appendix B to this Official Statement have been incorporated in this Official Statement in reliance upon the report of Touche Ross & Co., independent certified accountants, appearing therein and upon the authority of said firm as experts in accounting and auditing.

Engineering.

The Department has retained Alvord, Burdick & Howson, independent Consulting Engineers, to develop several reports and studies relating to the Water System and certain financial matters. Appendix A has been prepared by such firm and is included herein in reliance upon the authority of such firm as experts in engineering and related financial matters.

Series 1989 Bonds As Legal Investments.

The Series 1989 Bonds constitute legal investments in the State of Illinois for state banks and insurance companies. The Series 1989 Bonds also constitute legal investments for trustees if the applicable prudent investor standard is met, and for state funds if such investment is approved by the Governor.

Tax Exemption.

In the opinions of Co-Bond Counsel, interest on the Series 1989 Bonds under present law is not included in "gross income" for federal income tax purposes, and thus is exempt from federal income taxes based on gross income. This opinion is subject to compliance by the City with its covenant described below.

Certain requirements must be met in order for the interest on the Series 1989 Bonds to be not included in gross income for federal income tax purposes. These requirements relate to the use and investment of various proceeds and funds of the City in connection with the Series 1989 Bonds and the use of property financed by the Series 1989 Bonds. The City has covenanted to comply with all of these requirements. If the City were to fail to comply with these requirements, interest on the Series 1989 Bonds could become included in gross

income for federal income tax purposes retroactively to the date the Series 1989 Bonds are issued.

Co-Bond Counsel are also of the opinion that interest on the Series 1989 Bonds is not an item of tax preference for purposes of computation of the alternative minimum tax for individuals or corporations. Interest on the Series 1989 Bonds is, however, included in "book income" and "earnings and profits" of certain corporations and this may be taken into account in calculation of the alternative minimum tax for those corporations. Interest on the Series 1989 Bonds may also be taken into account in calculating federal income taxes based in whole or in part on "book income" or "earnings and profits" for certain corporations, such as the branch profits tax and the environmental tax.

Ownership of the Series 1989 Bonds may result in collateral Federal income tax consequences to certain taxpayers, including, without limitation, certain institutions, certain insurance companies, certain S Corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Series 1989 Bonds should consult their tax advisor as to applicability of any of those collateral consequences.

An opinion of Co-Bond Counsel will also be delivered at or prior to the initial issuance and delivery of Series 1989 Bonds relating to original issue discount and Capital Appreciation Series 1989 Bonds, in substantially the form attached to this Official Statement as Appendix F.

Certain Legal Matters.

Legal matters incident to the authorization and issuance of the Series 1989 Bonds are subject to the approving opinion of Schiff Hardin & Waite, Chicago, Illinois and Haggerty, Koenig & Hill, Chicago, Illinois, Co-Bond Counsel. The proposed form of their opinion is included herein as Appendix D. Certain legal matters will be passed upon for the City by its Corporation Counsel and for the Underwriters by their counsel, Rudnik & Wolfe, Chicago, Illinois and Maria C. Cabrera, Esq., Chicago, Illinois.

Requirements Of Florida's

Department Of Banking And Finance.

Regulations of the Florida Department of Banking and Finance require that offering circulars for state and local government bonds sold in initial offerings to the general public in Florida set forth detailed information about any bonds of the issuer which are in default (whether or not the default relates to the bonds being sold). Information which is believed not to be material may, nevertheless, be deleted if the reason for the deletion is set forth in the offering circular. The City has outstanding \$101 Million in aggregate principal amount of Calumet Skyway Toll Bridge Revenue Bonds (the "Skyway Bonds"), which were

issued in 1955 and 1957 to finance construction of an elevated tollway linking the City to the Indiana Toll Road (the "Skyway"). The documents pursuant to which the Skyway Bonds were issued provide that the Skyway Bonds are payable solely from the Net Revenues of the Skyway. Although Skyway Net Revenues have been insufficient in the past to enable interest on the Skyway Bonds to be paid on a current basis, the City has been paying interest on a current basis on the Skyway Bonds since July 1, 1989. No scheduled sinking fund redemptions of the Skyway Bonds have been made, and no deposits have been made for such purpose. The Skyway Bonds mature in 1995. Further details concerning the Skyway Bonds and litigation concerning them are available from the City; however, that detailed information, in the view of the City, is not material to the sale of the Series 1989 Bonds.

In addition, the City has issued industrial development bonds for the benefit of private users that are payable primarily or entirely from payments made by such users. The City makes no representations as to whether or not any such industrial development bonds are in default; but, in the view of the City, disclosure of defaults of industrial development bonds, if any, would not be appropriate or material to the sale of the Series 1989 Bonds, which are payable from a source of revenue entirely separate from the sources of revenue from which the industrial development bonds are payable.

Underwriting.

The Underwriters have agreed, subject to certain conditions, to purchase the Series 1989 Bonds from the City at a price of \$_____, an amount which is \$_____ less than the initial public offering prices set forth on the cover page of this Official Statement, plus accrued interest on Current Interest Series 1989 Bonds. The Series 1989 Bonds may be offered and sold by the Underwriters to certain dealers at prices lower than the initial public offering prices set forth on the cover page of this Official Statement and the public offering prices may be changed from time to time.

Ratings.

The City has applied for ratings on the Series 1989 Bonds from Moody's Investors Service, Incorporated and Standard & Poor's Corporation. A rating reflects only the view of the rating agency giving such rating. An explanation of the significance of such ratings may be obtained only from the respective rating agencies. Certain information and materials concerning the Series 1989 Bonds, the City and the Water System were furnished to the rating agencies by the City, the Consulting Engineer and others. There is no assurance that each such rating will be maintained for any given period of time or that one or both may not be raised, lowered or withdrawn entirely by the respective rating agency if, in its judgment, circumstances so warrant. Any change in or withdrawal of either such rating may have an effect on the price at which the Series 1989 Bonds may be resold.

Other Matters.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 1989 Bonds, the security for the payment of the Series 1989 Bonds and the rights and obligations of the Registered Owners thereof. Such documents may be examined, or copies thereof will be furnished, upon request to the Comptroller.

Any statements made in the Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Registered Owners or Beneficial Owners (as defined in the "Description Of The Series 1989 Bonds") of the Series 1989 Bonds.

[Signature form omitted for printing purposes.]

Appendix "A"

Alvord, Burdick & Howson

Engineers

20 North Wacker Drive, Suite 1401

Chicago, Illinois 60606

Tel.: (312) 236-9147 Telex: 936010 ABH Engrs.

Fax: 312-236-0692

John W. Alvord Charles B. Burdick Louis R. Howson
1861-1943 1874-1955 1887-1985

Wm. H. Richardson D. Thomas Lundy
Donald E. Eckmann George E. Neher

Dr. Ya Tai Lin Roy J. Paleta Robert F. Robertson

Services

Water Works, Water Purification
Waste Water Collection
Water Pollution Control
Flood Relief
Power Generation
Investigations, Reports and Plans
Construction and Operation Services
Appraisals and Rate Reports

Members

American Society of Civil Engineers
Western Society of Engineers
American Water Works Association
Chicago Association of Commerce
and Industry
American National Standards Institute
Water Pollution Control Federation
American Public Works Association

December 1, 1989.

Commissioner Samuel W. Hurley, Jr., P.E.
Department of Water
City of Chicago
1000 East Ohio Street
Chicago, Illinois 60611

Dear Commissioner Hurley:

We have been advised that the City of Chicago (the "City") is planning to issue \$80 Million of Water Revenue Bonds, Series 1989 (the "Series 1989 Bonds"). Approximately \$78 Million of the financing will be used with unencumbered amounts presently in the Department of Water's Construction Account and water fund surplus (Water Fund revenues remaining after payment of operation and maintenance costs, debt service and payments to maintain all reserve funds or accounts of the Water System) to finance the Water System's proposed capital improvements program through calendar year 1992. The remainder will be used to fund the cost of issuance. In accordance with your authorization,

we have reviewed the Water System and the proposed capital improvements program, forecasted operating revenue and expenses, and provided calculations showing the effect that the financing will have on future water revenue requirements.

This report required a considerable amount of operating and financial data which was provided in a concise and timely manner by the Department of Water (the "Department") and your financial consultants. We wish to acknowledge and thank you and your staff for providing information as we requested it.

Having completed our review, we present herewith our report.

History.

In 1852 the City purchased the Chicago City Hydraulic Company. In 1854 the system commenced operations as a municipal enterprise. Since 1854 the Water System has served as the sole source of water supply for the City. Under the provisions of the 1889 Sanitary District Act, as amended, the City is required to supply water at the Chicago city limits for any incorporated community located within or outside the Metropolitan Water Reclamation District of Greater Chicago (formerly the Metropolitan Sanitary District of Greater Chicago) at the same water rate applicable to similar large users in the City. A uniform water rate went into effect on January 1, 1907. The City has continued using that type of rate structure to the present time. In 1909 the City began its suburban service by supplying water to the Village of Burnham. The next two suburbs to receive water from the City were Cicero and Oak Park in 1910. Burnham, Cicero and Oak Park have been joined by other suburbs and in 1989 Chicago supplied water to a total of 95 suburbs.

Prior to 1912 none of the water supplied from the Water System was treated and periodic instances of water-related epidemics were common. By 1915 all of the water supplied was being chlorinated and outbreaks of waterborne diseases ceased to occur. Additional water treatment began in 1947 when the South Water Purification Plant was placed in operation. By 1964 the James W. Jardine Water Purification Plant had been completed. Since 1964 all customers of the Water System have received treated Lake Michigan water.

Description Of Facilities.

The South Water Purification Plant and the James W. Jardine Water Purification Plant are two of the world's largest water treatment facilities. They provide a continuous service capacity of 2,160 million gallons per day ("M.G.D."). The two plants are supplied from 4 cribs and 2 shore intakes; the 4 crib intakes are located in Lake Michigan 2 to 4 miles from shore (one of which is on standby service). Each plant is supplied by one shore intake. There are 11 pumping stations, 5 of which are steam and 6 electrically operated. The Water System has a total installed pumping capacity of 3,095 M.G.D. and safe pumping capacity (largest pump in each station out of service) of 2,385 M.G.D. The water is transported throughout the Water System by 65 miles of water supply tunnels. These tunnels are located 40 to 200 feet below the ground surface and range in size from 6 feet to

20 feet in diameter. The water is raised from the tunnels by the pumps in the 11 pumping stations and delivered to the customers through over 4,200 miles of water mains ranging in size from 4 inches to 60 inches in diameter.

The Department maintains a Class 1 rating, which is the highest rating that can be obtained from the Insurance Services Office, Inc. (formerly National Board of Fire Underwriters). This indicates the Water System meets the Insurance Services Office, Inc., requirements as to available quantity and dependability.

The treatment processes at the South Water Purification Plant and James W. Jardine Water Purification Plant consist of flocculation, coagulation, filtration, chlorination and activated carbon. Flouride is used to reduce cavities in children's teeth and lime and/or caustic soda, to stabilize the finished water and minimize the possible corrosion of metallic plumbing. The finished water leaving the plants is bacteriologically safe, stable and relatively soft in comparison to local ground water.

Service Area.

The Water System supplies water to a service area approximately 598.89 square miles consisting of approximately 228.13 square miles for the City and 370.76 square miles for the 95 suburbs.

The City has a contract to sell water to the Du Page Water Commission (D.W.C.). The D.W.C. has to construct an estimated \$347,763,000 of facilities to receive water from the City. According to the April 30, 1989 D.W.C. audit, a total of \$244,021,924 has been awarded in construction contracts of which there is a remaining commitment of \$97,113,84. Since that audit there have been an additional \$69,772,606 of contracts awarded for a total of \$313,794,530 in facilities constructed or under construction as of November 1, 1989. The last contract completion date is June 26, 1991. According to the engineers for D.W.C. the project is on schedule and within budget. The Department anticipates supplying the D.W.C. starting in mid-1992 with 100% supply by mid-1993.

Population Served.

The following table shows the census for the past three decades of the City and suburbs supplied water:

Population Of Service Area¹

Year	Chicago	Suburbs	Total	No. Of Suburbs Served
1950	3,620,962	517,000	4,137,962	48
1960	3,550,404	833,424	4,383,828	58
1970	3,369,357	1,127,446	4,496,803	72
1980	3,005,072	1,152,614	4,157,686	75

The Northeastern Illinois Planning Commission ("N.I.P.C.") a regional planning agency, has forecasted population changes through the year 2010 in each of the communities. As the following table indicates, based upon N.I.P.C.'s May, 1988 forecast, the population served by the Water System is projected to increase about one million (1,000,000) by the year 2010, primarily, as a result of adding to the Water System the 24 suburbs not presently served.

¹ Source of Population figures: United States Department of Commerce.

Population Served By The Water System.

	Historical <u>1980</u>	Projected <u>2010</u>
City	3,005,072	3,155,000
75 Suburbs (served 1980)	1,152,614	1,185,470
19 Suburbs (added since 1980)(2)	338,179	463,678
24 Suburbs (under D.W.C. contract but not presently served)	<u>(1)</u>	<u>724,799</u>
TOTAL:	4,495,865	5,528,947

Table 1 lists the 95 suburbs currently served by the Water System and the 24 D.W.C. suburbs with which the Department has a water supply contract.

(1) 487,879

(2) Willowbrook population which is partially serviced included in 24 D.W.C. suburban population where it will be completely served.

Table 1.

Chicago Water System.

Names Of Communities.

The 95 Suburbs Presently Receiving Water From Chicago.

Alsip	Evergreen Park	Lincolnwood	Phoenix
Bedford Park	Flossmoor	Lyons	Posen
Berkeley	Forest Park	Markham	Riverdale
Berwyn	Forest View	Matteson	River Forest
Blue Island	Franklin Park	Maywood	River Grove
Bridgeview	Garden Homes S. D.	McCook	Riverside
Broadview	Golf	Melrose Park	Robbins
Brookfield	Hanover Park	Merrionette Park	Rolling Meadows
Burnham	Harvey	Midlothian	Rosemont
Burr Ridge	Harwood Heights	Morton Grove	Schaumburg
Calumet City	Hazel Crest	Mount Prospect	Schiller Park
Calumet Park	Hickory Hills	Niles	South Holland
Central Stickney S. D.	Hillside	Norridge	South Stickney S. D.

Chicago Ridge	Hodgkins	Northlake	Stickney
Cicero	Hoffman Estates	North Riverside	Stone Park
Country Club Hills	Hometown	Oak Forest	Streamwood
Countryside	Homewood	Oak Lawn	Summit
Crestwood	Indian Head Park	Oak Park	Thornton
Des Plaines	Justice	Olympia Fields	Tinley Park
Dixmoor	LaGrange	Orland Park	Westchester
Dolton	LaGrange Highlands S. D.	Palos Heights	Westhaven
East Hazel Crest		Palos Hills	Willowbrook
Elk Grove Village	LaGrange Park	Palos Park	Willow Springs
Elmwood Park	Leyden Township	Park Ridge	Worth

The 24 D.W.C. Suburbs With Contract With The City Not
Receiving Water ⁽¹⁾.

Addison	Elmhurst	Naperville	Willowbrook
Bensenville	Glendale Heights	Oak Brook	Wood Dale
Bloomington	Glen Ellyn	Oakbrook Terrace	Woodridge
Carol Stream	Hinsdale	Roselle	
Clarendon Hills	Itasca	Villa Park	
Darien	Lisle	Westmont	
Downers Grove	Lombard	Wheaton	

(1) Willowbrook which is partially served now, will be completely served via the D.W.C.

Water Pumpage.

Lake Michigan is the source of supply for the Water System. It is the third largest of the Great Lakes and has a surface area of 22,400 square miles, an average depth of 276 feet and a total volume of 1,270,000 billion gallons. The Water System has a dependable and adequate raw water source to meet its demands at any time. Although the source of supply, as a physical matter, is unlimited, a United States Supreme Court decree restricts diversion from the lake. The diversion is regulated by Illinois Department of Transportation ("I.D.O.T.") Lake Michigan Allocation Order.

During 1988 the Water System pumped a total of 400,007 million gallons of water, 23% of which was supplied to the suburbs. Forecasts of water pumpage shown in the next table were based upon the 1989 proposed allocations. The forecasted increase in suburban pumpage between 1991 and 1993 is primarily due to the additon of 12 D.W.C. suburbs during the last half of 1992 and an additional 12 D.W.C. suburbs during the first half of 1993. The forecasted decrease in total pumpage between 1987 and 1989 is due to the forecast methodology, and the two higher pumpage years of 1987 and 1988. For purposes of estimating future revenues, we have forecasted that the number of metered and non-metered water accounts in the City will remain stable for the next several years and the water use of the suburbs will increase in proportion to the 1989 proposed Lake Michigan allocations.

Water Pumpage To Chicago And Suburbs.
(in millions of gallons)

Year Historical*	Chicago	Suburbs	Total	No. Of Suburbs
1980	290,216	67,372	357,588	75
1981	277,101	65,775	342,876	75
1982	282,863	64,044	346,907	77
1983	285,100	63,948	349,048	79
1984	289,970	67,928	357,898	84
1985	288,749	70,070	358,819	90

* Source: Department's records.

1986	296,596	76,636	373,232	94
1987	298,501	82,300	380,801	95
1988	309,344	90,663	400,007	95
Forecast**				
1989	298,684	80,560	379,244	95
1990	299,275	81,372	380,647	95
1991	299,735	82,004	381,739	95
1992	300,196	90,270	390,466	106
1993	300,661	110,471	411,132	118

Water Accounts.

As of December 31, 1988, the Department had 492,599 accounts of which 154,229 were metered and the remaining 338,370 were non-metered. The City is sometimes erroneously referred to as an unmetered City. Actually, we believe that Chicago sells more water through meters than any other city in the United States. All accounts are metered except for single and two-family homes. In 1982 Chapter 185, Section 185-21, of the Code of Chicago, amended, was passed by the City Council. This amendment requires water meters on all services to new buildings (including single or two-flat buildings) and on all new services to existing buildings in the City. An owner of an existing single or two-flat building in the City may at any time request that a meter be installed. The following table shows the historical number of metered and non-metered accounts:

** Based on proposed Lake Michigan water allocations.

Chicago Water Services.

Year	Non-Metered Accounts	Metered Accounts	Total
1980	345,160	153,219	498,379
1981	343,614	152,881	496,495
1982	343,729	152,325	496,054
1983	340,981	150,740	491,721
1984	340,305	151,972	492,277
1985	339,357	152,331	491,688
1986	339,267	152,531	491,798
1987	338,862	152,599	491,461
1988	338,370	154,229	492,599

As of November 21, 1989, the City has approximately 155,397 meters in service, ranging in size from 5/8 inches to 16 inches. For the past several years the City has been replacing meters with new and rebuilt ones at the rate of 8,500 meters per year.

Lake Michigan Allocations.

Diversion of water from Lake Michigan began in 1900 when the flow of the Chicago River was reversed. In 1922, the State of Wisconsin filed the first litigation relating to the diversion of Lake Michigan water at Chicago. The United States Supreme Court referred the case to a Special Master and a decree was issued in 1930 which allowed the State of Illinois to divert 6,500 cubic feet per second ("c.f.s.") until 1938 and only 1,500 c.f.s. thereafter. Water pumpage for potable water supply use was not chargeable to the amounts allowed for diversion under the decree. In 1957, the State of Wisconsin again filed suit in the United States Supreme Court. The suit led to the appointment of a Special Master. The resultant 1967 decree, based on the Special Master's findings, restricted the State of Illinois from diverting more than 3,200 c.f.s. This limitation on diversion included water pumpage for potable water supply.

In 1980, the Illinois Department of Transportation (I.D.O.T.), which is a state agency responsible for apportionment (Illinois Rev. Statute, Ch. 19, Section 119, et seq.), published LMO 80-4 which allocated Lake Michigan water to 196 entities including the City and the 75 suburbs the City was supplying at that time. Since 1980, 20 additional suburbs that had received an allocation have begun buying water from the City. The 24 D.W.C. suburbs also have allocations.

Water allocations were granted for a 40-year period through the year 2020. The allocations are flexible in that, if a community requires additional water, it may apply to I.D.O.T. for an increase in allocation. Also, there are circumstances which may reduce a community's allocation, such as non-use, permit violation and change in water requirements. I.D.O.T. is planning to revise the allocations published in LMO 80-4. A February 27, 1989 I.D.O.T. publication listed the proposed new allocations and since that publication there have been several changes which we have obtained from I.D.O.T. The forecasts of future water requirements, upon which future revenues were calculated, did not exceed the proposed allocations. The total proposed allocations for Chicago and the suburbs are higher than the 1980 allocations. Table 2 lists the proposed Lake Michigan allocations:

TABLE 2

PROPOSED LAKE MICHIGAN ALLOCATIONS
TO CITY AND SUBURBS⁽¹⁾

(MGD)

Year	<u>Customers Presently Covered</u>			<u>24 Suburbs With Contracts Not Receiving Water</u>	<u>Total</u>	
	<u>Chicago</u>	<u>94 Suburbs⁽²⁾</u>	<u>Total</u>		<u>MGD</u>	<u>Suburbs</u>
1989	818.3	220.7	1039.0	78.0	1117.0	118
1990	819.9	222.9	1042.8	80.0	1122.8	118
1995	826.3	231.6	1057.9	89.0	1146.9	118
2000	833.3	238.3	1071.6	96.0	1167.6	118
2010	841.6	244.7	1086.3	102.0	1188.3	118
2020	846.3	253.0	1099.3	106.8	1206.1	118

(1) Allocations are rounded to tenths; actual allocations are specific to .001 MGD

(2) Willowbrook proposed allocation included in 24 Suburbs with contracts, not receiving water

Quality Of Water Supply.

The quality of the water drawn from City's lake shore is excellent. It has shown substantial improvement in the last decade due to the pollution control efforts in the region. The Water System is divided into three water districts: South District, North District and Central District. The South District, which is south of 39th Street, is supplied by the South Water Filtration Plant, which has both a lake crib and a shore intake. Both the Central and North Districts are supplied by the James W. Jardine Water Purification Plant, which has two lake cribs and a shore intake.

Table 3 shows the quality of typical raw water and treated distribution water for the Water System. The quality of the raw water in the Lake is very high; before treatment, it meets Illinois Pollution Control Board (the "I.P.C.B.") and United States E.P.A. drinking water standards, except for total coliform and turbidity. After treatment, the drinking water meets and is well within every required physical, microbiological, radiological, inorganic chemical and pesticide criteria.

TABLE 3

**COMPARISON OF CHICAGO WATER SYSTEM'S WATER
WITH IPCB AND USEPA REGULATIONS
FOR DRINKING WATER CRITERIA**

Parameter	Regulations (Maximum Allowable)		Chicago Water System's Water				
	IPCB	USEPA	Raw Water	S. District		N & C. District	
				After Treatment	Raw Water	After Treatment	
Physical							
Turbidity (NTU)	1	1	2.4	0.25	1.9	0.25	
Threshold Odor (T.O.N.)	3	3	3	1	2	1	
Color	15	15*	0	0	0	0	
pH	6.5-8.5	6.5-8.5*	8.3	8.0	8.3	8.1	
Total Dis. Solids (mg/l)	500	500	162	158	154	158	
Foaming agents (MBAS)	0.5	0.5*	<0.03	<0.03	<0.03	<0.03	
Microbiological							
Total Coliform/100 mL	1	1	13.3	0.03	6.7	0.04	
Radiological, pci/L							
Gross Beta + Photon Act	50	50	2.03	1.85	2.02	1.81	
Gross Alpha	15	15	0.191	0.162	0.120	0.128	
Inorganic chemicals, mg/L							
Chloride	250	250*	9.5	10.8	9.8	11.0	
Cyanide	0.2	-	<0.002	<0.002	<0.002	<0.002	
Flouride	2.0	4.0	0.16	0.98	0.16	0.97	
Nitrate (as N)	10	10	0.26	0.28	0.27	0.25	
Phosphate, Total (as PO ₄)	-	-	0.02	0.02	0.05	0.02	
Phosphate, Dis. (as PO ₄)	-	-	0.01	0.01	0.01	0.01	
Sulfate (as SO ₄)	250	250*	23.9	25.8	25.0	25.9	
Calcium	-	-	34	34	34	35	
Potassium	-	-	1.6	1.3	1.3	1.3	
Arsenic	0.05	0.05	<0.005	<0.005	<0.005	<0.005	
Barium	1.0	1.0	<0.05	<0.05	<0.05	<0.05	
Cadmium	0.01	0.01	<0.001	<0.001	<0.001	<0.001	
Chromium	0.05	0.05	<0.003	<0.003	<0.003	<0.003	
Copper	5.0	1.0*	0.004	<0.003	0.006	<0.003	
Iron	1.0	0.3*	0.004	<0.010	0.033	<0.010	
Lead	0.05	0.05	<0.003	<0.003	<0.003	<0.003	
Maganese	0.15	0.05*	0.001	0.001	0.002	<0.001	
Mercury	0.002	0.002	<0.0005	<0.0005	<0.0005	<0.0005	
Selenium	0.01	0.01	<0.001	<0.001	<0.001	<0.001	
Silver	0.05	0.05	<0.001	<0.001	<0.001	<0.001	
Zinc	5.00	5.00*	0.002	<0.001	0.002	<0.001	
Pesticides, ppb							
Aldrin	1	-	<0.01	<0.01	<0.01	<0.01	
Chlordane	3	-	<0.05	<0.05	<0.05	<0.05	
DDT	50	-	<0.05	<0.05	<0.05	<0.05	
Dieldrin	1	-	<0.01	<0.01	<0.01	<0.01	
Endrin	0.2	0.2	<0.01	<0.10	<0.10	<0.10	

TABLE 3 (CONTD)

Parameter	Regulations		Chicago Water System's Water			
	(Maximum Allowable)		S. District		N. & District	
	IPCB	USEPA	Raw Water	After Treatment	Raw Water	After Treatment
Heptachlor	0.1	-	<0.01	<0.01	<0.01	<0.01
Heptachlor Epoxide	0.1	-	<0.01	<0.01	<0.01	<0.01
Lindane	4	4	<0.01	<0.01	<0.01	<0.01
Methoxychlor	100	100	<0.10	<0.10	<0.10	<0.10
Toxaphene	5	5	<1.0	<1.0	<1.0	<1.0
2, 4-D	10	100	-	<0.1**	-	<0.1**
2, 4, 5-TP Silvex	10	10	-	<0.01	-	<0.05**
Trihalomethanes, ppb						
Total Trihalomethanes	100	100	<0.7	27	<0.7	28
Volatile organic, ppb						
Benzene		5	ND***	<0.1	ND	<0.1
Carbon tetrachloride		5	ND	<0.1	ND	<0.1
1,2-Dichloroethane		5	ND	<0.1	ND	<0.1
1,1-Dichloroethylene		7	ND	<0.1	ND	<0.1
1,1,1-Trichloroethane		200	ND	<0.1	ND	<0.1
<i>para</i> -Dichlorobenzene		75	ND	<0.1	ND	<0.1
Trichloroethylene		5	ND	<0.1	ND	<0.1
Vinyl chloride		2	ND	<0.1	ND	<0.1

* Secondary standards

** Based on data from the City of Evanston Water Treatment Plant.

*** Not Detected

Organization And Staffing Of The Department.

The Department is under the direction of the Commissioner, who is appointed by the Mayor and approved by the City Council. The Department is organized into four bureaus: Water Operations, Water Distribution, Water Services and Water Engineering. The Bureau of Water Operations has the responsibility for water purification and pumping through its Water Purification Division and Pumping Station Operation Division, respectively. The Bureau of Water Distribution has responsibility for the maintenance, inspection and construction of the distribution system, valves, fire hydrants, and other appurtenances. The Bureau of Water Service has responsibility for water metering and revenue collection through its Water Meter Division and Water Collection Division, respectively. The Bureau of Water Engineering has responsibility for all engineering and inspection functions.

Overseeing the four bureaus is the Office of the Commissioner. Included in the office are staff assistants in the area of finance, personnel, management, information systems, procurement, labor relations, legal, safety security and program services. The Commissioner, Mr. Samuel W. Hurley, Jr., is a graduate Civil Engineer and a registered Professional Engineer. Mr. Hurley has been employed by the City since 1957. He has served as Commissioner of the Department of Water since 1987 and previously he was Commissioner of the Department of Sewers. Mr. Hurley is a member of the American Water Works Association, Water Utility Council, American Public Works Association, the Association of Metropolitan Water Agencies and the National Society of Professional Engineers.

The Chief Water Engineer, Mr. Gerald C. Toren, has been employed by the Department and its predecessor, the Department of Water and Sewers, since 1964 and has held his current position of Chief Water Engineer since February, 1987. He is a graduate of the Illinois Institute of Technology with a Bachelor of Science Degree in Chemical Engineering. Mr. Toren has also received a Master of Public Works degree from the University of Pittsburgh. He is a Registered Professional Engineer and a Certified Operator of the Chicago Water Systems. Mr. Toren is a member of the American Water Works Association and the American Public Works Association.

The Department has 46 employees with State of Illinois Water Plant Operator's certificates. The Department does not anticipate increasing its staff within the next several years and their goal is to maintain reasonable personnel expenses.

The following table shows the number of employees in the Department since 1980. It can be seen from the table that the number of employees within the past several years have remained relatively stable and has actually declined since 1980.

Department Of Water.

Period Ending December 31	Number Of Employees
1980	2,224
1981	2,278
1982	2,317
1983	2,292
1984	2,184
1985	2,137
1986	2,111
1987	2,125
1988	2,177
1989	2,175 *

Historical Water Rates.

Water rate increases recommended by the Commissioner and approved by the City Council have kept pace with inflation within the last decade as measured by the Engineering News Record Construction Cost Index, an index of changing construction costs ("E.N.R. Construction Cost Index"), and the Consumer Price Index, an index of changes in the cost of living. The following table shows historical net water rates (after the 2-1/2% discount) and their effective dates:

* As of November 1, 1989.
Source: Department's Payroll Data Records.

Net Water Rate (cents per 1,000 gallons)	Effective Date
45.8	January 1, 1977
69.4	May 1, 1981
77.1	May 1, 1985
89.4	May 1, 1989

Existing Water Rates.

All metered water is sold at the uniform price of 89.4 cents per thousand gallons. The assessment of nonmetered users, which are existing single or two-family residences in the City, is based on a formula primarily involving the front width of the building and the number of stories therein plus a charge for outside hose connections, plus extra costs for large water-using devices such as water-cooled air conditioners.

The present water rate, in effect since May 1, 1989, is \$6.86 per thousand cubic feet and, if paid within 21 days, is 6.69 per thousand cubic feet, or 89.4 cents per thousand gallons. This rate is applicable to all suburbs presently served. Seven suburbs (Elk Grove Village, Hanover Park, Hoffman Estates, Mount Prospect, Rolling Meadows, Schaumburg and Streamwood) formed the Northwest Suburban Municipal Joint Action Water Agency (J.A.W.A.) to build the facilities necessary to obtain water from the City. The J.A.W.A. agreement has a "buy back" provision for certain capital facilities constructed by J.A.W.A. within the City's corporate boundaries. The effect of that Agreement reduces the rates by 12% up to a minimum contract amount which is 7,300 million gallons per year through the year 1990, 8,030 million gallons per year 1991 through 1995, 8,760 million gallons per year 1996 through 2000, 9,125 million gallons per year 2001 through 2005, 9,490 million gallons per year 2006 through 2010, 9,855 million gallons per year 2011 through 2015 and 25% for all water used over the contractual minimum amount until the capital improvements are paid for. The D.W.C. agreement also has a "buy back" provision for certain capital facilities constructed by D.W.C. within the City's corporate boundaries. The effect of that agreement reduces the rates by 20% for all water used until the capital improvements are paid for.

Capital Improvement Program -- 1990 -- 1993.

The Water System's 1990 -- 1993 capital improvements program is summarized in Table 4. Total estimated costs for the capital improvement program is \$207,138,000. Considering the historical cost of the Water System is \$813 Million, this four-year capital improvement program in comparison is 25.5% or approximately 6.4% per year of the Water System's historical cost. The City's capital improvement program relative to the Water System is reasonable and, as such, compares favorably to other similar water systems.

In our opinion, the capital improvement program is adequate and reflects a commitment on behalf of the City to both maintain the Water System in excellent condition and to reduce costs through improvements to the Water System where such improvements are feasible. The following table lists the capital improvement program by location of improvement.

TABLE 4
CHICAGO WATER SYSTEM
CAPITAL IMPROVEMENTS PROGRAM*

<u>Locations of Improvements</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>Total</u>
South Water Purification Plant	\$ 6,685,000	\$ 3,527,000	\$ 2,710,000	\$ 4,052,000	\$ 16,974,000
Jardine Water Purification Plant	6,875,000	3,485,000	3,557,000	5,976,000	19,893,000
Pumping Station Operations	54,059,000	7,583,000	4,589,000	4,727,000	70,958,000
Water Distribution	30,564,000	24,556,000	21,178,000	21,722,000	98,020,000
Meters	<u>309,000</u>	<u>318,000</u>	<u>328,000</u>	<u>338,000</u>	<u>1,293,000</u>
Total	\$98,492,000	\$39,469,000	\$32,362,000	\$36,815,000	\$207,138,000

* 1989 Costs increased at 3% compounded rate

Funding Of The Capital Improvements Program.

According to our projections, the 1990 through 1992 capital improvements program requirements can be funded from a combination of unencumbered amounts presently on deposit in the Department's Construction Account, Water Fund surplus projected to be generated in fiscal years 1990 through 1992 and a deposit of approximately \$78.3 Million to be made to the Construction Account from the proceeds of the Series 1989 Bonds. The Department's capital improvements program requirements after fiscal year 1992 may be funded from Water Fund surplus as a result of a future revenue increase or from a combination of Water Fund surplus and the proceeds of future bond issues.

Operation Revenues And Expenses.

Table 5 reflects actual and a forecast of operating revenues at present water rates and expenses of the Water System for the years 1984 through 1993. The forecast is based upon the following:

1. Over 98% of the operating revenues of the system are forecast to come from the sale water. Operating revenues from water sales were derived from metered and nonmetered accounts.
2. Since 1981 there has been only a 1.5% change in the number of nonmetered accounts; therefore, it is reasonable to expect the number of nonmetered accounts to remain relatively constant for the next several years. We have used 338,000 nonmetered accounts for our forecasts. In 1988, which was the last full year of the 77.1 cents per thousand gallon rate, income averaged \$116.93 per nonmetered account. Forecasted income from nonmetered accounts was based on \$135.50 per account due to the fact rates were increased to 89.4 cents per thousand gallons on May 1, 1989.

3. It is assumed that metered water usage in the City will remain relatively constant for the next several years. In consequence, future operating revenues from such sales will also remain relatively constant.

4. The forecasts of suburban pumpage are based upon the proposed Lake Michigan allocations of 94 suburbs currently served by the Water System. (Willowbrook is included with D.W.C. suburbs) plus the 24 D.W.C. suburbs starting in mid-1992 and being 100% served by mid-1993.

5. Starting in 1989, other operating revenue was increased to account for an estimated 6% reinvestment rate on both the Rehabilitation and Improvement Reserve Account and the Debt Service Account.

6. Between the years of 1984 to 1988; 1985 to 1988; 1986 to 1988 and 1987 to 1988, the operation and maintenance expenses, of the Department increased at the compounded rate of 4.5%, 6.0%, 4.4% and 1.2%, respectively. Operation and maintenance expenses except provisions for doubtful accounts and Central Services and General Fund Reimbursement for the years 1989, 1990, 1991, 1992 and 1993, have been increased at the compounded rate of 5% plus \$772,000 and \$2,723,000 in the years 1992 and 1993, respectively for supplying water to the 24 D.W.C. suburbs. The City believes the provisions for doubtful accounts can be capped at \$9 Million and Central Services and General Fund Reimbursement maintained with an approximate \$4 Million increase between 1988 and 1993. In consequence the provision from doubtful accounts has been held constant at \$9 Million and Central Services and General Fund Reimbursement has been increased as shown on Table 5.

TABLE 5

CHICAGO WATER SYSTEM

ACTUAL AND FORECAST OPERATING REVENUES AND EXPENSES

(In Thousands)

	Actual Audited					Forecast				
	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Operating Results										
Net Water Sales (3)	\$160,236	\$171,768	\$183,543	\$184,376	\$188,987	\$203,835	\$214,357	\$214,956	\$220,931	\$235,442
Other Operating Revenue	1,148	964	2,032	1,710	2,124	3,908 ⁽²⁾	3,908 ⁽²⁾	3,908 ⁽²⁾	3,908 ⁽²⁾	3,908 ⁽²⁾
Total Operating Revenue	\$161,384	\$172,732	\$185,575	\$186,086	\$191,111	\$207,743	\$218,265	\$218,864	\$224,839	\$239,350
Operating Expenses:										
Source of Supply	\$ 728	\$ 662	\$ 707	\$ 1,080	\$ 797	\$ 837	\$ 879	\$ 923	\$ 969	\$ 1,017
Power and Pumping	28,844	29,415	30,410	33,669	31,161	32,719	34,355	36,073	38,526	42,221
Purification	24,653	21,058	25,822	27,734	25,885	27,179	28,538	29,965	31,535	33,309
Transmission & Distribution	32,909	34,225	37,235	38,139	42,556	44,684	46,918	49,264	51,727	54,313
Provision for Doubtful Accounts—Water Sales	6,088	5,523	7,208	7,829	8,669	9,000	9,000	9,000	9,000	9,000
Customer Accounting & Collection	5,831	6,874	6,683	7,403	7,539	7,916	8,312	8,727	9,164	9,622
Administration and General Central Services and General	4,611	4,233	3,812	2,100	6,034	6,336	6,652	6,985	7,334	7,701
Fund Reimbursement (1)	29,398	31,175	34,473	38,788	36,033	38,102	38,558	39,035	39,537	40,064
Total Operating Expenses	\$133,062	\$133,165	\$146,350	\$156,742	\$158,674	\$166,773	\$173,212	\$179,972	\$187,792	\$197,248
Operating Income (before depreciation)	\$ 28,322	\$ 39,567	\$ 39,225	\$ 29,344	\$ 32,437	\$ 40,970	\$ 45,053	\$ 38,892	\$ 37,047	\$ 42,102

(1) Includes Water Fund reimbursements to the City for services provided by other City departments (e.g., police and fire protection), employee fringe benefits and self-insured risks.

(2) \$1,900,000 plus investment earnings on accounts in the Water Fund. Assumes the Debt Service Reserve Account and the \$10,000,000 Rehabilitation and Improvement Reserve Account are invested at 6% per year.

(3) Includes only net JAWA & DWC water sales

Debt Service Requirements.

The Department has \$176,320,000 outstanding principal amount of long-term indebtedness as of December 31, 1988. The 1989 debt service on that amount is \$23,435,631.

Table 6 shows the total projected annual debt service for all outstanding bonds after issuance of the Series 1989 Bonds. It assumes the Series 1989 Bonds are issued at an interest rate of 7.5% with a final maturity of 2019.

TABLE 6**ACTUAL AND PROJECTED ANNUAL DEBT SERVICE**

(In millions of dollars rounded to hundredths)

<u>Year</u>	<u>Series 1983 Bonds (Actual)</u>	<u>Series 1985 Bonds (Actual)</u>	<u>Series 1986 Bonds (Actual)</u>	<u>Series 1989 Bonds (Projected)</u>	<u>Total (Projected)</u>
1990	\$ 4.56	\$ 9.72	\$ 9.16	\$ 5.00	\$ 28.44
1991	4.56	9.72	9.16	5.23	28.66
1992	4.57	9.72	9.15	5.23	28.66
1993	4.56	9.72	9.15	7.09	30.52
1994	4.56	9.72	9.15	7.09	30.55
1995	-	9.72	9.18	7.09	29.83
1996	-	-	13.02	7.09	20.12
1997	-	-	13.03	7.09	19.68
1998	-	-	12.59	7.09	19.68
1999	-	-	12.59	7.09	19.68
2000	-	-	12.59	7.09	19.68
2001	-	-	12.59	7.09	19.68
2002	-	-	12.59	7.09	19.68
2003	-	-	12.59	7.09	19.68
2004	-	-	12.59	7.09	19.68
2005	-	-	-	7.09	7.09
2006	-	-	-	7.09	7.09
2007	-	-	-	7.09	7.09
2008	-	-	-	7.09	7.09
2009	-	-	-	7.09	7.09
2010	-	-	-	7.09	7.09
2011	-	-	-	7.09	7.09
2012	-	-	-	7.09	7.09
2013	-	-	-	7.09	7.09
2014	-	-	-	7.09	7.09
2015	-	-	-	7.09	7.09
2016	-	-	-	7.09	7.09
2017	-	-	-	7.09	7.09
2018	-	-	-	7.09	7.09
2019	-	-	-	7.09	7.09

Future Revenue Requirements.

The revenue requirements for the Water System include operation and maintenance expenses which are necessary to treat the water to a safe, good tasting product and transport it from Lake Michigan to the customer at sufficient water pressure for use, as well as providing for the funding of the Department's Capital Improvement Program.

The Department's revenue must also be sufficient to pay the debt service requirements of the Water Fund. The Series 1989 Bonds will require 1.25 coverage on all outstanding bonds. Historically, the Department has used the amount by which revenues exceeded operation and maintenance expenses and debt service requirements (the Water Fund Surplus) to fund capital improvements. The Department anticipates continuing this practice in the future as well as utilizing available bond proceeds.

There will be sufficient revenues remaining after payment of operation and maintenance expenses through 1993 to provide 125% of debt service. However, additional funds will be required to complete the 1993 capital improvements program. Potential sources of these additional funds are a Water Fund surplus as a result of future revenue increase or a combination of Water Fund surplus and the proceeds of future bond issues.

TABLE 7
FORECAST OF OPERATING RESULTS
AND FUNDING OF CAPITAL IMPROVEMENTS

(millions of dollars)

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Revenue ¹	\$218.26	\$218.86	\$224.84	\$239.35
Operation Expense	<u>173.21</u>	<u>179.97</u>	<u>187.79</u>	<u>197.25</u>
Revenues available to Pay Debt Service	\$ 45.05	\$ 38.89	\$ 37.05	\$ 42.10
Balance Jan. 1	\$135.40 ²	\$ 53.52	\$ 24.28	\$ 0.31
Revenues available to Pay Debt Service	<u>45.05</u>	<u>38.89</u>	<u>37.05</u>	<u>42.10</u>
Total	180.45	92.41	61.33	42.41
Less Debt Service ³	28.44	28.66	28.66	30.52
Less Capital Improvements	<u>98.49</u>	<u>39.47</u>	<u>32.36</u>	<u>36.82</u>
Balance Dec. 31	\$ 53.52	\$ 24.28	\$ 0.31	\$(24.93)
Debt Service Coverage	1.57	1.35	1.29	1.37

(1) Based on Water Rate of 89.4 cents/1000 gallons.

(2) Surplus from 1989 and prior years	\$ 25,688,972
1986 Bonds	31,407,409
1989 Bonds	<u>78,300,000</u>
Estimated January 1, 1990, balance	\$135,396,381

(3) Debt Service includes Series 1983 Bonds, Series 1985 Bonds, Series 1986 Bonds and Series 1989 Bonds*

* \$80 million @ 7.5% for 30 years (30 year projected annual debt service on Table 6)

Debt Service Reserve Fund.

The ordinances authorizing the issuance of \$95,000,000, \$65,690,000 and \$110,000,000 Water Revenue Bonds, Series 1983, 1985 and 1986, respectively, provide for the creation of a debt service reserve fund. The amount of this fund is the highest debt service for outstanding bonds, which is \$23,470,716 for the Series 1983, 1985 and 1986 Bonds. As of November 1, 1989, the balance in this account was \$26,635,172.

After the issuance of the Series 1989 Bonds, the required amount of the Debt Service Reserve Fund is projected to be \$30.55 Million. An amount is to be deposited into the Debt Service Fund sufficient to bring it to the new Debt Service Reserve Fund requirement.

Rehabilitation And Improvement Reserve Account.

The primary purpose of this account is to pay, when no other funds are available, the cost of constructing any emergency replacements to any part of the Water System deemed necessary in order to render efficient service. A covenant of the Water Revenue Bonds, Series 1983, 1985 and 1986, required it to be funded at \$2.5 Million per year until the amount in the account totalled \$10 Million. As of November 1, 1989, the balance in this account was \$14,957,292.

Coverage (The Additional Bonds Test).

Pursuant to the ordinance for the Water Revenue Bonds, Series of 1983, 1985 and 1986, additional debt may be issued only if revenues derived from the operation of the Water System for the previously completed fiscal year were sufficient to pay all costs of operation and maintenance and leave a balance equal to at least 125% of the maximum debt service for outstanding obligations of the Water System including any additional water revenue bonds to be issued. In the event there has been a water rate increase since the previously completed fiscal year, the revenue may be adjusted as if the current water rate had been in effect during the previous year. During 1988, the water rate was 77.1 cents per thousand gallons. On May 1, 1989, the water rate was increased to 89.4 cents per thousand gallons and that water rate is currently in effect. As can be seen in Table 8, the 1988 coverage of the existing debt service, without the proposed new debt service for the Series 1989 Bonds and revenue adjustment, was 1.39 times. Using the maximum annual debt service on all outstanding bonds projected after the issuance of the Series 1989 Bonds, and adjusting, as permitted, 1988 revenues to reflect the 1989 rate increase coverage would have been 1.94 times, which exceeds the 1.25 times required by additional bonds test of the covenant contained in the ordinances for the Water Revenue Bonds, Series of 1983, 1985 and 1986.

TABLE 8
COMPLIANCE WITH ADDITIONAL BONDS TEST
WITH ISSUANCE OF THE SERIES 1989 BONDS

CHICAGO WATER SYSTEM

(In Millions of Dollars)

<u>Year</u>	Operating Revenue	Operating Expenses	Net Operating Revenue	Debt Service	Coverage
Actual 1988	\$191.111	\$158.674	\$32.437	\$23.337	1.39X
Test with Series 1986 Bonds	\$218.054 ¹	\$158.674	\$59.380	\$30.563 ²	1.94X

(1) $89.4 \text{ cents}/1000 \text{ gal.} \times \$191.111 = \$221.600 - 1.6\% \times \$221.600 = \$218.054$
 77.1 cents/1000 gal.

* Assumed price elasticity coefficient = -0.1
 (2) Maximum debt service of Series 1983 Bonds, of Series 1985 Bonds, of Series 1986 Bonds and projected debt service of Series 1989 Bonds

Proposed Use Of Bond Proceeds.

Table 9 summarizes the proposed use of Series 1989 Bond proceeds.

Table 9.

Proposed Use Of Bond Proceeds

Chicago Water System.

Deposit to Construction Account for Projects	\$78,300,000*
Payment of Cost of Issuance ⁽¹⁾	<u>1,700,000*</u>
TOTAL:	\$ 80,000,000

Comparison Of Water Rates.

Water rates are dependent upon the source of supply, the quality of water, the age of the system and policies regarding the charges to be included in water rates. For these reasons, a comparison of water rates between various cities is not a valid indicator of efficiency. However, as a practical matter, there is general interest in the water usage charges of other cities. Table 10 compares the relationship of the monthly water bill of the Water System (May 1, 1989, rate) to the monthly water bills of 20 major cities in the United States. These monthly bills resulted from rates in effect at the time of the survey of the fourth quarter of 1987. The following table shows that the City's small water customers is in the lower 30 percentile in comparison with the 20 major cities. The table also shows that Chicago's mid-size water customer ranks in the lower 50 percentile when compared to customers in the 20 major cities, and the larger water customer is in the lower 60 percentile.

* Appropriate, subject to change

(1) Estimate of all costs of issuance

Comparison Of Monthly Water Bills
Of Chicago Customers With 20
Major United States Cities.

Chicago Customers are in the
Following Lower Percentiles

Net Water Rate Effective 5/1/89
89.4 cents per 1,000 Gallons

Small water customer (1,000 c.f./month)	30%
Mid-size water customer (50,000 c.f./month)	50%
Larger water customer (1,000,000 c.f./month)	60%

TABLE 10
COMPARATIVE MONTHLY WATER BILLS
OF 20 MAJOR U.S. CITIES*

	(1) 5/8" Meter 1,000 CF \$/Month	(2) 2" Meter 50,000 CF \$/Month	(3) 4" Meter 1,000,000 CF \$/Month
Baltimore	5.93	147.82	2,522.82
Boston	8.82	445.97	8,983.07
Chicago***	6.69	334.50	6,690.00
Cleveland	6.23	335.46	6,738.46
Columbus	9.09	334.03	5,905.33
Dallas	9.35 ^(S) ^(W)	314.70 ^(S) 275.21 ^(W)	5,270.20 ^(S) ^(W)
Denver	8.36	207.64	3,517.00
Detroit	4.77	175.89	3,077.49
Indianapolis**	12.85	404.30	4,469.75
Jacksonville	9.40	211.00	2,847.00
Los Angeles	11.23 ^(S) 10.20 ^(W)	464.30 ^(S) 412.80 ^(W)	9,112.30 ^(S) 8,082.30 ^(W)
Memphis	5.62	225.06	2,877.59
New Orleans	16.53	628.16	9,847.60
New York	8.10	405.00	8,100.00
Philadelphia	11.53	377.08	6,477.97
San Diego	11.81	486.34	9,398.74
San Francisco	6.60	256.50	5,101.50
Seattle	7.55	178.40	3,493.40
St. Louis**	8.99	386.27	4,962.32
Washington, D.C.	10.04	502.00	10,040.00

Note: CF = Cubic Feet

* Source: Arthur Young, 1988 National Water and Wastewater Rate Survey as of the fourth quarter of 1987

** Investor Owned

*** Gross Water Rate (\$5.91 per 1,000 cubic feet) used by Arthur Young.

\$6.69 per 1000 cubic feet is May 1, 1989 rate

(S) Summer Rate

(W) Winter Rate

Summary And Conclusions.

1. The management of the Department has been stable. There is a new Commissioner as a result of the previous Commissioner's resignation in 1987. The Department's management has excellent credentials and is professionally qualified to develop and implement the capital improvements program.
2. Generally a waterworks should be reviewed every 10 years. A 1982 on-site inspection of the cribs, purification plants, pumping stations, administrative offices and distribution system yards of the Water System; a 1985 tour of the two treatment plants and a 1989 on-site inspection of the 11 pumping stations, 2 purification plants and coupons removed from pipe in the distributive system revealed that the physical plant is, and continues to be, very well maintained.
3. The financial operation of the Water System is efficiently managed. Its property is conservatively financed from Water Fund surplus and the sale of bonds. As a result, the Water Fund debt, including the proposed Series 1989 Bonds, will be 30% of the historical cost of the system. This procedure of financing capital improvements from both earnings and the sale of bonds equitably distributes the cost of facilities between present users and those who will use these long-life facilities in future years.
4. The City's capital improvement program relative to the Water System is reasonable and, as such, compares favorably to other similar water systems. In our opinion, the capital improvement program is adequate and reflects a commitment on behalf of the City to both maintain the Water System in excellent condition and to reduce costs through improvements to the Water System where such improvements are feasible.
5. The Water System has been built, operated and maintained by its users. It is self-supporting and receives no share of state or local property or income taxes. The Department reimburses the City for services provided by other City departments, employee fringe benefits and self-insured risks.
6. The debt service reserve fund required under ordinances for the 1983, 1985 and 1986 Water Revenue Bonds is fully funded. The rehabilitation and improvement reserve fund required under the ordinance for the 1983, 1985 and 1986 Water Revenue Bonds is fully funded.
7. Based on data contained in the 1988 Water Fund financial report, which was prepared by independent certified public accountants, the 1988 net revenues available for debt service, adjusted, as permitted, to reflect the 1989 rate increase, were 1.94 times the projected debt service after issuance of the Series 1989 Bonds, thus meeting the additional bonds test of 125%.

8. Historically, water rates have been increased to keep pace with inflation. The present rates are expected to be sufficient to cover operation and maintenance costs, and required debt service coverage through fiscal year 1993. The forecasts indicated that additional funds will be required after fiscal year 1992 for the capital improvements program. Potential sources of these funds are a Water Fund surplus as a result of a future revenue increase or a combination of Water Fund surplus and the proceeds of future bond issues.
9. The consumer's cost for water in the City is about average when compared with other large cities in the United States.
10. Lake Michigan is virtually an unlimited natural source for water supply; however, the amount of water which the State of Illinois is allowed to divert from the lake is limited to 3,200 c.f.s., set by the United States Supreme Court. In 1980 the Illinois Department of Transportation allocated lake water to 196 entities in Illinois. Every suburb which requested an allotment, for which a Lake Michigan supply was found to be cost-effective, received a 40-year allocation of Lake Michigan water. In 1989 the Illinois Department of Transportation reviewed the allocations of the 196 entities and proposed revised allocations. The total proposed allocations for Chicago and the suburbs are higher than the 1980 allocations.

We believe the proposed allocations are adequate.

11. Lake Michigan water, after being treated by the Department's plant, is in compliance with current federal and state water quality criteria.
12. The Illinois State Water Survey has determined that the present demands on groundwater in the deep aquifer exceed its potential yield. Areas of the shallow aquifer are also being overpumped. The 1981 (Circular 149) prepared by the Illinois State Water Survey revealed degradation of groundwater quality in areas of high pumpage. Since receiving the allocations in 1980, twenty additional suburbs have elected to purchase water from the department. The Water System now serves 95 suburbs. The D.W.C., which will serve twenty-four suburbs, currently has a contract with the department to purchase water upon completing construction of the necessary facilities. The construction of these facilities is on schedule. It is anticipated twelve of these suburbs will be supplied water by the end of 1992 and the remaining twelve suburbs by mid-1993. The Northeastern Illinois Planning Commission has forecast the population of suburban customers plus the City will increase 1,000,000 between 1980 and the year 2010.

Respectfully submitted,

(Signed) D. E. ECKMANN, PARTNER,

Alvord, Burdick & Howson.

Appendix "B".

City Of Chicago, Illinois

Water Fund.

Report On Examination Of

Financial Statements And Supplemental Data

(for the years ended December 31, 1988 and 1987).

**City Of Chicago, Illinois
Chicago Water System (Water Fund).**

**Financial Statements And
Supplemental and Statistical
Information And
Independent Auditor's Report**

(years ended December 31, 1988 and 1987).

Touche Ross & Co.
One Illinois Center
111 East Wacker Drive
Chicago, Illinois 60601-4342
Telephone: (312) 644-8900
Telex: 6871206 Touche Ross CGO
Telecopier: (312) 565-0382

Independent Auditor's Report.

City of Chicago, Illinois

**The Honorable Richard M. Daley, Mayor,
And Members Of The City Council:**

We have audited the accompanying balance sheets of the Chicago Water System (Water Fund) of the City of Chicago, Illinois, as of December 31, 1988 and 1987, and the related statements of revenues and expenses, changes in retained earnings and contributed capital, and changes in financial position for the years then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chicago Water System (Water Fund) of the City of Chicago, Illinois, as of December 31, 1988 and 1987, and the results of its operations and the changes in its financial position for the years then ended in conformity with generally accepted accounting principles.

(Signed) TOUCHE ROSS & CO.

June 15, 1989



CITY OF CHICAGO, ILLINOIS

WATER FUND

BALANCE SHEETS

	December 31 1988	December 31 1987
ASSETS		
CURRENT ASSETS:		
Cash and investments with City Treasurer	\$ 54,319,724	\$ 34,895,846
Treasurer (Note 2)		
Accounts receivable, net of allowance	41,931,945	43,428,092
for doubtful accounts (\$16,500,000 in		
1988 and \$15,000,000 in 1987)	31,890,426	16,198,464
Due from other City of Chicago funds	9,265,431	8,422,892
Inventories		
TOTAL CURRENT ASSETS	137,407,526	102,945,294
RESTRICTED ASSETS - cash and		
investments (Notes 2 and 3)	68,582,673	82,876,471
UTILITY PLANT:		
Land and land rights	2,380,735	2,380,735
Structures and improvements	204,482,580	203,778,166
Distribution plant	449,698,706	430,535,283
Equipment	136,959,912	135,451,996
Construction in progress	19,999,527	17,951,284
Less accumulated depreciation	813,521,460	790,097,464
NET UTILITY PLANT	276,025,509	265,722,954
OTHER ASSETS	537,495,951	524,374,510
	1,440,254	1,564,412
TOTAL ASSETS	\$744,926,404	\$711,760,687
LIABILITIES, RETAINED EARNINGS AND CONTRIBUTED CAPITAL		
CURRENT LIABILITIES:		
Vouchers payable	\$ 11,525,616	\$ 15,000,297
Current portion of long-term debt	10,785,000	10,040,000
Due to other City of Chicago funds	54,710,690	24,247,919
Accrued and other liabilities	24,939,233	28,835,528
Deferred revenue	5,483,699	5,492,050
TOTAL CURRENT LIABILITIES	107,444,238	83,615,794
LONG-TERM LIABILITIES:		
Long-term debt, net of current	165,535,000	176,320,000
maturities (Note 4)	1,160,579	1,253,888
Water pipe extension certificates		
TOTAL LIABILITIES	274,139,817	261,189,682
RETAINED EARNINGS:		
Reserved (Note 3):		
Debt service	23,471,000	23,471,000
Rehabilitation and improvement	10,000,000	10,000,000
Construction	35,111,573	49,405,471
Unreserved	68,582,673	82,876,471
TOTAL RETAINED EARNINGS	399,401,954	354,892,574
CONTRIBUTED CAPITAL	457,984,627	437,769,045
TOTAL RETAINED EARNINGS AND CONTRIBUTED CAPITAL	12,801,960	12,801,960
TOTAL LIABILITIES, RETAINED EARNINGS AND CONTRIBUTED CAPITAL	470,786,587	450,571,005
TOTAL ASSETS	\$744,926,404	\$711,760,687

See notes to financial statements.



CITY OF CHICAGO, ILLINOIS

WATER FUND

STATEMENTS OF REVENUES AND EXPENSES

	Year ended December 31	
	<u>1988</u>	<u>1987</u>
OPERATING REVENUES:		
Water sales	\$192,127,451	\$187,397,392
Less discounts allowed	<u>3,140,221</u>	<u>3,020,790</u>
Net water sales	188,987,230	184,376,602
Other operating revenues	<u>2,124,257</u>	<u>1,709,703</u>
TOTAL OPERATING REVENUES	191,111,487	186,086,305
OPERATING EXPENSES OTHER THAN DEPRECIATION:		
Source of supply	796,688	1,079,408
Power and pumping	31,161,227	33,669,377
Purification	25,884,801	27,734,256
Transmission and distribution	42,555,464	38,139,299
Provision for doubtful accounts	8,669,094	7,829,085
Customer accounting and collection	7,539,262	7,403,377
Administrative and general	6,034,159	2,099,955
Central services and general fund reimbursements	<u>36,032,951</u>	<u>38,787,723</u>
TOTAL OPERATING EXPENSES OTHER THAN DEPRECIATION	<u>158,673,646</u>	<u>156,742,480</u>
OPERATING INCOME BEFORE DEPRECIATION	32,437,841	29,343,825
DEPRECIATION	<u>10,925,043</u>	<u>11,833,065</u>
OPERATING INCOME	21,512,798	17,510,760
NONOPERATING REVENUES:		
Construction projects billings	6,928,300	9,568,347
Interest	8,519,126	8,142,804
Other	<u>484,487</u>	<u>1,074,109</u>
TOTAL NONOPERATING REVENUES	<u>15,931,913</u>	<u>18,785,260</u>
NONOPERATING EXPENSES:		
Construction projects expenses	4,876,946	7,198,519
Interest	10,907,629	10,366,355
Other	<u>1,444,554</u>	<u>1,897,140</u>
TOTAL NONOPERATING EXPENSES	<u>17,229,129</u>	<u>19,462,014</u>
NET INCOME	<u>\$ 20,215,582</u>	<u>\$ 16,834,006</u>

See notes to financial statements.

△ Touche Ross

CITY OF CHICAGO, ILLINOIS

WATER FUND

STATEMENTS OF CHANGES IN RETAINED EARNINGS AND CONTRIBUTED CAPITAL

YEARS ENDED DECEMBER 31, 1988 and 1987

	<u>Total</u>	<u>Retained earnings</u>		<u>Contributed capital</u>
		<u>Unreserved</u>	<u>Reserved</u>	
BALANCE, December 31, 1986	\$433,736,999	\$323,809,412	\$97,125,627	\$12,801,960
Net income	16,834,006	16,834,006		
Transfer from reserved retained earnings		<u>14,249,156</u>	<u>(14,249,156)</u>	
BALANCE, December 31, 1987	450,571,005	354,892,574	82,876,471	12,801,960
Net income	20,215,582	20,215,582		
Transfer from reserved retained earnings		<u>14,293,798</u>	<u>(14,293,798)</u>	
BALANCE, December 31, 1988	<u>\$470,786,587</u>	<u>\$389,401,954</u>	<u>\$68,582,673</u>	<u>\$12,801,960</u>

See notes to financial statements.



CITY OF CHICAGO, ILLINOIS

WATER FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Year ended December 31	
	<u>1988</u>	<u>1987</u>
SOURCES OF WORKING CAPITAL:		
Operations:		
Net income	\$20,215,582	\$16,834,006
Item not requiring working capital:		
Depreciation	<u>10,925,043</u>	<u>11,833,065</u>
Working capital provided by operations	31,140,625	28,667,071
Reduction in restricted assets	14,293,798	14,249,156
Other	<u>431,730</u>	<u>173,620</u>
TOTAL SOURCES OF WORKING CAPITAL	<u>45,866,153</u>	<u>43,089,847</u>
USES OF WORKING CAPITAL:		
Acquisitions of fixed assets	24,354,056	29,645,479
Payments and current portion of long-term debt	10,785,000	10,040,000
Other	<u>93,309</u>	<u>23,800</u>
TOTAL USES OF WORKING CAPITAL	<u>35,232,365</u>	<u>39,709,279</u>
NET INCREASE IN WORKING CAPITAL	<u>\$10,633,788</u>	<u>\$ 3,380,568</u>
INCREASE (DECREASE) IN ELEMENTS OF WORKING CAPITAL:		
Cash and investments	\$19,423,878	(\$ 4,651,194)
Accounts receivable	(1,496,147)	2,371,006
Inventories	842,539	1,098,646
Due from other City of Chicago funds	15,691,962	5,256,105
Voucher warrants payable and due to other City of Chicago funds	(26,988,090)	7,373,998
Accrued liabilities	3,896,295	(7,595,338)
Bonds payable - current	(745,000)	(475,000)
Other	<u>8,351</u>	<u>2,345</u>
NET INCREASE IN WORKING CAPITAL	<u>\$10,633,788</u>	<u>\$ 3,380,568</u>

See notes to financial statements.

City Of Chicago, Illinois

Water Fund.

Notes To Financial Statements

Years Ended December 31, 1988 And 1987.

Note 1 -- Summary Of Significant Accounting Policies:

Basis Of Accounting.

The accounting policies for the Chicago Water System (Water Fund) of the City of Chicago, Illinois conform to generally accepted accounting principles applicable to Enterprise Funds of governmental units. The Financial records are maintained utilizing the accrual basis of accounting.

Utility Plant.

Utility plant is stated at cost. Depreciation is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Structures and Improvements	50-100 years
Distribution Plant	25-100 years
Equipment	6-33 years

Expenditures which significantly extend the lives of the assets are capitalized. All other repairs and maintenance are charged to operations.

Inventories.

Inventories, composed mainly of materials and supplies, are stated at cost, determined principally on the average cost method.

Cash And Investments.

Cash on hand is deposited with the City Treasurer who is responsible for citywide investments. Investments with the City Treasurer earn a pro rata share of interest income and are stated at cost, which approximates market.

Accounts Receivable Allowance.

Management provided as allowance for doubtful accounts receivable based upon an analysis of the aging of the accounts and an estimate of uncollectible accounts. Certain receivables from historically slow paying customers are reflected in the financial statements when realization of the asset, i.e., collection, is assured. Management has established a financial reporting policy of offsetting delinquent receivable balances in excess of provisions made in the past twenty-four months against allowances provided previously. In management's opinion, this policy results in an allowance for doubtful account which more accurately reflects estimated losses from active accounts.

Revenue And Expense Recognition.

Revenue on water sales is recognized when the water is consumed. Of the accounts receivable balance, \$25,452,354 and \$21,584,974 represent revenue recognized on water sales which had not yet been billed to customers at December 31, 1988 and 1987, respectively. Deferred revenue represents amounts billed to nonmetered customers prior to usage.

In 1988, the Water Fund formed the Bureau of Water Engineering through the reallocation of resources from the Bureau of Water Distribution. As such, operating expenses related to the Bureau of Water Engineering are reflected as administrative and general expenses in 1988 to conform with the budget presentation. Previously, these expenses were reflected in operating expense categories other than administrative and general.

Employee Vacation Leave.

Employee vacation leave that vests or accumulates is recorded when earned.

Contributed Capital.

Contributed capital represents utility plant additions constructed and financed by the City of Chicago and self-constructed utility plant additions financed by federal and state grants, all of which are stated at construction cost.

General Fund Reimbursements.

The Water Fund is self-supporting and receives no share of any local or property tax levies. The Water Fund reimburses the City of Chicago for services provided by other City departments, employee fringe benefits and self-insured risks.

Capitalized Interest.

Interest is capitalized during construction on capital projects. Interest capitalized for 1988 and 1987 totaled \$2,281,844 and \$3,411,775, net of interest income of \$1,156,824 and \$1,263,813, respectively.

Note 2 -- Restricted And Unrestricted Cash And Investments.

Cash.

The Municipal Code of Chicago specifies that no money shall be deposited in any bank or savings and loan association until it has been designated by the City Council as a depository. The Municipal Code permits only regularly organized state or national banks insured by the Federal Deposit Insurance Corporation and federal and state savings and loan associations insured by the Federal Savings and Loan Insurance Corporation located within the City to be designated as depositories. Collateral with an aggregate market value equal to 110 percent of amounts deposited with each institution is required. Securities of the City of Chicago or the United States Government are the only securities that may be pledged as such collateral.

Cash deposited with the City Treasurer is commingled by the Treasurer with cash from other City funds; accordingly, it is not practical to disclose the carrying value and related bank balance of such cash and certificates of deposit for the Water Fund. Of the City Treasurer's bank balances at December 31, 1988 and 1987, 98.6% and 100%, respectively, were either insured or collateralized with securities held by City agents in the City's name. Accordingly, these cash balances are classified in Risk Category 1 as required by Statement No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements", issued by the Governmental Accounting Standards Board (G.A.S.B.). The remaining 1.4% at December 31, 1988 was

uninsured and uncollateralized and is classified in Risk Category 3 under G.A.S.B. Statement No. 3.

Investments.

The City Comptroller and City Treasurer are authorized by the Municipal Code of Chicago to invest in: interest-bearing general obligations of the United States, State of Illinois and City of Chicago, United States treasury bills and other non-interest-bearing general obligations of the United States purchased in the open market below face value, and tax anticipation warrants issued by the City of Chicago. All obligations so purchased are required by City Ordinance to be fully redeemable on a date prior to the time when the City funds so invested will be required for expenditure by the City.

In addition, repurchase agreements can only be purchased from banks and brokerage firms authorized to do business in the State. Securities pledged as collateral to secure these agreements are required to have a market value equal to the cost of the repurchase agreement plus accrued interest. Only United States Government, United States Government agency and City of Chicago obligations are eligible as collateral for repurchase agreements.

The carrying value of investments for the Water Fund was \$88,695,000 and \$108,240,000 at December 31, 1988 and 1987, respectively. The carrying value at December 31, 1988, consisted of \$83,095,000 of state and municipal bonds and \$5,600,000 of mutual fund investments. At December 31, 1987, the carrying value was comprised of \$92,557,000 of state and municipal securities and \$15,683,000 of repurchase agreements. The market value of investments approximated the carrying value at December 31, 1988 and 1987. All securities, including securities underlying repurchase agreements, are insured or registered in the City's name or securities are held by the City or its agent in the City's name (Risk Category 1 under G.A.S.B. Statement No. 3) except for the mutual fund investments which do not fall within the scope of G.A.S.B. Statement No. 3 and, therefore, were not categorized.

Note 3 -- Restricted Assets And Reserves Of Retained Earnings.

The Ordinances authorizing the issuance of \$110,000,000, \$65,690,000 and \$95,000,000 Water Revenue Bonds, Series 1986, 1985 and 1983, respectively (the "Bonds"), provide for the creation of separate reserve accounts. The funding requirements and restrictions on assets held in these accounts are as follows:

Matured Water Bond and Interest -- no later than ten days prior to each principal or interest payment date, an amount is to be transferred to the account sufficient to pay the amount of principal, premium, if any, and interest becoming due, whether upon maturity, redemption or otherwise, on the payment date on the Bonds.

Debt Service Reserve -- the maximum annual debt service requirement of the Bonds is required to be on deposit in the account. The monies in the account are to be used to pay principal and interest on the Bonds at any time when there are insufficient funds available to pay such principal and interest in the Matured Water Bond and Interest Account.

Rehabilitation and Improvement Reserve -- the sum of \$2,500,000 per year until the account aggregates \$10,000,000. The monies in such account are to be used:

- a. To pay principal and applicable premium and interest on the Bonds in the event the monies in the Matured Water Bond and Interest account and the debt service reserve are insufficient to make these payments when due.
- b. To pay the cost of constructing any emergency replacement (as defined) to any part of the water system as deemed necessary in order to render efficient service when there are no other funds available.
- c. For use in the payment of the cost of constructing new facilities of the water system or in the making of necessary improvements to the water system.

Construction -- the remaining proceeds of bond issues are to be deposited in this account for the purpose of paying for construction costs of projects as defined in the Ordinances. Funds remaining after completion of the projects and the payment of all project costs are available for transfer to the Debt Service Reserve or, if such account is fully funded, for general use of the Water Fund.

Rebate -- under the Tax Reform Act of 1986 (Act), certain requirements must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain exempt from federal income taxation. The Bond Ordinance requires the City to enter into an arbitrage agreement under which the City will comply with certain requirements of the Act with the purpose of maintaining the tax-exempt status of the bonds. The Rebate Account has been established to account for any liability resulting from potential noncompliance with the Act.

Revenues of the Water Fund in excess of these requirements can be used for any lawful purpose of the Water Fund.

For accounts with balances, the amounts at December 31, 1988 and 1987 are as follows:

	1988	1987
Debt Service Reserve	\$23,471,000	\$23,471,000
Rehabilitation and Improvement Reserve	10,000,000	\$10,000,000
Construction	<u>35,111,673</u>	<u>49,405,471</u>
TOTAL:	<u>\$68,582,673</u>	<u>\$82,876,471</u>

Matured Water Bond and Interest Accounts had no balance as of December 31, 1988 and 1987.



CITY OF CHICAGO, ILLINOIS

WATER FUND

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1988 AND 1987

(Continued)

Note 4 - Long-term Debt:

At December 31, 1988 and 1987, long-term debt consisted of the following:

	<u>1988</u>	<u>1987</u>
7.75% to 9.7% Water Revenue Bonds, Series 1983, due 1988 to 1994	\$ 20,265,000	\$ 22,765,000
6.4% to 8.1% Water Revenue Bonds, Refunding and Improvement, Series 1985, due 1988 to 1995	50,290,000	55,720,000
4.4% to 7.0% Water Revenue Bonds, Refunding and Improvement, Series 1986, due 1988 to 2004	<u>105,765,000</u>	<u>107,875,000</u>
	<u>176,320,000</u>	<u>186,360,000</u>
Less current portion:		
Water Revenue Bonds, Series 1983	2,700,000	2,500,000
Water Revenue Bonds, Refunding and Improvement, Series 1985	5,780,000	5,430,000
Water Revenue Bonds, Refunding and Improvement, Series 1986	<u>2,305,000</u>	<u>2,110,000</u>
	<u>10,785,000</u>	<u>10,040,000</u>
Long-term portion	<u>\$165,535,000</u>	<u>\$176,320,000</u>



CITY OF CHICAGO, ILLINOIS

WATER FUND

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1988 AND 1987

(Continued)

Net operating revenues are pledged for the payment of principal and interest on the Bonds. The Bond Ordinances include a covenant which requires that net revenues derived from the operation of the Water System equal 100 percent of the current annual debt service on the Bonds and maintain all covenant reserve accounts. The Bond Ordinances also require that additional debt may be issued only if the net revenues for the previously completed fiscal year were sufficient to equal at least 125 percent of the amount constituting the maximum of any succeeding 12-month period of the combined principal and interest requirements on all obligations of the Water System then outstanding, including any additional Water Revenue Bonds to be issued. The above requirements were met in 1988 and 1987.

Following is a schedule of debt service requirements to maturity:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1989	\$ 10,785,000	\$ 12,650,631	\$ 23,435,631
1990	11,520,000	11,919,756	23,439,756
1991	12,330,000	11,110,294	23,440,294
1992	13,230,000	10,212,511	23,442,511
1993	14,225,000	9,215,431	23,440,431
1994	15,360,000	8,110,716	23,470,716
1995	15,850,000	6,893,596	22,743,596
1996	7,440,000	5,588,997	13,028,997
1997	7,465,000	5,127,716	12,592,716
1998	7,945,000	4,649,956	12,594,956
1999	8,465,000	4,133,532	12,598,532
2000	9,020,000	3,572,725	12,592,725
2001	9,630,000	2,963,875	12,593,875
2002	10,285,000	2,313,850	12,598,850
2003	11,000,000	1,593,900	12,593,900
2004	11,770,000	823,900	12,593,900
	<u>\$176,320,000</u>	<u>\$100,881,386</u>	<u>\$277,201,386</u>

Note 5 -- Pension Plans.

Eligible City employees participate in one of four single-employer defined pension plans. Substantially all full-time employees of the Water Fund become members of either the Municipal Employees' or the Laborers' and Retirement Board Employees' Annuity and Benefit Fund.

Participating employees contribute 8.5% of their salary to these funds as required by Illinois Revised Statutes. By statute, the City's contributions are based on the amounts contributed by employees. Financing of the City's contribution is through a separate property tax levy and the personal property replacement tax. The Water Fund reimburses the City's General Fund for the estimated pension cost applicable to the covered payroll of Water Fund employees. These reimbursements, recorded as covered expenses of the Water Fund, amounted to \$13,713,842 in 1988 and \$13,008,570 in 1987.

The funding policy mandated by Illinois Revised Statutes requires City contributions at statutorily, not actuarially, determined rates. The rates are expressed as multiples of employees' contributions. These contributions equal employee contributions made in the calendar year two years prior multiplied by 1.69 for the Multiple Employees' and 1.37% for the Laborers' and Retirement Board Employees' Annuity and Benefit Funds.

The actuarially determined contributions are a level percentage of payroll determined by the entry age normal actuarial funding method using the same actuarial assumptions used to compute the pension benefit obligations. The actuarial contribution required for funding purposes includes only interest on the unfunded liabilities. The unfunded liabilities are recognized in the general purpose financial statements of the City. The City has made the required contributions under Illinois Revised Statutes.

The pension benefit obligations shown below are a standardized measure of the present value of credited projected benefits, estimated to be payable in the future as a result of employee service to date. The present value of pension benefits is adjusted for the effects of projected salary increases and any step-rate benefits. The measure is independent of both the actuarial funding method used to determine contributions to the annuity and benefit funds and the method used to determine the "pension obligations" liability recorded in the Long-term Debt Account Group in the City's general purpose financial statements.

The pension benefit obligations were determined as part of an actuarial valuation at December 31, 1988. The pension benefit obligations and net assets available for benefits pertaining expressly to Water Fund employees were not available.

The pension benefit obligations and net assets available for benefits for these annuity and benefit funds at December 31, 1988 are as follows (000's):

	Totals	Municipal Employees'	Laborers'
Total pension benefit obligation	\$2,866,682	\$2,325,052	\$541,630
Net assets available for benefits:			
At cost	2,316,718	1,731,819	584,899
At market value	2,365,713	1,774,607	591,106

Additional information is available in separate reports on the individual annuity and benefit funds and in the City's general purpose financial statements.

Note 6 -- Contingencies And Commitments.

The Water Fund has certain contingent liabilities resulting from litigation, claims and commitments incident to the ordinary course of business.

It is expected that final resolution of the above contingencies will not materially affect the financial position or results of operations of the Water Fund.

The City of Chicago has signed a forty-year agreement to supply seven suburbs with water service. Part of this agreement calls for the City to acquire a water pumping facility and reservoir, which was financed and constructed by the suburbs, at a cost of approximately \$40 Million. Payments for the facility will be solely in the form of credits against charges for water supplied to the facility. The credits range from 12% to 25% of regular water rates depending on the volume of water supplied. The City has not guaranteed any of the debt to build the system. Total cumulative credits from the commencement of operations in 1986 through December 31, 1988 amounted to \$4.1 Million.

Twenty-four suburbs, acting through the Du Page Water Commission, have negotiated a contract with the City to become customers of the Water System in the future. The Department anticipates providing water service to these 24 suburbs in the early 1990's.

Note 7 -- Deferred Compensation Plan.

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The plan is administered by third party administrators who maintain the investment portfolio. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. The City of Chicago Deferred Compensation Committee uses the standards of the Internal Revenue Service to determine an unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan) subject only to the claims of the City's general creditors.

Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the City's management that the City has no liability for losses under the plan but does have the contractual responsibilities set forth in the Chicago Deferred Compensation Plan document. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

THIS PAGE INTENTIONALLY

LEFT BLANK

Appendix "C".

Definitions From The Bond Ordinance.*

As used in this Official Statement, the following terms shall have the meanings hereinafter set forth unless the context shall clearly indicate that some other meaning is intended.

"Authenticating Agent" means _____, which is appointed Authenticating Agent for the Series 1989 Bonds, and any successor to it in that capacity appointed by the City and any co-Authenticating Agent separately appointed by the City.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the City and the Initial Purchasers described in Section 212(b) of the Bond Ordinance.

"Bond Registrar" means _____, which is appointed Bond Registrar for the Series 1989 Bonds, or any successor to it in that capacity appointed by the City and any Co-Bond Registrar separately appointed by the City with the consent of the Bond Registrar.

"Bonds" means the Series 1989 Bonds, the Series 1986 Bonds, the Series 1985 Bonds, the Certificates, the Series 1983 Bonds and all Parity Bonds.

"Capital Appreciation Series 1989 Bonds" means any Series 1989 Bonds which are designated by the Comptroller in the Determination Certificate to be capital appreciation bonds, the interest on which shall be payable as appreciation in the principal amount of the bond, when the principal amount of the Bonds is due.

"Certificates" means waterworks system certificates of indebtedness previously issued by the City for the purpose of paying the cost of constructing improvements and extensions to the Water System, which remain unpaid and provision for the payment of which was made through the irrevocable deposit of a portion of the proceeds of sale of the Series 1985 Bonds in trust with American National Bank and Trust Company of Chicago, Chicago, Illinois, as provided in the Series 1985 Bond Ordinance.

"City" means the City of Chicago, Illinois.

* Not all terms defined in the Bond Ordinance are used or employed in this Official Statement.

"City Council" means the City Council of the City.

"Clerk" means the City Clerk of the City.

"Compound Accreted Value" means, with respect to any bond, any interest on which is payable by appreciation in its principal amount, as of any date of calculation, its original principal amount plus the appreciation in its principal amount to that date calculated as provided in the Determination Certificate.

"Comptroller" means the City Comptroller of the City.

"Construction Account: Series 1989 Bonds" means the separate account of that name in the Water Fund described in Section 303 of the Bond Ordinance.

"Consulting Engineer" means any engineer or firm of engineers of national reputation selected by the City and generally recognized to be well qualified in engineering matters relating to municipal water utility systems.

"Cost of Issuance" means all fees and costs incurred by the City relating to the issuance of the Series 1989 Bonds, including, without limitation, printing costs, Authenticating Agent's initial fees and charges, Bond Registrar's fees and charges, Paying Agent's fees and charges, financial advisory fees, engineering fees, legal fees, accounting fees, the cost of any premiums for municipal bond insurance to insure any Series 1989 Bonds, the cost of providing any Reserve Account Credit Instrument or other credit facilities with respect to the Series 1989 Bonds, and the cost of any related services with respect to any Series 1989 Bonds.

"Debt Service Requirement" means, for any Fiscal Year, the principal of and interest on Bonds required to be paid in that Fiscal Year. With respect to any Bonds for which any interest is payable by appreciation in principal amount, the Debt Service Requirement for a Fiscal Year includes all appreciated principal payable in that Fiscal Year but does not include the increase in principal which occurs in that Fiscal Year but is not payable in that Fiscal Year. Any Bonds required to be redeemed pursuant to a mandatory sinking fund redemption shall be treated for these purposes as being due on the date they are required to be redeemed and not on their stated maturing dates.

"Debt Service Reserve Account" means the separate account of that name in the Water Fund described in Section 404 of the Bond Ordinance.

"Debt Service Reserve Requirement" means, as of any date of computation, an amount equal to the sum of (a) the highest future principle and interest requirements of all Outstanding Series 1983 Bonds (other than Refunded Bonds), Series 1985 Bonds, Series 1986 Bonds, and Series 1989 Bonds in any Fiscal Year including the Fiscal Year in which date of computation falls, and (b) such other amounts as shall be established as the Debt Service Reserve Requirement in respect of a series of Parity Bonds. Any Bonds required to be redeemed pursuant to a mandatory sinking fund redemption shall be treated for purposes of this definition as being due on the dates they are required to be redeemed and not on their stated maturity dates.

"Determination Certificate" means the certificate of the Comptroller filed with the Office of the City Clerk addressed to the City Council, as provided in Section 212(e) of the Bond Ordinance.

"Fiscal Year" means the period beginning January 1 and ending December 31 of any calendar year.

"Governmental Obligations" means securities which are obligations described in clauses (a) and (b) of the definition of Permitted Investments in this Section 101 of this Ordinance.

"Gross Revenues" means all income and receipts from any source which under generally accepted accounting principals are properly recognized as being derived from the operation of the Water System, including, without limitation (a) charges imposed for water service and usage, (b) charges imposed for sales of water to municipalities (other than the City) and other users of water service, (c) charges imposed for inspections and permits for connection to the Water System, (d) grants (excluding grants received for capital projects), and (e) Investment Earnings. Gross Revenues shall not include amounts credited to customers on their bills, such as for payment of the price of purchasing from them capital assets of the water systems.

"Initial Purchasers" means the following firms as underwriters or representatives of an underwriting syndicate to whom the City will sell the Series 1989 Bonds and with whom the City will enter into the Bond Purchase Agreement: Goldman, Sachs & Company, Bear Stearns & Company, Rodman & Renshaw, Incorporated, and W. R. Lazard, Laidlaw & Mead, Incorporated.

"Investment Earnings" means interest plus net profits and less net losses derived from investments made with any portion of the Gross Revenues or any money in the Water Fund and in the accounts (other than the Rebate Accounts) specified in Section 403 of this Ordinance. Investment Earnings do not include interest or earnings on investments of Construction Accounts such as is provided in Article III of the Ordinance.

"Matured Water Bonds and Interest Account" means the separate account of that name in the Water Fund described in Section 403 of the Bond Ordinance.

"Mayor" means the Mayor of the City.

"Moody's" means Moody's Investors Service, Inc., its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency for municipal bonds, "Moody's" shall mean any nationally recognized securities rating organization other than S. & P. designated by the City by notice to the Trustee.

"Municipal Code" means the Municipal Code of the City, as amended.

"Net Revenues" means that portion of the Gross Revenues remaining after providing sufficient funds for Operation and Maintenance Costs.

"Operation and Maintenance Costs" means all expenses reasonably incurred by the City in connection with the operation, maintenance, renewal, replacement and repair of the

Water System, which under generally accepted accounting principles are properly chargeable to the Water System and not capitalized, including, without limitation, salaries, wages, taxes, contracts for services, costs of materials and supplies, purchase of power, fuel, insurance, reasonable repairs and extensions necessary to render efficient service, Paying Agents' fees and all incidental expenses, but excluding any provision for depreciation or for interest on Outstanding Bonds or other obligations for borrowed money payable from the Net Revenues.

"Ordinance" means the Bond Ordinance as it may be modified or amended from time to time pursuant to Article VIII of the Bond Ordinance.

"Outstanding" means, with reference to any series of Bonds, all of such obligations that are outstanding and unpaid, provided that such term shall not include obligations:

(a) which have been paid or redeemed in full both as to principal, redemption premium, if any, and interest, or

(b) which have matured or which have been duly called for redemption and for the payment of which moneys are on deposit with designated paying agents for such Bonds, or are otherwise properly available, sufficient to pay the principal of, redemption premium, if any, and interest on such Bonds, or

(c) for which the City has provided for payment by depositing in an irrevocable trust or escrow, (a) with respect to the Certificates and the Series 1983 Bonds, cash or direct, full faith and credit obligations of the United States of America, or (b) with respect to Bonds other than the Certificates and the Series 1983 Bonds, cash or Governmental Obligations, in each case the maturing principal of and interest on which will be sufficient to pay at maturity, or if called for redemption on the applicable redemption date, the principal of, redemption premium, if any, and interest on such Bonds, or

(d) which are owned by the City.

"Parity Bonds" means obligations which may be issued after the issuance and delivery of the Series 1989 Bonds in accordance with Article VI of this Ordinance and which are payable from Net Revenues on an equal and ratable basis with all other Outstanding Bonds.

"Paying Agent" means Continental Bank, N.A., Chicago, Illinois, which is appointed Paying Agent for the Series 1989 Bonds, or any successor to it in that capacity appointed by the City and any Co-Paying Agent separately appointed by the City, with the consent of the Paying Agent.

"Permitted Investments" means any of the following (which, however, must be consistent with the definitions of "Permitted Investments" in the Series 1983 Bond Ordinance, the Series 1985 Bond Ordinance, and the Series 1986 Bond Ordinance to the extent in force and applicable):

(a) Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America;

(b) Trust receipts or other certificates of ownership evidencing an ownership interest in the principal of or interest on, or both, obligations described in clause (a) of this definition, which obligations are held in trust by a bank described in clause (d) of this definition, provided that such bank holds such obligations separate and segregated from all other funds and accounts of the City and of such bank and that a perfected first security interest under the Illinois Uniform Commercial Code, or under book-entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. (or other similar book- entry procedures similarly prescribed by federal law or regulations adopted after the date of adoption of this Ordinance), has been created in such obligations for the benefit of the applicable account in the Water Fund or, to the extent permitted, in any irrevocable trust or escrow established to make provision for the payment and discharge of the indebtedness on all Series 1989 Bonds or other obligations which are payable from Net Revenues;

(c) Obligations of the Federal National Mortgage Association or of any agency or instrumentality of the United States of America now existing or created after the issuance and delivery of the Series 1989 Bonds, including, but not limited to, the United States Postal Service, the Government National Mortgage Association, and the Federal Financing Bank;

(d) Negotiable or non-negotiable time deposits evidenced (i) by certificates of deposit issued by any bank, trust company, national banking association or savings and loan association which has capital of not less than \$100,000,000 or (ii) by certificates of deposit which are continuously and fully insured by any federal agency;

(e) Repurchase agreements with banks described in clause (d) of this definition or with government bond dealers reporting to, trading with, and recognized as primary dealers by a Federal Reserve Bank, provided (i) that the underlying securities are obligations described in clauses (a) or (c) of this definition and are required to be continuously maintained at a market value not less than the amount so invested, (ii) the City has received an opinion of counsel to the effect that a custodian for the City has possession of the underlying securities as collateral and has a perfected first security interest in the collateral, and (iii) the collateral is in the opinion of such counsel free and clear of claims by third parties;

(f) Obligations of any state of the United States of America or any political subdivision of a state or any agency or instrumentality of a state or political subdivision which shall be rated by Moody's and S. & P. in one of their two highest respective long-term rating categories;

(g) Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are, at the time of purchase, rated by Moody's and S. & P., respectively, in their highest rating category (if not rated by both such rating agencies then a rating by either shall be satisfactory), for comparable types of debt obligations;

(h) Repurchase agreements and investment agreements with any bank, trust company, national banking association (which may include any Paying Agent or Bond Registrar), insurance company or any other financial institution which at the date of the agreement has an outstanding, unsecured, uninsured and unguaranteed debt issue rated AAA by Moody's and AAA by S. & P., or if such institution is not so rated that the agreement is secured by such securities as are described in clauses (a) through (d) above, inclusive, having a market value at all times (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at least equal to the principal amount invested pursuant to the agreement, provided that (i) a custodian for the City (which custodian is not the entity with which the City has the repurchase or investment agreement) has a perfected first security interest in the collateral and the City has received an opinion of counsel to that effect, (ii) the custodian or an agent of the custodian (which agent is not an entity with which the City has the repurchase or investment agreement) has possession of the collateral, and (iii) such obligations are in the opinion of such counsel free and clear of claims by third parties; and

(i) Prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, rated MIG-1 by Moody's or "P-1" by S. & P.

"Project Costs" means the costs of acquiring, constructing and equipping the Projects, including without limitation, acquisition of necessary interests in property, engineering fees or costs of the City, restoration costs, legal fees or costs of the City, and Costs of Issuance.

"Projects" means the program of improvements and extensions to the Water System consisting of installing a computerized data transmission system, replacing aged and obsolete metering facilities and installing new metering facilities to serve new and presently nonmetered customers, rehabilitating a freight elevator and replacing three elevators, constructing a new North District headquarters and a warehouse building, constructing a new tunnel and feeder main, installing water mains to serve new customers, rehabilitating valve operators, connecting some of the Water System's steam pumping stations to electric power, extending an existing tunnel, modernizing the Jardine Water Purification Plant and the South Water Purification Plant by providing new equipment and technology and rehabilitating existing equipment necessary to continue to provide existing customers with the quality and quantity of water required to meet future customer demand, and studying the adequacy of the water supply so as to be able to meet adequately future customer demand.

"Provider" means a company, banking institution or other financial institution which is the issuer of a Reserve Account Credit Instrument.

"Rebate Account" or "Rebate Accounts" means the separate account or accounts in the Water Fund described in Section 403 of the Bond Ordinance and established for the respective series of Bonds issued after the issuance of the Series 1985 Bonds.

"Rehabilitation and Improvement Reserve Account" means the separate account of that name in the Water Fund described in Section 403 of the Bond Ordinance.

"Reimbursement Agreement" means an agreement between the City and a Provider entered into with respect to a Reserve Account Credit Instrument which pertains to the repayment of the Provider, with interest, if any, of amounts pursuant to that Reserve Account Credit Instrument.

"Reserve Account Credit Instrument" means a non-cancellable insurance policy, a non-cancellable surety bond or an irrevocable letter of credit which may be delivered to the City in lieu of or in partial substitution for cash or securities required to be on deposit in the Debt Service Reserve Account. In the case of an insurance policy or surety bond, the company providing the insurance policy or surety bond shall be an insurer which, at the time of issuance of the insurance policy or surety bond, has been assigned a credit rating which is within one of the two highest ratings accorded insurers by both Moody's and S. & P. Letters of credit shall be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of issuance of the letter of credit, a credit rating on its long-term unsecured debt within one of the two highest rating categories from both Moody's and S. & P. The insurance policy, surety bond or letter of credit shall grant to the City the right to receive payment for the purposes of which the Debt Service Reserve Account may be used or for deposit in that Account and shall be irrevocable during its term.

"Reserve Account Credit Instrument Coverage" means, with respect to any Reserve Account Credit Instrument on any date of determination, the amount available to pay principal of and interest on the Bonds under that Reserve Account Credit Instrument.

"Series 1989 Bonds" means the Water Revenue Bonds, Series 1989, of the City authorized by and issued pursuant to the Bond Ordinance.

"Series 1986 Bonds" means the Water Revenue Bonds, Refunding and Improvement Series 1986, of the City authorized by and issued pursuant to the Series 1986 Bond Ordinance.

"Series 1986 Bond Ordinance" means the ordinance passed by the City Council on November 24, 1986, authorizing the issuance of the Series 1986 Bonds.

"Series 1985 Bonds" means the Water Revenue Bonds, Refunding and Improvement Series 1985, of the City authorized by and issued pursuant to the Series 1985 Bond Ordinance.

"Series 1985 Bond Ordinance" means the ordinance passed by the City Council on December 4, 1985, authorizing the issuance of the Series 1985 Bonds.

"Series 1983 Bonds" means the Water Revenue Bonds, Series 1983, of the City authorized by and issued pursuant to the Series 1983 Bond Ordinance.

"Series 1983 Bond Ordinance" means the ordinance passed by the City Council on November 9, 1983, authorizing the issuance of the Series 1983 Bonds.

"S. & P." means Standard & Poor's Corporation, its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency for municipal bonds, "S. & P." shall mean any nationally recognized securities rating organization other than Moody's designated by the City by notice to the Trustee.

"Treasurer" means the City Treasurer of the City.

"Water Fund" means the separate fund designated the "Water Fund of the Municipality of Chicago" previously established by the City pursuant to the Chicago Municipal Code and described in Sections 402 and 403 of the Bond Ordinance.

"Water System" means all property, real, personal or otherwise, owned or to be owned by the City or under the control of the City and used for water supply, distribution or collection purposes, including the Projects and any and all further extensions, improvements and additions to the Projects or the Water System.

As used in the Bond Ordinance, with respect to any Bond on which any interest is payable by appreciation in its principal amount, the term "principal" refers, as of any date, to a Bond's Compound Accreted Value.

THIS PAGE INTENTIONALLY

LEFT BLANK

Appendix "D".

Form Of Approving Opinions Of Co-Bond Counsel

December _____, 1989.

City of Chicago
 City Hall
 121 North LaSalle Street
 Chicago, Illinois 60602

Goldman, Sachs & Company
 Bear, Stearns & Company
 Rodman & Renshaw, Incorporated
 W. R. Lazard & Laidlaw, Incorporated
 [As Representatives of the Underwriters
 Listed in Schedule _____ of the Bond
 Purchase Agreement]

We have examined a certified copy of the record of proceedings of the City of Chicago, Illinois (the "City"), together with various accompanying certificates, pertaining to the issuance by the City of \$_____ aggregate original principal amount of its Water Revenue Bonds, Series 1989 (the "Bonds"). The record of proceedings includes an Ordinance adopted by the City Council of the City providing for the issuance of the Bonds (the "Bond Ordinance") and certificates of officers of the City as to various factual matters.

The Bonds maturing in the years _____ through _____, inclusive, bear interest from their date until paid, payable semi-annually on May 15 in each year, with the first interest payment date being May 15, 19____, at the rates per year and maturing on November 15 of each of the years and in the principal amounts, as follows:

Year Of Maturity	Principal Amount	Interest Rate
---------------------	---------------------	------------------

The Bonds maturing in the years _____ through _____, inclusive, are capital appreciation bonds, on which interest is payable only through appreciated principal amounts at maturity. These Bonds mature on November [15] of each of the years and in the appreciated principal amounts, as follows:

Year Of Maturity	Original Principal Amount	Appreciated Principal Amount
---------------------	---------------------------------	------------------------------------

The Bonds are subject to redemption in advance of their maturity as provided in the Bond Ordinance.

Based upon this examination, we are of the opinion that:

1. The Bond Ordinance has been duly and lawfully adopted by the City, is in full force and effect and is valid and binding upon the City.

2. The Bonds are valid and legally binding limited obligations of the City. The Bonds, together with certain outstanding Water Revenue Bonds of the City and with Water Revenue Bonds which may be issued in the future on a parity with the Bonds, have a claim for payment, as to principal, redemption premium, if any, and interest, on an equal and ratable basis solely from the Net Revenues (as defined in the Bond Ordinance) derived by the City from its ownership and operation of its Water System and from amounts in the various funds and accounts provided for in the Bond Ordinance, all as and to the extent and in the priority as provided in the Bond Ordinance. The Bonds do not have a claim for payment from taxes of the City.

3. Interest on the Bonds under present law is not included in "gross income" for federal income tax purposes and thus is exempt from federal income taxes based on gross income. This opinion is subject to compliance of the City with its covenant in the Bond Ordinance to comply with all requirements which must be met in order for interest on the bonds not to be included in gross income for federal income tax purposes under present law. The City has the power to comply with its covenant. If the City were to fail to comply with these requirements, interest on the Bonds could be included in gross income for federal income tax purposes retroactive to the date the Bonds are issued. Interest on the Bonds is not an item of tax preference for calculation of an alternative minimum tax for individuals under present law.

4. The rights of the holders of the Bonds and the enforceability of provisions of the Bonds and the Bond Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights. Enforcement of provisions of the Bonds or the Bond Ordinance by an equitable or similar remedy is subject to general principles of law or equity governing such a remedy, including the exercise of judicial discretion whether to grant any particular form of relief.

Very respectfully yours,

(Signed) _____

THIS PAGE INTENTIONALLY

LEFT BLANK

Appendix "F".

Form Of Supplemental Opinion Of Co-Bond Counsel

December _____, 1989.

Goldman, Sachs & Co.
As Representatives of Underwriters
of Bonds described in this letter

We have today issued our opinion as bond counsel for the \$ _____ dollar principal amount of Water Revenue Bonds, Series 1989, of the City of Chicago (the "Bonds"). The interest on the Bonds maturing in the years _____ through _____ inclusive (the "Capital Appreciation Bonds") is payable solely by an appreciation in the principal amount of those Bonds payable at their maturities.

We understand that the Capital Appreciation Bonds are initially offered for sale to the public by the underwriters at their initial principal amounts as set forth in the Official Statement relating to the Bonds, and have a principal amount at maturity as described in the Official Statement.

We also understand that the bonds maturing November 15, 2019 (the "Original Issue Discount Bonds"), are offered for sale to the public by the underwriters at an initial offering price of _____% of their principal amount.

Based upon this understanding and our examination as described in our bond counsel opinion issued today, we are of the opinion that under present federal income tax law:

1. Each Capital Appreciation Bond will be considered to have "original issued discount" equal to the difference between its initial principal amount and its principal amount upon maturity as described above.

2. The Original Issue Discount Bonds will be considered to have "original issue discount" equal to the difference between the original issue price described above and the principal amount of the Bonds.

3. To the extent that the original issue discount on a Bond accrues to the owner of a Bond, it is treated as interest on the Bond for federal income tax purposes as described in our opinion issued today with respect to the Bonds.

4. For purchasers of the Capital Appreciation Bonds in the initial public offering of Bonds today, original issue discount will accrue from today at the yield to maturity of the Bond, compounded on each May 15 and November 15 and accruing at that rate ratably on a daily basis between compounding dates.

5. For purchasers of Original Issue Discount Bonds in the initial public offering of Bonds today, original issue discount will accrue from the date of issue of the Bond at the yield to maturity of the Bond, compounded on each May 15 and November 15, and accruing at the rate ratably on a daily basis between compounding dates, less the amount of interest in any period payable on a current interest rate basis.

6. For purposes of determining gain or loss on the payment at maturity, redemption, sale or other disposition of a Capital Appreciation Bond or Original Issue Discount Bond, the basis of a purchaser at the original public offering of the Bonds today will be treated as that owner's cost increased by the original issue discount which is accrued to the date of payment, redemption, sale or other disposition, all as described above.

Very respectfully yours,

(Signed) _____

(Continued from page 9755)

We have calculated the adjusted Net Revenues of the City's Water Fund for 1988, reflecting the Net Revenues as they would have been if the present water rates had been in effect during all of 1988. Net Revenues for 1988 as so adjusted are \$218,054,000. This calculation was based on the Net Revenues as shown in the City's financial statements for the Water Fund for 1988, as audited by Touche Ross & Co., independent certified public accountants, deleting from Net Revenues the amount of investment earnings (as calculated by the City) on construction accounts in the Water Fund.

[Signature forms omitted for printing purposes.]

AUTHORITY GRANTED FOR ISSUANCE OF FREE PERMITS
AND REFUND OF FEE FOR CERTAIN CHARITABLE,
EDUCATIONAL AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, to which had been referred (November 15 and December 6, 1989) proposed ordinances and proposed order transmitted therewith, to authorize the issuance of free permits and a refund of fee for certain charitable, educational and religious institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinances and order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinances and order transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinances and order, as passed, read respectively as follows (the italic heading in each case not being a part of the ordinance or order):

FREE PERMITS.

*Catholic Archdiocese Of Chicago/Saint Benedict
Of Africa Church.*

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Commissioner of Inspectional Services, the Commissioner of Public Works, the Commissioner of Streets and Sanitation, the Commissioner of Sewers and the Commissioner of Water are hereby directed to issue all necessary permits, free of charge, notwithstanding other ordinances of the City to the contrary, to the Catholic Archdiocese of Chicago/Saint Benedict of Africa Church, for the construction of a church on the premises known as 350 West 60th Street .

Said building shall be used exclusively for religious and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage and publication.

Catholic Archdiocese/Saint Mary Of Perpetual Help Church.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Commissioner of Inspectional Services, the Commissioner of Public Works, the Commissioner of Streets and Sanitation, the Commissioner of Sewers and the Commissioner of Water are hereby directed to issue all necessary permits, free of

charge, notwithstanding other ordinances of the City to the contrary, to the Catholic Archdiocese/Saint Mary of Perpetual Help Church, for electrical installations on the premises known as 1040 West 32nd Place.

Said building shall be used exclusively for _____ and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage and publication.

Mary Mc Dowell Center-East.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Commissioner of Inspectional Services, the Commissioner of Public Works, the Commissioner of Streets and Sanitation, the Commissioner of Sewers and the Commissioner of Water are hereby directed to issue all necessary permits, free of charge, notwithstanding other ordinances of the City to the contrary, to Mary McDowell Center-East, for rehabilitation of structure on the premises known as 1258 West 51st Street.

Said building shall be used exclusively for social service for the needy and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage and publication.

REFUND OF FEE.

McCormick Theological Seminary.

Ordered, That the City Comptroller is hereby authorized and directed to refund the amount of \$50.00 to the McCormick Theological Seminary, 5555 South Woodlawn Avenue, representing payment of warrant for collection No. R1-804936, for annual driveway maintenance and inspection fee.

CITY COMPTROLLER AUTHORIZED AND DIRECTED TO CANCEL
WARRANTS FOR COLLECTION ISSUED AGAINST CERTAIN
CHARITABLE, EDUCATIONAL AND RELIGIOUS
INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, to which had been referred on December 6, 1989, sundry proposed orders for cancellation of specified warrants for collection issued against certain charitable, educational and religious institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed substitute order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczyk, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is hereby authorized and directed to cancel specified warrants for collection issued against certain charitable, educational and religious institutions, as follows:

Warrant No.		
Name And Address	And Type Of Inspection	Amount
Boys and Girls Clubs of Chicago 3400 South Emerald Avenue	P1-604760 (Fuel Burn. Equip.)	\$116.00
Lutheran School of Theology 1100 East 55th Street	B1-916456	63.00
	B1-916532 (Bldgs.)	79.00
Northwest Home for the Aged 6300 North California Avenue	C2-902453 (Refrig.)	384.00
Saint Joseph Hospital and Health Care Center (various locations)	B4-700422 (Inst.)	195.00
	R1-913580 (Sign)	34.00

**REDUCTION IN ANNUAL LICENSE FEES FOR SPECIAL
POLICE EMPLOYED BY NOT-FOR-PROFIT
INSTITUTIONS.**

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration three ordinances authorizing the reduction in license fees for the employment of special policemen by sundry not-for-profit institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinances transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinances transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said ordinances, as passed, read respectively as follows (the italic heading in each case not being a part of the ordinance):

Goodwill Industries Of Chicago And Cook County.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Pursuant to Chapter 173, Section 6 of the Municipal Code of Chicago, the following charitable institution employs two special police officers and shall pay a fee of \$10.00 per license for the year 1990:

Goodwill Industries of Chicago and Cook County
2540 West Polk Street.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

New Faith Baptist Church.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Pursuant to Chapter 173, Section 6 of the Municipal Code of Chicago, the following charitable institution employs eight special police officers and shall pay a fee of \$10.00 per license for the year 1989:

New Faith Baptist Church
8400 South Halsted Street.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Northwestern Memorial Hospital.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Pursuant to Chapter 173, Section 6 of the Municipal Code of Chicago, the following charitable institution employs fifty special police officers and shall pay a fee of \$10.00 per license for the year 1990:

Northwestern Memorial Hospital
East Superior Street and North Fairbanks Court.

SECTION 2. This ordinance shall take effect upon its passage and publication.

**AUTHORITY GRANTED FOR PAYMENTS OF HOSPITAL, MEDICAL
AND NURSING SERVICES RENDERED CERTAIN INJURED
MEMBERS OF POLICE AND FIRE DEPARTMENTS.**

The Committee on Finance submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the payment of hospital and medical expenses of police officers and firefighters injured in the line of duty, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is authorized and directed to issue vouchers, in conformity with schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or the Fire Department herein named. The payment of any of these bills shall not be construed as an approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of said claims is set opposite the names of the injured members of the Police Department and/or the Fire Department, and vouchers are to be drawn in favor of the proper claimants and charged to Account No. 100.9112.937:

[Regular orders printed on pages 9889 through 9894 of this Journal.]

(Continued on page 9895)

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/89

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
ALDAY	POLICE OFFICER	SEVENTEENTH DISTRICT	7/28/89	145.78
ANDERSON	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/03/89	378.00
ANSTEAD	POLICE OFFICER	THIRD DISTRICT	7/15/89	125.00
ARROYO	POLICE OFFICER	TWENTY-THIRD DISTRICT	9/27/88	51.00
BAD	POLICE OFFICER	ELEVENTH DISTRICT	7/19/89	140.00
BAY	POLICE OFFICER	FOURTEENTH DISTRICT	7/17/89	145.00
BERRY	POLICE OFFICER	THIRD DISTRICT	7/02/89	224.50
BIZARRO	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/14/87	85.00
BOCARD	POLICE OFFICER	NINTH DISTRICT	7/16/89	65.00
BONNER	POLICE OFFICER	SECOND DISTRICT	7/04/89	461.00
BOSSE	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/24/89	545.59
BOYNS	POLICE OFFICER	YOUTH DIVISION AREA ONE	7/03/89	164.00
BRAASCH	POLICE OFFICER	SEVENTH DISTRICT	7/06/89	35.00
BRADSHAW	POLICE OFFICER	AUDITING AND INTERNAL CONTROL	7/10/89	148.25
BROWN	POLICE OFFICER	ELEVENTH DISTRICT	7/05/89	120.70
BROWN	POLICE OFFICER	SEVENTH DISTRICT	7/10/89	160.58
BURT	POLICE OFFICER	THIRTEENTH DISTRICT	7/31/89	124.00
CANACHO	POLICE OFFICER	SEVENTEENTH DISTRICT	7/11/89	219.50
CAPERS	POLICE OFFICER	FOURTH DISTRICT	7/25/89	183.00
CASEY	POLICE OFFICER	FIFTH DISTRICT	7/29/89	264.60
CAULFIELD	POLICE OFFICER	FIFTH DISTRICT	7/31/89	204.85
CESAK	POLICE OFFICER	TWENTY-FIRST DISTRICT	7/03/89	141.90
CHAPARRO	POLICE OFFICER	TWENTY-FIRST DISTRICT	7/01/89	91.00
CLARKE	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/08/89	112.25
CLAYTON	POLICE OFFICER	SECOND DISTRICT	7/25/89	485.00
CORCORAN	POLICE OFFICER	SEVENTH DISTRICT	7/27/89	94.00
COTTON	POLICE OFFICER	THIRD DISTRICT	7/10/89	421.00
COUGHLIN	POLICE OFFICER	NINTH DISTRICT	7/30/89	179.00
CRUZ	POLICE OFFICER	TWENTIETH DISTRICT	7/10/89	368.50
DALESANDRO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/13/89	139.50
DAMAN	POLICE OFFICER	THIRD DISTRICT	7/11/89	300.10
DEELEY	POLICE OFFICER	SEVENTEENTH DISTRICT	12/28/88	90.00
DESJARDINS	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	9/16/89	418.50
DILLON	POLICE OFFICER	FIRST DISTRICT	7/07/89	366.00
DULL	POLICE OFFICER	TWENTY-FIRST DISTRICT	7/05/89	140.00
DOMAGALA	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/14/88	464.00
DUHIG	POLICE OFFICER	NINETEENTH DISTRICT	6/17/89	153.00
ESCHBACH	POLICE OFFICER	FOURTEENTH DISTRICT	7/17/89	117.00
FERNANDEZ	POLICE OFFICER	TENTH DISTRICT	7/16/89	132.00
FLETCHER	POLICE OFFICER	FOURTH DISTRICT	7/13/89	165.00
FORD	POLICE OFFICER	SECOND DISTRICT	7/04/89	204.00
FRANCIS	POLICE OFFICER	EIGHTEENTH DISTRICT	5/24/89	47.00
FRANKLIN	POLICE OFFICER	FIFTEENTH DISTRICT	7/17/89	179.00
FURMANEK	POLICE OFFICER	EIGHTH DISTRICT	11/20/85	74.25
GALECZKA	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/30/89	214.00
GALLEGOS	POLICE OFFICER	THIRTEENTH DISTRICT	7/12/89	77.00
GALUNN	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/01/89	248.79
GANNISON,	POLICE OFFICER	SEVENTH DISTRICT	5/10/88	35.00
GANZER	POLICE OFFICER	CAMPAINE UNIT	7/25/89	63.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/89

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
GAYTAN	POLICE OFFICER	THIRTEENTH DISTRICT	7/28/89	55.00
GAYTON	POLICE OFFICER	FOURTH DISTRICT	7/09/89	138.00
GOLDEN	POLICE OFFICER	NINTH DISTRICT	7/05/89	202.90
GRANATO	POLICE OFFICER	TWENTY-FIRST DISTRICT	7/14/89	199.00
HEENAN	POLICE OFFICER	EIGHTH DISTRICT	6/10/89	48.60
HILL	POLICE OFFICER	SECOND DISTRICT	6/19/89	48.60
HYZY	POLICE OFFICER	FIFTH DISTRICT	5/14/89	720.00
KIERAS	POLICE OFFICER	DHARE SECURITY	6/13/83	450.00
KOSTKA	POLICE OFFICER	SEVENTH DISTRICT	8/15/89	175.20
LAWRES	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/10/89	314.00
LAFORTA	POLICE OFFICER	PUBLIC HOUSING DIVISION-SOUTH	7/02/89	133.00
LEMON	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/24/89	93.90
LEUNG	POLICE OFFICER	TWENTIETH DISTRICT	7/12/89	222.00
LEYENDECKER	POLICE OFFICER	NINTH DISTRICT	7/06/89	365.40
LOEFFLER	POLICE OFFICER	ELEVENTH DISTRICT	7/20/89	123.60
LYKINS	POLICE OFFICER	SEVENTEENTH DISTRICT	7/11/89	175.00
LYNCH	POLICE OFFICER	SEVENTH DISTRICT	7/16/89	556.60
MACKOWSKI	POLICE OFFICER	SEVENTEENTH DISTRICT	6/04/89	90.08
MANGAN	POLICE OFFICER	TWELFTH DISTRICT	6/25/89	297.00
MANGRUM	POLICE OFFICER	YOUTH DIVISION AREA ONE	6/24/88	45.00
MCCARTHY	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	6/04/89	336.00
MCCLENDON	POLICE OFFICER	FIFTEENTH DISTRICT	7/13/89	118.00
MCCLOUJ	POLICE OFFICER	SEVENTH DISTRICT	7/06/89	61.30
MCLAIN	POLICE OFFICER	THIRTEENTH DISTRICT	6/23/89	540.00
MCHANANON	POLICE OFFICER	FIFTEENTH DISTRICT	1/10/87	95.00
MCHANANON	POLICE OFFICER	FIFTEENTH DISTRICT	7/08/89	243.00
MICELI	POLICE OFFICER	SEVENTEENTH DISTRICT	7/20/89	202.00
NINET	POLICE OFFICER	EIGHTH DISTRICT	7/10/89	83.60
MINGO	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/12/89	1150.06
MIRANDA	POLICE OFFICER	TWENTY-FIRST DISTRICT	7/22/89	108.00
MITCHELL-SMITH	POLICE OFFICER	TWENTY-SECOND DISTRICT	6/27/88	157.00
MUEHLFELDER	POLICE OFFICER	TWENTIETH DISTRICT	7/28/89	411.78
MUSCOLINO	POLICE OFFICER	NINETEENTH DISTRICT	7/17/89	347.05
MUSCOLINO	POLICE OFFICER	NINETEENTH DISTRICT	7/04/89	64.00
MUSHOL	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/10/89	128.00
MYERS	POLICE OFFICER	SECOND DISTRICT	7/03/88	155.00
NELSON	POLICE OFFICER	SEVENTEENTH DISTRICT	7/16/89	77.00
NICOBIA	POLICE OFFICER	NINETEENTH DISTRICT	7/15/89	147.00
NIGRO	POLICE OFFICER	FIFTEENTH DISTRICT	7/31/89	299.80
NOON	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/26/89	80.84
OCALLAGHAN	POLICE OFFICER	SIXTH DISTRICT	7/04/89	140.00
OHLSON	POLICE OFFICER	RECRUIT TRAINING	7/17/89	55.00
PACHOLSKI	POLICE OFFICER	ELEVENTH DISTRICT	7/13/89	1019.00
PAPPAS	POLICE OFFICER	SEVENTEENTH DISTRICT	7/20/89	141.75
PARISI	POLICE OFFICER	TWENTY-THIRD DISTRICT	6/04/89	78.00
PELK	POLICE OFFICER	THIRD DISTRICT	7/02/89	181.00
PEREZ	POLICE OFFICER	NINTH DISTRICT	7/16/89	99.90
RADECKI	POLICE OFFICER	NINETEENTH DISTRICT	4/26/89	32.00
RECORD	POLICE OFFICER	FIRST DISTRICT	7/01/89	491.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/89

REGULAR ORDERS

EMPLOYEE NAME	RANK	UNIT OF ASSIGNMENT	DATE INJURED	VOUCHER TOTAL
RESENDEZ				
ROSE	POLICE OFFICER	THIRTEENTH DISTRICT	8/24/88	112.00
RYAN	POLICE OFFICER	ELEVENTH DISTRICT	7/30/89	8720.42
RUNYAN	POLICE OFFICER	EIGHTEENTH DISTRICT	4/18/85	200.00
SANDERS	POLICE OFFICER	NINETEENTH DISTRICT	7/14/84	100.00
SCOTT-PAVIS	POLICE OFFICER	RECRUIT TRAINING	5/23/89	90.00
SPATARO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/19/89	141.59
SWANK	POLICE OFFICER	EIGHTEENTH DISTRICT	5/16/89	70.00
TAYLOR	POLICE OFFICER	SIXTH DISTRICT	3/14/89	1095.00
TERRILL	POLICE OFFICER	NINETEENTH DISTRICT	6/19/89	19.00
VERBIL	POLICE OFFICER	MOTOR MAINTENANCE DIVISION	5/07/89	246.00
VIBOR	POLICE OFFICER	RECRUIT TRAINING	12/27/88	263.00
VITEK	POLICE OFFICER	SIXTH DISTRICT	5/06/89	595.00
VOGT	POLICE OFFICER	TWENTY-FOURTH DISTRICT	10/31/87	39.99
WOJCIECHOWSKI	POLICE OFFICER	SIXTEENTH DISTRICT	7/05/89	32.00
YAMICH	POLICE OFFICER	EIGHTEENTH DISTRICT	7/31/89	480.00
YANCEY	POLICE OFFICER	INTERSECTION CONTROL UNIT	6/12/89	18.25
ALICEA	POLICE OFFICER	SIXTH DISTRICT	5/23/89	35.00
AMBOS	FIREFIGHTER	ENGINE COMPANY 124	7/06/88	126.00
BENNER	CAPTAIN	SUPPORT SERVICES DEPUTY'S OFFI	7/20/89	326.25
BIXTER	LIEUTENANT	EMS DISTRICT 4 HEADQUARTERS &	5/30/89	413.00
BLITS	FIREFIGHTER	DISTRICT RELIEF 2	8/21/89	70.80
BRACKEN	PARAMEDIC	TRUCK 36	8/25/89	233.20
BRODERSEN	PARAMEDIC	AMBULANCE 35	8/25/89	106.00
BUNYON	CAPTAIN	UNKNOWN	8/30/89	137.90
CARBONNEAU	FIREFIGHTER	ENGINE COMPANY 89	8/19/89	219.00
CHRISTOPHER	LIEUTENANT	TRUCK 7	5/07/89	75.00
CLAUSEN	FIREFIGHTER	BATTALION 10,	8/09/89	124.29
CLOUD	FIREFIGHTER	SQUAD 1	4/17/89	242.34
CNOTA	FIREFIGHTER	UNKNOWN	5/22/89	253.00
COCO	PARAMEDIC	UNKNOWN	8/18/88	35.00
COLON	ENGINEER	TRUCK 44	8/26/89	427.85
CONNELLY	FIREFIGHTER	DISTRICT RELIEF 3	12/22/88	449.62
CORDT	FIREFIGHTER	ENGINE COMPANY 78	8/20/89	257.00
CRUZ	PARAMEDIC	TRUCK 1	7/17/89	64.00
DOHERTY	FIREFIGHTER	ENGINE COMPANY 94	1/13/89	74.50
DOSEN	LIEUTENANT	AMBULANCE 3	8/30/89	72.00
DOYLE	FIREFIGHTER	ENGINE COMPANY 1/42	7/27/89	98.75
DURKIN	LIEUTENANT	ENGINE COMPANY 126	5/12/88	617.43
ENRIGHT	ENGINEER	TRUCK 47	7/03/89	182.37
FOLEY	PARAMEDIC	UNKNOWN	3/31/89	74.90
FRIDINGS	PARAMEDIC	AMBULANCE 19	12/28/88	868.00
GARULEY	FIREFIGHTER	AMBULANCE 23	3/06/89	664.00
GAMRYK	PARAMEDIC	ENGINE COMPANY 38	7/14/89	300.10
GILBERT	PARAMEDIC	AMBULANCE 14	1/28/89	2472.00
GILMORE	FIREFIGHTER	DISTRICT RELIEF 1	4/21/87	125.00
GLEESON	POLICE OFFICER	TRUCK 15	6/28/89	198.00
	FIREFIGHTER	UNKNOWN	8/05/89	51.90
	PARAMEDIC	ENGINE COMPANY 50	8/18/89	66.00
		DISTRICT RELIEF 5	11/25/88	249.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/89

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
GORDON DONALD	CAPTAIN	TRUCK 7	4/16/89	60.00
GREGORY DON	FIREFIGHTER	AMBULANCE 15	1/26/89	120.00
GRIFFIN JOHN	FIREFIGHTER	TRUCK 38	8/13/89	228.75
GROH THOMAS	LIEUTENANT	TRUCK 21	12/10/84	71.00
HAIN ROGER	FIREFIGHTER	ENGINE COMPANY 56	12/26/84	295.00
HANNON PATRICK	FIREFIGHTER	TRUCK 8	7/29/89	146.70
HARRIS DENNIS	FIREFIGHTER	TRUCK 15	1/31/89	911.61
HEIERLING ELIZABETH	PARAMEDIC	EHS CITY WIDE RELIEF	11/22/80	70.00
HELMOLD KEVIN	PARAMEDIC	DISTRICT RELIEF 5	10/04/88	114.00
HERLING SEAN	FIREFIGHTER	ENGINE COMPANY 76	11/12/85	1574.00
HERLING JAMES	FIREFIGHTER	ENGINE COMPANY 76	4/10/89	275.95
HOLTZ CLARENCE	FIREFIGHTER	ENGINE COMPANY 115	7/31/89	120.00
HOUIHAN DONALD	FIREFIGHTER	REPAIR SHOP	8/24/89	160.00
JEFFRIES ROBERT	FIREFIGHTER	ENGINE COMPANY 77	7/02/89	120.70
JOHNSON ROBERT	PARAMEDIC	AMBULANCE 4	1/25/89	229.90
JOHNSON ROBERT	FIREFIGHTER	TRUCK 48	9/12/89	188.00
JOHNSON ROBERT	PARAMEDIC	AMBULANCE 42	7/21/88	350.00
JOHNSON ROBERT	FIREFIGHTER	ENGINE COMPANY 76	7/31/89	134.47
JUDGE JAMES T	CAPTAIN	ENGINE COMPANY 67	1/11/89	4168.00
KANIA MARVIN	CAPTAIN	ENGINE COMPANY 39	7/15/89	73.00
KARNER RONALD	PARAMEDIC	UNKNOWN	9/13/89	147.00
KESSELL JANEEN F	LIEUTENANT	DISTRICT RELIEF 2	8/22/89	239.95
KIERS STEVE	PARAMEDIC	EMS DISTRICT 1 HEADQUARTERS & R	6/06/88	827.00
KOCH THOMAS G	FIREFIGHTER	TRUCK 29	2/13/89	375.00
KWITKA VICTOR	PARAMEDIC	AMBULANCE 33	8/13/88	567.30
LANDERS ROBERT J	PARAMEDIC	UNKNOWN	7/27/89	65.00
LANDERS ROBERT J	PARAMEDIC	UNKNOWN	7/31/89	82.00
LAWER ALBERT	PARAMEDIC	UNKNOWN	7/27/89	127.00
LAWRENCE ANN	FIREFIGHTER	ENGINE COMPANY 56	7/08/89	105.00
LEIGH DONALD	FIREFIGHTER	UNKNOWN	12/28/87	40.00
LINSE MARK	PARAMEDIC	ENGINE COMPANY 26	7/25/89	845.75
LOGAN WILLIAM	PARAMEDIC	EMS DISTRICT 4 HEADQUARTERS &	8/18/89	117.00
LONG EDDIE	FIREFIGHTER	AMBULANCE 23	12/17/88	619.00
LORENZEN DONALD	CAPTAIN	UNKNOWN	8/25/89	154.00
LUEDKE ERICA	PARAMEDIC	TRUCK 16	10/12/85	122.00
MAGNUSON UERON	FIREFIGHTER	UNKNOWN	9/07/88	110.09
MAHER THOMAS	FIREFIGHTER	SQUAD 3	8/20/89	120.80
MALONEY MICHAEL	FIREFIGHTER	ENGINE COMPANY 63	8/14/89	253.00
MARRERO WILLIAM	FIREFIGHTER	UNKNOWN	6/18/89	50.00
MARTINEZ ALEX	FIREFIGHTER	UNKNOWN	3/30/89	226.00
MCCLEINTON DARRYL	FIREFIGHTER	TRUCK 44	6/01/89	144.00
MCCLEINTON ROBERT	FIREFIGHTER	ENGINE COMPANY 82	3/25/89	910.00
MCCULLOUGH ROGER	FIREFIGHTER	ENGINE COMPANY 82	8/13/89	81.00
MCDONALD JOHN	FIREFIGHTER	TRUCK 61	8/11/89	81.00
MCGUINNNESS PATRICK J	LIEUTENANT	TRUCK 33	7/26/89	771.00
MCKILLIP JOHN	PARAMEDIC	TRUCK 51	11/30/88	2325.00
MCKILLIP THOMAS	PARAMEDIC	AMBULANCE 21	7/31/89	511.00
MCMARRA THOMAS	FIREFIGHTER	UNKNOWN	4/04/89	41.25
		ENGINE COMPANY 1/42	3/20/71	347.39

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/89

REGULAR ORDERS

EMPLOYEE NAME	RANK	UNIT OF ASSIGNMENT	DATE INJURED	VOUCHER TOTAL
MCNAMARA	LIEUTENANT	SQUAD 3	2/19/88	829.00
MILLER	POLICE OFFICER	ENGINE COMPANY 126	3/13/89	327.85
MINASOLA	FIREFIGHTER	SQUAD 4	8/22/89	111.50
MURRY	PARAMEDIC	DISTRICT RELIEF 6	8/03/89	216.20
NICHOLS	FIREFIGHTER	ENGINE COMPANY 93	1/20/89	195.50
NIETUSKI	FIREFIGHTER	TRUCK 18	8/14/89	314.40
NIETUSKI	PARAMEDIC	AMBULANCE 25	9/18/87	35.00
NOMACKI	PARAMEDIC	EMS DISTRICT 3 HEADQUARTERS & R	7/23/89	83.00
ODONNELL	POLICE OFFICER	ENGINE COMPANY 71	8/17/88	344.00
OLSEN	PARAMEDIC	AMBULANCE 46	2/26/85	126.13
OSSLER	PARAMEDIC	AMBULANCE 23	5/12/89	674.50
PALLISTER	PARAMEDIC	AMBULANCE 23	9/24/89	169.00
PANCHESIN	FIREFIGHTER	ENGINE COMPANY 117	6/20/89	539.00
PAOLINI	PARAMEDIC	AMBULANCE 39	9/04/89	85.84
PARKER	PARAMEDIC	DISTRICT RELIEF 1	8/07/89	230.85
PARKER	FIREFIGHTER	TRUCK 20	8/27/89	149.50
PARKER	PARAMEDIC	TRUCK 8	8/04/87	274.10
PAVILONIS	FIREFIGHTER	SQUAD 5	7/27/89	160.00
PETRASEK	CAPTAIN	ENGINE COMPANY 47	6/02/84	30.00
PETTIGREW	FIREFIGHTER	ENGINE COMPANY 126	7/17/89	156.00
PING	PARAMEDIC	EMS DISTRICT 3 HEADQUARTERS & R	4/28/88	130.00
POSS	LIEUTENANT	ENGINE COMPANY 110	8/25/88	70.00
FRATT	PARAMEDIC	UNKNOWN	7/26/89	155.00
REIDY	LIEUTENANT	ENGINE COMPANY 117	7/02/89	231.00
RICHTER	FIREFIGHTER	UNKNOWN	5/22/89	253.00
ROBINSON	FIREFIGHTER	SQUAD 1	7/30/89	430.00
ROBITA	PARAMEDIC	AMBULANCE 31	8/27/89	461.10
RUTKA	FIREFIGHTER	UNKNOWN	7/25/89	245.00
SANGARI	PARAMEDIC	AMBULANCE 13	7/24/89	167.85
SCHRINER	FIREFIGHTER	ENGINE COMPANY 7	8/26/89	131.50
SHAIFER	FIREFIGHTER	ENGINE COMPANY 1/42	4/20/89	225.00
SMITH	PARAMEDIC	AMBULANCE 45	9/17/88	20.00
SMITH	FIREFIGHTER	ENGINE COMPANY 4	9/04/89	362.50
SPALLINA	FIREFIGHTER	ENGINE COMPANY 54	12/02/88	256.00
STALA	FIREFIGHTER	ENGINE COMPANY 14	8/01/89	128.00
STEMART	CAPTAIN	DISTRICT HEADQUARTERS 1	2/03/85	150.44
SURMA	PARAMEDIC	AMBULANCE 31	8/27/89	92.50
SWATZELL	PARAMEDIC	DISTRICT RELIEF 6	6/13/89	151.75
SZATKOWSKI	FIREFIGHTER	ENGINE COMPANY 57	3/09/89	850.00
TAUITAS	PARAMEDIC	AMBULANCE 22	5/30/89	93.00
TAVITAS	PARAMEDIC	AMBULANCE 22	2/25/89	262.00
TEMPLE	ENGINEER	TRUCK 37	4/04/89	578.00
THAMES	ENGINEER	UNKNOWN	9/13/88	288.00
THIEL	FIREFIGHTER	ENGINE COMPANY 35	6/18/89	319.00
THIELSEN	FIREFIGHTER	ENGINE COMPANY 98	8/28/89	443.00
THOMAS	LIEUTENANT	ENGINE COMPANY 107	5/22/89	129.70
TIENDA	PARAMEDIC	AMBULANCE 43	8/16/88	76.20
TOTH	FIREFIGHTER	ENGINE COMPANY 118	8/04/89	674.65
VEGA	FIREFIGHTER	ENGINE COMPANY 56	7/22/89	133.00

CITY OF CHICAGO
CITY COUNCIL ORDERS
COUNCIL MEETING OF 12/13/89
REGULAR ORDERS

EMPLOYEE NAME	RANK	UNIT OF ASSIGNMENT	DATE INJURED	VOUCHER TOTAL
VEGA	FIREFIGHTER	TRUCK 21	7/16/89	111.00
VELEZ	FIREFIGHTER	TRUCK 53	10/08/88	64.75
VENEGAS	FIREFIGHTER	ENGINE COMPANY 50	7/04/89	44.00
WALKER	FIREFIGHTER	ENGINE COMPANY 122	6/06/87	217.00
WALTER	PARAMEDIC	DISTRICT RELIEF 1	8/18/89	241.15
WALZ	FIREFIGHTER	SNORKEL SQUAD 3	1/08/89	469.00
WARD	LIEUTENANT	SQUAD 4	7/23/89	247.00
WHITE	PARAMEDIC	UNKNOWN	4/01/89	16.00
WILLIAMS	FIREFIGHTER	ENGINE COMPANY 56	5/16/86	49.00
WILLINGHAM	FIREFIGHTER	TRUCK 24	9/11/87	45.00
WINDT	FIREFIGHTER	TRUCK 33	8/26/88	1823.24
ZAFER	FIREFIGHTER	SQUAD 1	5/30/89	114.50
ZUBEK	FIREFIGHTER	TRUCK 41	1/18/82	16384.95

(Continued from page 9888)

; and

Be It Further Ordered, That the City Comptroller is authorized and directed to issue warrants, in conformity with the schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or the Fire Department herein named, provided such members of the Police Department and/or the Fire Department shall enter into an agreement in writing with the City of Chicago to the effect that, should it appear that any of said members of the Police Department and/or the Fire Department have received any sum of money from the party whose negligence caused such injury, or have instituted proceedings against such party for the recovery of damage on account of such injury or medical expenses, then in that event the City shall be reimbursed by such member of the Police Department and/or the Fire Department out of any sum that such member of the Police Department and/or the Fire Department has received or may hereafter receive from such third party on account of such injury or medical expenses, not to exceed the expense in accordance with Opinion No. 1422 of the Corporation Counsel of said City, dated March 19, 1926. The payment of any of these bills shall not be construed as approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of such claims, as allowed, is set opposite the names of the injured members of the Police Department and/or the Fire Department and warrants are to be drawn in favor of the proper claimants and charged to Account No. 100.9112.937:

[Third party orders printed on page 9896 of this Journal.]

**COMMITTEE ON BEAUTIFICATION
AND RECREATION.**

**PERMISSION TO CLOSE TO TRAFFIC PORTIONS OF SPECIFIED
STREETS FOR SUNDRY EVENTS.**

The Committee on Beautification and Recreation submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

(Continued on page 9897)

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/89

THIRD PARTY ORDERS

EMPLOYEE NAME	RANK	UNIT OF ASSIGNMENT	DATE INJURED	VOUCHER TOTAL
ALANIZ	POLICE OFFICER	SECOND DISTRICT	2/20/89	70.00
BECHAR	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/13/89	505.50
BOEHRER	POLICE OFFICER	THIRTEENTH DISTRICT	7/25/89	585.00
CALABRESE	POLICE OFFICER	DETECTIVE DIV AREA 4 VIOLENT C	7/31/89	685.69
CAMPBELL	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/26/89	224.50
COX	POLICE OFFICER	TWENTY-THIRD DISTRICT	4/04/89	58.00
DAVIS	POLICE OFFICER	FIFTH DISTRICT	7/17/89	505.81
DORNBOIS	POLICE OFFICER	FIRST DISTRICT	6/05/89	523.00
DUNCKER	POLICE OFFICER	FIRST DISTRICT	1/10/89	59.50
FLAHERTY	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	7/12/89	630.33
GOODSON	POLICE OFFICER	NINETEENTH DISTRICT	7/10/89	96.00
HANSEN	POLICE OFFICER	TENTH DISTRICT	2/14/89	540.00
HOFFMAN	POLICE OFFICER	FIFTH DISTRICT	6/08/89	28.00
KLINER	POLICE OFFICER	THIRD DISTRICT	7/17/89	540.00
KOLOVITZ	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	8/03/87	85.00
LARK	POLICE OFFICER	TWENTIETH DISTRICT	7/14/89	671.02
LARSON	POLICE OFFICER	THIRTEENTH DISTRICT	9/19/86	28.00
LINCOLN	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/20/89	98.00
MABLANKA	POLICE OFFICER	DETECTIVE DIV AREA 3 VIOLENT C	7/25/89	268.45
MCGRANE	POLICE OFFICER	ELEVENTH DISTRICT	7/26/89	35.00
MCURTON	POLICE OFFICER	FIFTEENTH DISTRICT	7/25/89	98.00
OVERTON	POLICE OFFICER	NINETEENTH DISTRICT	11/25/84	5437.50
PALADINO	POLICE OFFICER	DETECTIVE DIV AREA 3 VIOLENT C	7/25/89	247.45
PALUCH	POLICE OFFICER	DETAIL UNIT	9/20/87	1325.20
ROBERTS-DILLON	POLICE OFFICER	SIXTEENTH DISTRICT	12/23/87	159.00
ROMACIK	POLICE OFFICER	YOUTH DIVISION AREA THREE	5/24/89	472.45
SASSO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	12/29/82	25.69
SHIER	POLICE OFFICER	EIGHTH DISTRICT	2/17/89	75.00
SMITH	POLICE OFFICER	TWENTIETH DISTRICT	6/18/88	48.00
SPRINGER	POLICE OFFICER	GANG CRIMES ENFORCEMENT DIVISI	8/07/89	2564.00
VLCEK	POLICE OFFICER	SIXTH DISTRICT	2/18/89	1644.00
COLON	PARAMEDIC	DISTRICT RELIEF 1	6/06/89	234.50
HOPKINS	FIREFIGHTER	ENGINE COMPANY 39	5/05/89	37.80
KOWACKI	PARAMEDIC	ENGINE COMPANY 91	7/19/89	513.50
PAULINI	PARAMEDIC	EMS DISTRICT 1 HEADQUARTERS & R	5/29/88	133.00
SHEPPARD	PARAMEDIC	UNKNOWN	4/25/89	668.10
VINSON	FIREFIGHTER	ENGINE COMPANY 91	7/19/89	312.25
WIDEMAN	CAPTAIN	FIRE PREVENTION	7/27/89	1179.30

(Continued from page 9895)

Your Committee on Beautification and Recreation, having had under consideration five orders (which were referred on November 15, 1989 and November 29, 1989) authorizing and directing the Commissioner of Public Works to grant permission for street closings for specific purposes, begs leave to recommend that Your Honorable Body *Pass* the said proposed orders, which are transmitted herewith.

This recommendation was concurred in by all members of the committee present with no dissenting vote.

Respectfully submitted,

(Signed) EUGENE C. SCHULTER,
Chairman.

On motion of Alderman Schulter, the said proposed orders transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said orders, as passed, read respectively as follows (the italic heading in each case not being a part of the order):

*Portions Of North Clark Street And North Dearborn Street.
(Chicago's Tribute To Lech Walesa)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Kathy Osterman, Director, Department of Special Events of the City of Chicago, Room 703, City Hall, to close to traffic North Clark Street and North Dearborn Street, between West Washington Street and West Randolph Street on Saturday, November 18, 1989, during the hours of 10:00 A.M. and 3:30 P.M., for Chicago's Tribute to Lech Walesa.

*Portions Of South Michigan Avenue.
(1989 Ronald McDonald's
Charity Christmas
Parade)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Kathy Osterman, Director, Department of Special Events, Room 703, City Hall, to close to traffic South Michigan Avenue, between East Jackson Boulevard and East Madison Street on Saturday, November 25, 1989, during the hours of 4:00 A.M. and 5:00 P.M.; South Michigan Avenue, between East Balbo Drive and East Roosevelt Road, during the hours of 4:30 A.M. and 2:15 P.M., on Saturday, November 25, 1989; South Michigan Avenue, between East Madison Street and East Wacker Drive on Saturday, November 25, 1989, during the hours of 8:30 A.M. and 2:15 P.M.; and South Michigan Avenue, between East Roosevelt Road and East Wacker Drive on Saturday, November 25, 1989, during the hours of 11:30 A.M. and 2:30 P.M., for the conduct of the 1989 Ronald McDonald's Charity Christmas Parade.

*Portions Of South Michigan Avenue.
(Associated Events In Conjunction
With 1989 Ronald McDonald's
Charity Christmas Parade)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Kathy Osterman, Director, Department of Special Events of the City of Chicago, Room 703, City Hall, to close to traffic the east lanes of South Michigan Avenue, between East 11th Street and East Roosevelt Road on Saturday, November 18, 1989, during the hours of 8:00 A.M. and 12:00 Noon for a balloon rehearsal in conjunction with the 1989 Ronald McDonald's Charity Christmas Parade which will be held on November 25, 1989; and the east curb lane and the east center lane of South Michigan Avenue, between East Jackson Boulevard and East Monroe Street on Sunday, November 19, 1989, from 12:01 A.M. to 5:00 A.M. for pre-drilling of holes for reviewing tents.

*Portions Of North Michigan Avenue, Lower Wacker Drive,
Lower Randolph Street And East Jackson Boulevard.
(Rudolph Ramble 5K Running
And Fitness Walk)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to

grant permission to Kathy Osterman, Director, Department of Special Events, Room 703, City Hall, to close to traffic the following areas on Saturday, November 25, 1989, during the hours of 8:30 A.M. and 11:00 A.M., for the conduct of the Rudolph Ramble 5K Running and Fitness Walk, in conjunction with the 1989 Ronald McDonald's Charity Christmas Parade:

Assembly at the intersection of North Michigan Avenue and East Madison Street at 8:30 A.M. -- stepoff time 9:00 A.M.; will proceed north on Michigan Avenue (all lanes) to Wacker Drive; east on Wacker Drive in westbound curb lane to the Lower Wacker Drive ramp; east on Lower Wacker Drive to cross Lower Lake Shore Drive and enter the bicycle paths via Lower Randolph Street; south on path to turnaround south of East Jackson Boulevard (crossing Monroe); return along same route disbanding at Michigan Avenue and Madison Street.

*Portion Of South Stony Island Avenue.
(Tree Lighting Ceremony)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Alderman Keith A. Caldwell, 8539 South Cottage Grove Avenue for a tree lighting ceremony on South Stony Island Avenue (closing off one lane on each side adjacent to median strip) from East 86th Place to East 87th Street, Friday, December 8, 1989, during the hours of 11:30 A.M. until 1:30 P.M.

PERMISSION TO HOLD SPECIAL EVENTS ON PORTIONS
OF SPECIFIED PUBLIC WAYS.

The Committee on Beautification and Recreation submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Beautification and Recreation, having had under consideration four orders (which were referred on November 15, 1989 and November 29, 1989, and one order which was re-referred on November 29, 1989 from the Committee on Traffic Control and Safety) authorizing and directing the Commissioner of Public Works to grant permission

for the conduct of special events on specified public ways, begs leave to recommend that Your Honorable Body *Pass* the said orders, which are transmitted herewith.

This recommendation was concurred in by all members of the committee present with no dissenting vote.

Respectfully submitted,

(Signed) EUGENE C. SCHULTER,
Chairman.

On motion of Alderman Schuler, the said proposed orders transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Said orders, as passed, read respectively as follows (the italic heading in each case not being a part of the order):

*Portion Of South Marshall Boulevard.
(Boulevard Restoration And Open
Lands Kick-Off Ceremonies)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Alderman Jesus G. Garcia, 2500 South Millard Avenue for the conduct of boulevard restoration and open lands kick-off ceremonies for the planting of trees along South Marshall Boulevard, from West Cermak Road to West 24th Boulevard, Wednesday, October 4, 1989, during the hours of 8:30 A.M. until 10:30 A.M.

*Portion Of North Simonds Drive.
(Chicago Area Runners
Association Holiday
5K Race)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Erika Kohler, 459 North Milwaukee Avenue for the conduct of Chicago Area Runners Association Holiday 5K Race on North Simonds Drive, from West Foster to West Lawrence Avenues, Sunday, December 3, 1989, during the hours of 7:00 A.M. to 12:00 Noon.

*Portion Of South South Shore Drive.
(Hyde Park Art Center
Benefit Auction)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to the Hyde Park Art Center, c/o Bonnie Hughes, 1700 East 53rd Street, for the conduct of an annual benefit auction in the 5300 block of South South Shore Drive, on Saturday, November 11, 1989, during the hours of 6:00 P.M. and 10:00 P.M.

*Portion Of South University Avenue.
(University Of Chicago Women's
Board Meeting)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Lee Caldwell, Director of Security, University of Chicago, 5555 South Ellis Avenue for the conduct of the University of Chicago Women's Board Meeting on University Avenue, from the 5700 block to the 6000 block on Tuesday, December 5, 1989 during the hours of 6:00 A.M. to 12:00 Noon.

*Portions Of West 59th Street And South Woodlawn Avenue.
(University Of Chicago Women's Board Meeting)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Lee Caldwell, Director of Security, University of Chicago, 5555 South

Ellis Avenue for the conduct of the University of Chicago Women's Board Meeting on East 59th Street, from South University Avenue to South Kimbark Avenue and on South Woodlawn Avenue, from East 57th Street to East 59th Street on Tuesday, December 5, 1989, during the hours of 6:00 A.M. to 12:00 Noon.

**COMMITTEE ON THE BUDGET AND
GOVERNMENT OPERATIONS.**

**CORRECTIONS AND REVISIONS OF 1990 ANNUAL
APPROPRIATION ORDINANCE, AS AMENDED.**

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a series of amendments to the 1990 Annual Appropriation Ordinance, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by twelve members of the committee with six dissenting votes.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

Alderman Bloom moved to divide the proposed amendatory ordinance so as to consider separately pages 5, 6 and 10 to the attached Exhibit "A".

Alderman Madzyk moved to *Lay on the Table* the foregoing motion. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Beavers, Caldwell, Vrdolyak, Huels, Fary, Madzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, Krystyniak, Henry, Soliz, Gutierrez, Butler, Bialczak, Gabinski, Mell, Austin, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Hansen, Levar, Schulter, M. Smith, Stone -- 33.

Nays -- Aldermen Rush, T. Evans, Bloom, Steele, Shaw, Davis, Figueroa, Giles, Eisendrath, Orr -- 10.

Aldermen Orr, Rush, Tillman, Bloom, Steele, Shaw, Langford, Streeter, J. Evans, Garcia, Butler, E. Smith, Eisendrath and Shiller presented the following amendment:

[Amendment printed on page 9904 of this Journal.]

On motion of Alderman Austin, the said amendment was *Referred to the Committee on the Budget and Government Operations* by yeas and nays as follows:

Yeas -- Aldermen Roti, Beavers, Vrdolyak, Huels, Fary, Madzyk, Burke, Kellam, Bialczak, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Hansen, Levar, Schulter, M. Smith, Stone -- 23.

Nays -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Caldwell, Shaw, Carter, Langford, Streeter, Jones, J. Evans, Garcia, Henry, Butler, E. Smith, Davis, Figueroa, Giles, Eisendrath, Shiller, Orr -- 22.

Aldermen Beavers, T. Evans and Caldwell presented the following amendment to the said proposed amendatory ordinance:

[Amendment printed on page 9906 of this Journal.]

On motion of Alderman Austin, the said amendment was *Referred to the Committee on the Budget and Government Operations* by yeas and nays as follows:

(Continued on page 9905)

**Amendment Submitted By Aldermen Orr, Rush, Tillman,
Bloom. Steele, Shaw, Langford, Streeter, J. Evans,
Garcia, Butler, E. Smith, Eisendrath And Shiller.**

CORRECTIONS AND REVISIONS
OF 1990 CITY OF CHICAGO
BUDGET RECOMMENDATIONS
100 - CORPORATE FUND

Page	Code	Department and Item	Strike Amount	Insert Amount
299	2005.9079	LEAD POISONING PREVENTION PERSONNEL, MATERIALS, EQUIPMENT AND OTHER EXPENSES TO BE EXPENDED AT DIRECTION OF THE BUDGET DIRECTOR		1,000,000
298	2005.0955	INTEREST ON DAILY TENDER NOTES	30,200,000	29,200,000

(Continued from page 9903)

Yeas -- Aldermen Roti, Bloom, Steele, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Jones, Garcia, Krystyniak, Soliz, Gutierrez, Bialczak, Gabinski, Mell, Austin, Banks, Cullerton, Laurino, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Stone -- 29.

Nays -- Aldermen Tillman, T. Evans, Beavers, Caldwell, Shaw, Carter, Langford, Streeter, J. Evans, Henry, E. Smith, Davis, Figueroa, Kotlarz, Giles, O'Connor -- 16.

Alderman Beavers then presented the following amendment:

[Amendment printed on page 9907 of this Journal.]

On motion of Alderman Austin, the said amendment was *Referred to the Committee on the Budget and Government Operations* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Bloom, Steele, Caldwell, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Stone -- 35.

Nays -- Aldermen T. Evans, Beavers, Shaw, Langford, Streeter, Jones, Henry, E. Smith, Davis, Giles, Shiller -- 11.

Alderman Carter presented the following two amendments to the said proposed amendatory ordinance:

[Amendments printed on pages 9908 through 9909
of this Journal.]

Alderman Austin moved to *Refer* the said amendments to the Committee on the Budget and Government Operations. The motion *Prevailed* by a viva voce vote.

**Amendment Submitted By Aldermen Beavers, T. Evans
And Caldwell.**

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page 1 of 1

Fund:- 100-Corporate Fund
Fire Department

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
192	8731	Fire Fighters	61	39,906	69	39,906
192	8731	Fire Fighters			110	38,790
192	8731	Fire Fighters	211	37,404	216	37,404
192	8731	Fire Fighters	219	36,156	260	36,156
192	8731	Fire Fighters	286	34,926	303	34,926
192	8731	Fire Fighters	863	33,750	912	33,750
192	8731	Fire Fighters			2	32,124
192	8731	Fire Fighters			399	30,612
192	8731	Fire Fighters			171	29,118
192	8731	Fire Fighters			175	27,540
192	8731	Fire Fighters			133	25,944

Amendment Submitted By Alderman Beavers.

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page 1 of 1

Fund: COMMITTEE ON POLICE, FIRE AND MUNICIPAL INSTITUTIONS

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
39	2135.0000	PERSONAL SERVICES		83,732		163,732
		Budget Level Total.....				<u>163,732</u>

Amendments Submitted By Alderman Carter.
(1 of 2)

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page ___ of ___

Fund: 100-CORPORATE

Page	Code	Department and Item	Strike No. Amount	Insert No. Amount
FINANCE GENERAL 1-99-1005				
298	2005-0967	FOR THE PURCHASE OF FACILITIES FOR THE DEPARTMENT OF STREETS AND SANITATION	1,900,000	1,606,516
	9092	FOR THE EXPENSES RELATED TO THE CREATION OF THE COMMISSION ON AFRICAN AFFAIRS		293,484

Amendments Submitted By Alderman Carter.
(2 of 2)

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page ___ of ___

Fund: 100 - CORPORATE FUND

Page	Code	Department and Item	Strike No. Amount	Insert No. Amount
		FINANCE GENERAL - 99-1005		
298	2005-0955	INTEREST ON DAILY TENDER NOTES	30,200,000	29,500,000
	0992	FOR A 1990 ACCURATE CENSUS TO ASSURE PROPER FEDERAL FUNDING FOR CITY PROGRAMS AND PROJECTS TO BE EXPENDED AT THE DIRECTION OF THE BUDGET DIRECTOR WITH THE PRIOR APPROVAL OF THE CITY COUNCIL		700,000

Alderman Bloom then presented the following amendment:

[Amendment printed on page 9911 of this Journal.]

Alderman Austin moved to *Lay on the Table* Alderman Bloom's amendment. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Beavers, Caldwell, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Jones, Krystyniak, Henry, Gutierrez, Butler, Bialczak, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Hansen, Schuler, M. Smith, Stone -- 29.

Nays -- Aldermen T. Evans, Bloom, Steele, Carter, Langford, J. Evans, Garcia, Davis, Figueroa, Giles, Eisendrath, Shiller, Orr -- 13.

Alderman Shiller then presented the following amendment to the said proposed amendatory ordinance:

[Amendment printed on pages 9912 through 9918 of this Journal.]

Alderman Austin moved to *Lay on the Table* the said amendment. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Beavers, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Krystyniak, Henry, Butler, Bialczak, Gabinski, Austin, Kotlarz, Banks, Cullerton, Laurino, Pucinski, Natarus, Hansen, Levar, Schuler, M. Smith, Stone -- 25.

Nays -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Caldwell, Shaw, Carter, Langford, Streeter, Jones, J. Evans, Garcia, Gutierrez, E. Smith, Davis, Figueroa, Mell, Giles, Eisendrath, Shiller, Orr -- 22.

Thereupon, on motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Gutierrez, Butler, E. Smith, Davis, Figueroa, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schuler, M. Smith, Orr, Stone -- 44.

Nays -- Alderman Shiller -- 1.

(Continued on page 9919)

Amendment Submitted By Alderman Bloom.

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page ___ of ___

Fund: 100

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
50	2005.0999	Dept. of Cultural Affairs cultural grants		\$350,000.00		\$500,000.00
298	2005.0957	Cost of issuance For Daily Tender Notes		\$3,950,000.00		\$3,800,000.00

Amendment Submitted By Alderman Shiller.

(1 of 7)

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page 1 of 7

Fund: Corporate

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount

School Nurses:

Implement a pilot project to provide a full time school nurse to 200 elementary schools. The schools to be chosen by the following criteria: 1. at the request of the Local School Council; 2. based on the schools standardized test scores with those below grade level having priority; 3. based on the student absenteeism rate in the school with the highest having priority.

Nurse	200	29,112	5,822,400
Fringe Benefits			<u>1,921,392</u>
			7,743,792
Less turnover			<u>1,290,898</u>
			6,452,894

Safe School Zone Police Coordinators:

Implement a pilot project to provide a police coordinator for 50 Safe School Zones. Among the schools chosen should be a mix of elementary schools, upper grade centers and high schools. The schools to be chosen by the following criteria: 1. at the request of the Local School Council; 2. on the basis of crime statistics and number of police units consistently required to respond in the Safe School Zone area. The police coordinators will be assigned by the Police Department through its procedures but the assignment must be approved by the particular Local School Council.

Police Coordinator	50	15,366	768,300
Salary Increase			<u>256,100</u>
Less turnover			512,200

*Amendment Submitted By Alderman Shiller.**(2 of 7)*

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page 2 of 7Fund:
Corporate

Page	Code	Department and Item	Strike No. Amount	Insert No. Amc
54		Dept. of Finance City Comptroller		
	2005.0173	For Purchase of Equipment	35,000	
76		Dept. of Revenue Bureau of Parking Enforcement		
	.0173	For Purchase of Equipment	112,700	
77		Dept. of Law		
	2005.0173	For Purchase of Equipment	129,410	
85		Dept. of Personnel		
	2005.0173	For Purchase of Equipment	43,330	
90		Dept. of Purchases, Contracts & Supplies		
	2005.0173	For Purchase of Equipment	223,340	
119		Dept. of Health		
	1005.0173	For Purchase of Equipment	74,780	
148		Dept. of Human Services		
	2005.0173	For Purchase of Equipment	64,600	

Amendment Submitted By Alderman Shiller.
(3 of 7)

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page 3 of 7

Fund:
Corporate

Page	Code	Department and Item	Strike No. Amount	Insert No. Amo
216		Dept. of Consumer Services		
	2005.0173	For Purchase of Equipment	28,396.	
152		Dept. of Police		
	1005.0173	For Purchase of Equipment	45,600	
15		Office of Inspector General		
	2005.0173	For Purchase of Equipment	31,962	
25		Dept. of Economic Development		
	2005.0173	For Purchase of Equipment	73,489	
44		Dept. of Planning		
	2005.0173	For Purchase of Equipment	177,300	
48		Dept. of Housing		
	2005.0173	For Purchase of Equipment	118,685	

*Amendment Submitted By Alderman Shiller.**(4 of 7)*

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page 4 of 7

Funds:

Corporate

<u>Page</u>	<u>Code</u>	<u>Department and Item</u>	<u>Strike No.</u>	<u>Amount</u>	<u>Insert No.</u>	<u>Amount</u>
55		City Comptroller Debt Management - 4010				
	0141	Deputy Asst. Comptroller	1	37,008		
	0134	Asst. Comptroller of Debt Management	1	55,056		
56		Administrative Services - 4013				
	0124	Finance Officer	1	44,148		
		Operations - 4015				
	0111	Deputy Comptroller of Operations	1	62,325		
57		Systems & Procedures - 4030				
	1140	Chief Operations Research Analyst	1	50,400		
265		Department of Public Works Administration Division				
	2015.0173	For Purchase of Equipment		485,156		
230		Dept. of Streets & Sanitation Commissioner's Office				
	2005.0173	For Purchase of Equipment		89,464		

Amendment Submitted By Alderman Shiller.**(5 of 7)****CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS**Page 5 of 2Fund:
Corporate

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
25		Dept. Economic Development				
	2005.9103	Rehabilitation Grants & Loans		75,000		
27		Mayor's Office of Inquiry & Info.				
	2005.0130	Postage		81,870		51,530
	2005.0151	Publications & Reproduction in house services		151,885		87,500
67		Dept. of Revenue				
	2005.0140	Professional & Technical Services		730,000		130,000
14		Office of the Mayor Office of Intergovernmental Affairs - 3020				
	9639	Assistant to Mayor	1	50,000		
	9637	Administrative Assistant	1	55,056		
	9637	Administrative Assistant	1	50,400		

*Amendment Submitted By Alderman Shiller.**(6 of 7)*

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page 6 of 7Fund:
Corporate

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
15		Office of Inspector General Administration - 3005				
	0665	Senior Data Entry Operator	1	16,152		
	0302	Administrative Asst. II	1	17,796		
	1255	Investigator	3	23,832		
17		Office of Budget & Management Administration - 3005				
	9656	Deputy Budget Director	1	72,100		
28		Mayor's Office of Inquiry and Information General Services - 3005				
	9770	First Deputy Director of Inquiry and Information	1	48,240		
45		Department of Planning Admin. Division - 3005				
	.0320	Assistant to the Commissioner	1	28,968		
46		Research Division - 3030				
	.1401	City Planner I	1	20,556		
	.0313	Assistant Commissioner	1	50,400		

Amendment Submitted By Alderman Shiller.
(7 of 7)

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page 7 of 7

Fund: Corporate

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
98		Dept. of General Services Bureau of Administrative Services				
	0313	Asst. Commissioner	1	55,056		
102		Dept. of General Services Bureau of Facilities Management				
	.0140	Professional & Technical Services		1,702,250		702,250
		Finance General Other Operating Expenses				
297	2005.0142	Professional & Technical Services		1,020,000		493,000
	.0166	Dues, Subs, Memberships		120,000		70,000
298	.0967	For the Purchase of facilities for the Dept. of Streets & Sanitation		1,900,000		
299	.9053	For cost recovery studies at the direction of the Budget Director		100,000		
	2005.9121	For payment of costs associated with lobbyist activities on behalf of the City of Chicago		300,000		200,000

(Continued from page 9910)

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The management of its finances is a matter pertaining to the government and affairs of the City of Chicago; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Annual Appropriation Ordinance for the year 1990, as amended, is hereby further amended by striking the words and figures indicated and inserting the words and figures indicated, as indicated in the attached Exhibit "A".

SECTION 2. This ordinance shall take effect after its passage and publication.

[Exhibit "A" attached to this ordinance printed on pages
9920 through 9934 of this Journal.]

**CORRECTIONS AND REVISIONS OF 1990 ANNUAL
APPROPRIATION ORDINANCE, AS AMENDED.**

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration a proposed amendment to the 1990 Annual Appropriation Ordinance and having been presented with a proposed substitute amendment by Alderman Huels, providing for studies, consultants and administrative expenses to support renegotiation of public energy franchise, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

(Continued on page 9935)

EXHIBIT "A"

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE

Page 1 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		OFFICE OF THE MAYOR - 01-2005				
		Administrative - 3010				
9896		Chief Financial Officer			1	93,500

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 2 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF LAW - 31-2005				
		Commerical - 3030				
1642		Senior Attorney	.1	42,228	1	42,288
		Turnover		525,291		525,351

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 3 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF GENERAL SERVICES - 38-1005				
		BUREAU OF INVENTORY MANAGEMENT - 2025				
		Warehouse and Stores - 3045				
9542		Yard Laborer			2	16.70H
		Turnover		40,000		108,136

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 4 of 15

<u>Page</u>	<u>Code</u>	<u>Department and Item</u>	<u>No.</u>	<u>Strike</u> <u>Amount</u>	<u>No.</u>	<u>Insert</u> <u>Amount</u>
		BOARD OF ELECTIONS COMMISSION - 39-1005-2005				
		Election Support - 3020				
1328		Manager of Records and Information			1	38,736
		Turnover		184,984		223,720

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 5 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF HEALTH - 41-1005				
		Management Information Systems/ Data Processing - 3035				
9686		Deputy Commissioner of Health	1	68,700	1	74,000
		Bureau of Comprehensive Personal/ Community Health Services - 3045				
2157		Code Enforcement Inspector I			3	25,524
		Division of Health Education - 3060				
3420		Health Educator II	1	19,620		
		Englewood Health Service - 3065				
3363		Physicians	14,103H	30.71H	12,248H	30.71H
		Englewood Mental Health Center - 3270				
3567		Community Mental Health Worker II			1	18,708
		Less Turnover		2,425,998		2,431,283

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 6 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		FIRE DEPARTMENT - 59-2005				
		Administration - 3005				
		Headquarters Administration - 4005				
	8536	Manager of Internal Investigation	1	47,304	1	64,134
		Emergency Medical Services - 3025				
	5747	Cartographer III	1	40,614		
	8747	Paramedic Officer (Assigned as EMS Equipment Specialist)			1	40,614
		Turnover		7,096,000		7,112,830

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 7 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		BUILDING BOARD OF APPEALS - 69-2005				
		Disposition of Building Appeals - 3005				
	8912	Member, Building Board of Appeals	1	12,000	5	6,000
	8911	Vice-Chairman, Building Board of Appeals	1	15,000	1	6,000
	8910	Chairman, Building Board of Appeals	1	18,000	1	9,000

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 8 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF STREETS AND SANITATION - 81				
		COMMISSIONER'S OFFICE - 2005				
		Personnel Administration - 3008				
		Payroll Services - 4011				
	0381	Director of Administration II			1	40,488
		BUREAU OF SANITATION - 2020				
	.0019	MTD Charges		19,983,134		20,020,058
		Less Turnover		2,123,044		2,235,712
		BUREAU OF FORESTRY - 2060				
		Beautification - 3141				
		Tree/Flower Planting - 4075				
	0738	Information Representative III			1	35,256
		BUREAU OF LABOR - 2070				
		Personnel Allocations - 3220				
		Field Support Services - 4140				
	7187	General Foreman of Motor Truck Drivers	13	18.10/H	14	18.10/H

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 9 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF PUBLIC WORKS - 83				
		BUREAU OF ENGINEERING - 83-2025				
		Programs - 3035				
0417		District Clerk	1	20,556	1	21,636
		3040				
8244		Foreman of Laborers				17.55H
0417		District Clerk		16,152		17,796
		Less Turnover		239,773		240,853
		BUREAU OF CONSTRUCTION SERVICES - 83-2060				
		Architectural - 3125				
		Professional - 4015				
0417		District Clerk	1	25,032	1	26,292
		General - 3130				
		Professional - 4025				
9532		Stores Laborer	1	16.70H	2	16.70H
		Less Turnover		388,282		423,610

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE FUND

Page 10 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		FINANCE GENERAL - 99-2005				
	.0042	Hospital and Medical		102,740,260		102,598,052
	.9016	For Funding of the Following Delegate Agencies				
		Morgan Park/Beverly Hills Business Association				30,000

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

200 - WATER FUND

Page 11 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF WATER - 87-1005				
		COMMISSIONER'S OFFICE - 2005				
		Administrative Division - 3025				
		Payroll - 4130				
0430		Clerk III	4	14,652	3	14,652
0664		Data Entry Operator			1	14,652
		BUREAU OF WATER ENGINEERING - 2007				
		Plumbing Inspection Services - 3270				
0417		District Clerk	1	25,032	1	27,624
		Turnover		95,779		98,371
		BUREAU OF WATER SERVICE - 1010				
		Water Meter Division - 2020				
		Administration - 3080				
0417		District Clerk	3	16,152	3	17,796
0417		District Clerk	1	18,708	1	20,556
0417		District Clerk	1	21,636	1	23,832
		Turnover				8,976
		BUREAU OF WATER DISTRIBUTION				
		- 1015-2025				
		Administration - 3090				
		Clerical Section - 4035				
0417		District Clerk	1	17,796	1	19,620
0417		District Clerk	1	25,032	1	27,624
		Warehouse and Stores - 3100				
0417		District Clerk	1	25,032	1	27,624

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

200 - WATER FUND

Page 12 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
DEPARTMENT OF WATER (CONTINUED)						
Repairs, Renewals and Water Leak Control - 3115						
	0417	District Clerk	1	16,152	1	17,796
	0417	District Clerk	1	16,956	1	18,708
	0417	District Clerk	1	17,796	1	20,556
	0417	District Clerk	1	22,704	1	25,032
	0417	District Clerk	1	25,032	1	27,624
Construction Facilities - 3120						
	0417	District Clerk	1	16,152	1	17,796
3125						
	8244	Foreman of Laborers				17.55H
		Turnover		1,431,450		1,451,178
BUREAU OF WATER OPERATIONS - 1020						
Water Purification Division - 2035						
Operation and Maintenance, South Water Filtration Plant - 3145						
	1817	Head Storekeeper	1	18,708		
	8244	Foreman of Laborers			1	17.55H
		Turnover		375,000		392,094

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

300 - VEHICLE TAX FUND

Page 13 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF STREETS AND SANITATION - 81-2005				
		BUREAU OF STREETS - 2015				
		3040				
	0417	District Clerk		16,152		17,796
		Less Turnover		182,594		232,594
		BUREAU OF STREET OPERATIONS - 2045				
		Street Signs and Street Markings - 3127				
	6288	District Supervisor			2	26,292
	9534	Laborer	33	16.70/H	35	16.70/H
		Less Turnover		209,983		280,703

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

314 - SEWER FUND

Page 14 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF SEWERS - 89-1005-2005				
		Administrative Services - 3010 Personnel Administration - 4020				
0417		District Clerk	1	25,032	1	17,796
		Timekeeping/Payroll and Senior Citizen - 4025				
0417		District Clerk	1	22,704	1	23,832
		Operations - 3020 North District - 4065				
0417		District Clerk	1	25,032	1	26,292
		Central District - 4070				
0417		District Clerk	1	20,556	1	21,636
		City-wide Operations - 4080				
0417		District Clerk	1	25,032	1	26,292
8244		Foreman of Laborers				17,55H
		Turnover		1,038,364		1,035,856

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

610 - CHICAGO MIDWAY AIRPORT

Page 15 of 15

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF AVIATION - 85-2005				
		Chicago Midway Airport - 2010-3010				
7187		General Foreman of Motor Truck Drivers	1	18.10/H	2	18.10/H
		Less Turnover		620,207		657,131

(Continued from page 9919)

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

Alderman Bloom presented the following amendment:

[Amendment printed on page 9936 of this Journal.]

Alderman Austin moved to *Lay on the Table* Alderman Bloom's amendment. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Beavers, Caldwell, Vrdolyak, Huels, Fary, Madrzyk, Burke, Kellam, Jones, Krystyniak, Henry, Gutierrez, Butler, Bialczak, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Hansen, Schuler, M. Smith, Stone -- 29.

Nays -- Aldermen T. Evans, Bloom, Steele, Carter, Langford, J. Evans, Garcia, Davis, Figueroa, Giles, Eisendrath, Shiller, Orr -- 13.

Thereupon, on motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Gutierrez, Butler, E. Smith, Davis, Figueroa, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schuler, M. Smith, Orr, Stone -- 44.

Nays -- Alderman Shiller -- 1.

The following is said ordinance as passed:

(Continued on page 9937)

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

Page ___ of ___

Fund: 100

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
298	2005.0955	Interest on Daily Tender Notes		\$30,200,000		\$30,000,000
298	2005.0957	Cost of Issuance For Daily Tender Notes		\$ 3,950,000		\$ 3,650,000
		Cost of studies, consultants and related items to support renegotiation of public energy franchise		-0-		\$ 500,000

(Continued from page 9935)

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The management of its finances is a matter pertaining to the government and affairs of the City of Chicago; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Annual Appropriation Ordinance for the Year 1990, as amended, is hereby further amended by striking the words and figures indicated and inserting the words and figures indicated, as indicated in the attached Exhibit "A".

SECTION 2. This ordinance shall take effect after its passage and publication.

[Exhibit "A" attached to this ordinance printed on
page 9938 of this Journal.]

**CORRECTIONS AND REVISIONS OF YEAR XVI COMMUNITY
BLOCK GRANT ORDINANCE, AS AMENDED.**

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a series of amendments to the Year XVI Community Development Block Grant Ordinance, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

(Continued on page 9939)

EXHIBIT "A"

CORRECTIONS AND REVISIONS OF 1990 BUDGET RECOMMENDATIONS

100 - CORPORATE

Page 1 of 1

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		FINANCE GENERAL - 99-2005				
	.0140	Professional and Technical Services		1,020,000		725,000
	.9115	For Studies, Consultants and Administrative Expenses to Support Renegotiation of Public Energy Franchise				295,000

(Continued from page 9937)

This recommendation was concurred in by thirteen members of the committee with five dissenting votes.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Gutierrez, Butler, E. Smith, Davis, Figueroa, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Schulter, M. Smith, Orr, Stone -- 44.

Nays -- Alderman Shiller -- 1.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit of government as defined in Article VII, Section 6(a) of the Illinois Constitution, and as such may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The management of its finances is a matter pertaining to the government and affairs of the City of Chicago; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Year XVI Community Development Block Grant Ordinance, as amended, is hereby further amended by striking the words and figures indicated and inserting the words and figures indicated, as indicated in the attached Exhibit "A".

SECTION 2. This ordinance shall take effect after its passage and publication.

[Exhibit "A" attached to this ordinance printed on
pages 9940 through 9942
of this Journal.]

EXHIBIT "A"

CORRECTIONS AND REVISIONS OF CDBG YEAR XVI BUDGET RECOMMENDATIONS

Page 1 of 3

325 - Community Development Block Grant Fund

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
Estimates of Community Development Block Grant Funding for Year XVI - January 1, 1990 through December 31, 1990						
		Community Development Block Grant Entitlement for Year XVI		83,500,000		84,130,675
		Reallocation of Unspent Community Development Block Grant Funds from Prior Years		14,707,881		14,122,206

CORRECTIONS AND REVISIONS OF CDBG YEAR XVI BUDGET RECOMMENDATIONS

Page 2 of 3

325 - Community Development Block Grant Fund

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		OFFICE OF EMPLOYMENT AND TRAINING - JOBS TRAINING/DELEGATES				
14	.0140	Professional and Technical Services		1,281,761		1,311,761
		ADD:				
		Butler's Career Academy				15,000
		Future for Tomorrow's Youth				15,000

CORRECTIONS AND REVISIONS OF CDBG YEAR XVI BUDGET RECOMMENDATIONS

Page 3 of 3

325 - Community Development Block Grant Fund

Page	Code	Department and Item	Strike		Insert	
			No.	Amount	No.	Amount
		DEPARTMENT OF HUMAN SERVICES YOUTH CRIME PREVENTION - 53-2560				
72	.0140	Professional and Technical Services		1,900,011		1,915,011
		ADD: Project A.M. - P.M.				15,000

TRANSFER OF APPROPRIATED FUNDS AUTHORIZED WITHIN
CITY TREASURER'S OFFICE.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds in the City Treasurer's Office, having had the same under advisement, begs leave to report and recommend that your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1989. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred for the year 1989 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
Office and Building Services	100	28-2005	0125	\$ 500
For Professional and Technical Services for Data Processing, Word Processing, Office Automation and Data Communications Functions	100	28-2005	0138	\$4,000
For the Purchase, Licensing and Maintenance of Software Products	100	28-2005	0149	\$1,700
For the Rental and Maintenance of Data Processing, Office Automation and Data Communications Hardware	100	28-2005	0154	\$4,500

TO:

Purpose	Fund	Code Department	Account	Amount
For Contingencies	100	28-2005	0700	\$10,700

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations in the City Treasurer's Office for the year 1989.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF APPROPRIATED FUNDS AUTHORIZED
FROM FINANCE GENERAL-CORPORATE FUND
TO DEPARTMENT OF PERSONNEL.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds from Finance General-Corporate Fund to the Department of Personnel, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1989. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred for the year 1989 payable from such appropriations:

FROM:

Finance General-Corporate Fund

Purpose	Fund	Code Department	Account	Amount
General Pay Increase	100	99-2005	0007	\$500,000

TO:

Department of Personnel

Purpose	Fund	Code Department	Account	Amount
Tuition Reim- bursement and Educational Programs	100	33-2005	0070	\$500,000

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations in the Department of Personnel for the year 1989.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF APPROPRIATED FUNDS AUTHORIZED WITHIN
DEPARTMENT OF WATER.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds in the Department of Water, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1989. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred for the year 1989 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
Waste Disposal Services	200	87-2025	1085	\$25,000

TO:

Purpose	Fund	Code Department	Account	Amount
Transportation and Expense Allowance	200	87-2025	0229	\$25,000

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations in the Department of Water during the year 1989.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

**TRANSFER OF APPROPRIATION FUNDS AUTHORIZED WITHIN
BOARD OF ELECTION COMMISSIONERS.
(\$365,000.00)**

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds in the Board of Election Commissioners, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1989. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1989 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
For Professional and Technical Services for Data Processing, Word Processing, Office Automation and Data Communications Functions	100	39-2005	0138	\$175,000
For the Rental and Maintenance of Data Processing, Office Automation and Data Communications Hardware	100	39-2005	0154	\$100,000
Insurance Premiums	100	39-2005	0172	\$10,000
Office Machines	100	39-2005	0422	\$80,000

TO:

Purpose	Fund	Code Department	Account	Amount
For the Purchase of Data Processing, Office Automation and Data Communications Hardware	100	39-2005	0446	\$365,000

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations of the Board of Election Commissioners during the year 1989.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

TRANSFER OF APPROPRIATED FUNDS AUTHORIZED WITHIN
BOARD OF ELECTION COMMISSIONERS.
(\$193,000.00)

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds in the Board of Election Commissioners, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1989. This transfer will leave sufficient

unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1989 payable from such appropriations:

FROM:

Purpose	Code			Amount
	Fund	Department	Account	
Material and Supplies	100	39-2005	0340	\$160,000
Construction of Buildings and Other Structures	100	39-2005	0540	\$ 33,000

TO:

Purpose	Fund	Code		Amount
		Department	Account	
For the Purchase, Licensing and Maintenance of Software Products	100	39-2005	0149	\$193,000

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations of the Board of Election Commissioners during the year 1989.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

**TRANSFER OF APPROPRIATED FUNDS AUTHORIZED FROM
FINANCE-GENERAL CORPORATE FUND TO CITY
COUNCIL COMMITTEE ON FINANCE.**

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a transfer of funds from Finance General-Corporate Fund to the City Council Committee on Finance, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1989. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred for the year 1989 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
General Pay Increases	100	99-2005	0007	\$614,132

TO:

Purpose	Fund	Code Department	Account	Amount
For Payment of Legal Fees Pursuant to Section 25-13.1 of the Municipal Code to be extended at the Direction of the Committee on Finance	100	15-2010	9005	\$614,132

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations in the City Council Committee on Finance for the year 1989.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

ALLOCATION OF MOTOR FUEL TAX FUNDS FOR PAYMENT
OF CITY'S 1989 CONTRIBUTION TO CHICAGO
TRANSIT AUTHORITY.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing the allocation of Motor Fuel Tax funds for the annual Chicago Transit Authority Grant pursuant to the Regional Transportation Authority Act, in amount of \$3,000,000, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schalter, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The law of the State of Illinois establishing the Regional Transportation Authority (the "R.T.A.") (Ill. Rev. Stat. Chapter 111-2/3, Paragraph 701.01, et seq.) provides in Paragraph 704.10, that the R.T.A. shall not for any fiscal year of the R.T.A. release to the Chicago Transit Authority (the "C.T.A.") any funds except for the proceeds of taxes imposed by the R.T.A. under Sections 4.03 and 4.03.1 which are allocated to the C.T.A. under Section 4.10(d) unless a unit or units of local government in Cook County (other than the C.T.A.) enters or enter into an agreement with the C.T.A. to make a monetary contribution for such year of at least Five Million Dollars (\$5,000,000.00) for public transportation; and

WHEREAS, The C.T.A. will, for the foreseeable future, require such financial grants from the R.T.A. in order to meet its operating expenses; and

WHEREAS, Every year since the inception of the R.T.A., the City of Chicago has contributed Three Million Dollars (\$3,000,000.00) and the County of Cook has contributed Two Million Dollars (\$2,000,000.00); and

WHEREAS, The last such ordinance authorizing the city's contribution was passed on October 14, 1988 (Council Journal of Proceedings pages 18346 -- 18347); now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. There is hereby allocated for the fiscal year of the R.T.A. ending December 31, 1989 the sum of Three Million Dollars (\$3,000,000.00) for use by the C.T.A. as a matching grant from the City of Chicago to be paid prior to December 31, 1989 from that part of the Motor Fuel Tax funds which have been or may be allocated to the City of Chicago.

SECTION 2. The sum of Three Million Dollars (\$3,000,000.00) hereby allocated shall be deemed, considered and construed as the payment and fulfillment of the local contribution required of the City of Chicago pursuant to an agreement made under the Regional Transportation Authority Act (Chapter 111-2/3, Section 704.10, Illinois Revised Statutes 1985) between the C.T.A., the County of Cook and the City of Chicago, authorized by an ordinance passed October 14, 1988 for the fiscal year of the R.T.A. ending December 31, 1989.

SECTION 3. The City Clerk is hereby directed to transmit a certified copy of this ordinance to the Governor of the State of Illinois and two certified copies of this ordinance to the Department of Transportation of the State of Illinois, Springfield, Illinois.

SECTION 4. This ordinance shall be in force and effect from and after its passage.

TIME EXTENSION GRANTED FOR ALLOCATION OF YEAR XV
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
WITHIN MAYOR'S OFFICE OF EMPLOYMENT
AND TRAINING FOR CHICAGO HOUSING
AUTHORITY SECURITY PILOT
PROGRAM.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing an extension of time for completion of a specific Community Development Block Grant Program within the Mayor's Office of Employment and Training, and having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) LEMUEL AUSTIN, JR.,
Chairman.

On motion of Alderman Austin, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, M. Smith, Orr, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City Council of the City of Chicago passed an ordinance on December 14, 1988, which set forth procedures for the Community Development Block Grant Program requiring that the City shall not reprogram funds in excess of \$10,000 appropriated for any object or purpose set forth in the Community Development Block Grant ordinance or allocations from prior block grants without the approval of the City Council; and

WHEREAS, The City has allocated \$31,930,738 of Year XV Community Development Block Grant funds under the Housing program category includes a portion of the activities of the Mayor's Office of Employment and Training; and

WHEREAS, The Assistant to the Mayor for Employment and Training requests an extension until June 30, 1990 for the Chicago Housing Authority Security Pilot Program funded at \$250,000, which is a program within the Mayor's Office of Employment and Training budget under the Housing category; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The sum of \$250,000 of Year XV Community Development Block Grant funds be extended until June 30, 1990 within the program budget of the Mayor's Office of Employment and Training, Chicago Housing Authority Security Pilot Program.

SECTION 2. This ordinance shall be in force and effect from and after its passage.

COMMITTEE ON INTERGOVERNMENTAL RELATIONS.

UNITED STATES CONGRESS URGED TO BAN SALE AND DISTRIBUTION OF DRUG PARAPHERNALIA.

The Committee on Intergovernmental Relations submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Intergovernmental Relations, having had under consideration a resolution (referred on September 13, 1989) memorializing the Congress of the United States to ban the sale and distribution of drug paraphernalia throughout the United States. The amended resolution also memorializes the Illinois Congressional Delegation to take the initiative to introduce federal legislation that would ban the sale and distribution of drug paraphernalia, begs leave to report and recommend that Your Honorable Body *Adopt* said proposed amended resolution which is transmitted herewith.

This recommendation was concurred in unanimously by the members of the committee.

Respectfully submitted,

(Signed) ROMAN PUCINSKI,
Chairman.

On motion of Alderman Pucinski, the said proposed amended resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

WHEREAS, The problems which drug abuse force on the citizens far and wide throughout this great nation are increasing alarmingly, posing untold threats to public health, safety and welfare; and

WHEREAS, The means by which so-called recreational drugs are entered into the system, i.e., drug paraphernalia, are sold and distributed in many neighborhoods in many cities and towns throughout the United States, presenting dangers to every member of the public, young and old; and

WHEREAS, It is up to the government of this great nation to bring about an end to general drug abuse by placing legal obstacles to every drug seller and user; now, therefore,

Be It Resolved, That the City Council of the City of Chicago does hereby memorialize the Congress of the United States to act toward banning the sale and distribution of every type of drug paraphernalia now prevalent in our society, and toward creating the harshest punishment possible for such unlawful sale or distribution of such paraphernalia; and

Be It Further Resolved, That the City Council memorialize the Illinois Congressional delegation to take the initiative and lead to introduce federal legislation that would ban the sale and distribution of drug paraphernalia.

COMMITTEE ON ZONING.

Re-Referred -- DEPARTMENT OF ECONOMIC DEVELOPMENT AUTHORIZED
TO ENTER INTO AGREEMENT WITH YARDS DEVELOPERS,
INCORPORATED FOR COMMERCIAL REUSE OF
PROPERTY AT SOUTH DAMEN AVENUE
AND WEST 47TH STREET.

The Committee on Zoning submitted the following report:

CHICAGO, December 13, 1989.

To the President and Members of the City Council:

Your Committee on Zoning, having had under consideration an ordinance authorizing that the Department of Economic Development of the City of Chicago has entered into an agreement with Yards Developers, Incorporated for the commercial reuse of the twenty-four acre site at the northwest corner of South Damen Avenue and West 47th Street, begs leave to recommend that Your Honorable Body *Re-Refer* the proposed ordinance to the Committee on Streets and Alleys, which was referred to the Committee on Zoning on December 6, 1989.

This recommendation was concurred in by the members of the committee.

Respectfully submitted,

(Signed) WILLIAM J. P. BANKS,
Chairman.

On motion of Alderman Banks, the committee's recommendation was *Concurred In* and the said proposed ordinance was *Re-Referred to the Committee on Streets and Alleys*.

AGREED CALENDAR.

None.

At this point in the proceedings, The Honorable Richard M. Daley, Mayor, relinquished the Chair to Alderman Luis Gutierrez, President Pro Tempore.

MATTERS PRESENTED BY THE ALDERMEN.

(Presented By Wards, In Order, Beginning With The Fiftieth Ward)

Arranged under the following subheadings:

1. Traffic Regulations, Traffic Signs and Traffic-Control Devices.
2. Zoning Ordinance Amendments.
3. Claims.
4. Unclassified Matters (arranged in order according to ward numbers).
5. Free Permits, License Fee Exemptions, Cancellation of Warrants for Collection and Water Rate Exemptions, Et Cetera.

**1. TRAFFIC REGULATIONS, TRAFFIC SIGNS
AND TRAFFIC-CONTROL DEVICES.**

***Referred* -- ESTABLISHMENT OF LOADING ZONES AT
ALL TIMES AT SUNDRY LOCATIONS.**

The aldermen named below presented proposed ordinances to establish loading zones at all times at the locations designated and for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location, Distance And Time
LANGFORD (16th Ward)	South Halsted Street, at 5730; South Racine Avenue, at 5914;
NATARUS (42nd Ward)	East Walton Street, at 70 -- no exceptions;

Alderman	Location, Distance And Time
STONE (50th Ward)	North California Avenue (west side) from the first alley north of West Devon Avenue to a point 40 feet north thereof.

***Referred* -- ESTABLISHMENT OF ONE-WAY TRAFFIC
RESTRICTION ON PORTION OF WEST
49TH STREET.**

Alderman Krystyniak (23rd Ward) presented a proposed ordinance to restrict the movement of vehicular traffic to a westerly direction on portion of West 49th Street, from South Ridgeway Avenue to South Hamlin Avenue, which was *Referred to the Committee on Traffic Control and Safety*.

***Referred* -- LIMITATION OF PARKING DURING SPECIFIED
HOURS AT DESIGNATED LOCATIONS.**

The aldermen named below presented proposed ordinances to limit the parking of vehicles at the locations designated and for the distances and times specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location, Distance And Time
HUELS (11th Ward)	West Archer Avenue (south side) from South Loomis Street to South Elias Court -- 30 minutes -- at all times -- no exceptions;
SHILLER (46th Ward)	West Wilson Avenue, at 931 -- 939 -- two hours -- at all times.

Referred-- PROHIBITION OF PARKING AT ALL TIMES AT
SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to prohibit at all times the parking of vehicles at the locations designated and for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location And Distance
<i>ROTI</i> (1st Ward)	West Ohio Street, at 1244 (except for handicapped);
<i>STEELE</i> (6th Ward)	South University Avenue, at 7233 (except for handicapped);
<i>HUELS</i> (11th Ward)	South Farrell Street, at 2618 (except for handicapped); South Normal Avenue (west side) from West 39th Street to West 40th Street; South Wells Street, at 3601 (except for handicapped);
<i>FARY</i> (12th Ward)	West 46th Street, at 2433 (except for handicapped);
<i>MADRZYK</i> (13th Ward)	West 66th Street, at 3739 (except for handicapped);
<i>J. EVANS</i> (21st Ward)	South Eggleston Avenue, at 9142 (except for handicapped); South Loomis Street, at 9300 (except for handicapped);
<i>GUTIERREZ</i> (26th Ward)	West Haddon Avenue, at 2745 (except for handicapped);

Alderman	Location And Distance
	North Maplewood Avenue, at 1303 (except for handicapped);
	North Marion Court, at 1240 (except for handicapped);
	North Paulina Avenue, at 1050 (except for handicapped);
<i>GABINSKI</i> (32nd Ward)	West Charleston Street, at 2022 (except for handicapped);
<i>BANKS</i> (36th Ward)	North Merrimac Avenue, at 2208 (except for handicapped);
<i>LEVAR</i> (45th Ward)	West Balmoral Avenue, at 4832 (except for handicapped).

***Referred* -- DISCONTINUANCE OF PARKING PROHIBITION
AT ALL TIMES ON PORTION OF NORTH
MILWAUKEE AVENUE.**

Alderman Levar (45th Ward) presented a proposed ordinance which would amend a previously passed ordinance by discontinuing the parking prohibition at all times along the east side of North Milwaukee Avenue, between North Kilpatrick Avenue and West Warner Avenue from 4:00 P.M. to 6:00 P.M., daily, which was *Referred to the Committee on Traffic Control and Safety*.

***Referred* -- ESTABLISHMENT OF RESIDENTIAL PERMIT PARKING
ZONE FOUR ON PORTION OF WEST 53RD STREET.**

Alderman Krystyniak (23rd Ward) presented a proposed order to establish residential

permit parking Zone 4 in effect at all times on the south side of West 53rd Street, from South Kilpatrick Avenue to the first alley east thereof, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- ESTABLISHMENT OF TWENTY MILE PER
 HOUR SPEED LIMIT ON PORTION OF WEST
 CONGRESS PARKWAY.

Alderman E. Smith (28th Ward) presented a proposed ordinance to limit the speed of vehicles to 20 miles per hour in the 3400 and 3500 blocks of West Congress Parkway, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- ESTABLISHMENT OF TOW-AWAY ZONE
 ON PORTION OF SOUTH SPRINGFIELD
 AVENUE.

Alderman Garcia (22nd Ward) presented a proposed ordinance to establish a tow-away zone at all times along the west side of South Springfield Avenue, at West 26th Street, approximately 25 feet south of the south line of the public alley north and parallel to West 26th Street, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- INSTALLATION OF TRAFFIC SIGNS
 AT SUNDRY LOCATIONS.

The aldermen named below presented proposed orders for the installation of traffic signs, of the nature indicated and at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location And Type Of Sign
BLOOM (5th Ward)	East 70th Street and South Clyde Avenue -- "Four-Way Stop";

Alderman	Location And Type Of Sign
<i>MADRZYK</i> (13th Ward)	South Knox Avenue (west side) from a point 20 feet north of West 60th Street, to a point 81 feet north thereof -- "No Parking Anytime";
<i>KRYSTYNIAK</i> (23rd Ward)	West 49th Street and South Ridgeway Avenue -- "Three-Way Stop";
<i>O'CONNOR</i> (40th Ward)	North Wolcott Avenue and West Summerdale Avenue -- "Four-Way Stop"; Entrance to alley (north side) in 3100 block west of West Foster Avenue.

Referred -- ESTABLISHMENT OF FIVE TON WEIGHT
LIMIT FOR VEHICLES ON SPECIFIED
STREETS.

The aldermen named below presented proposed ordinances to establish a weight limit of five tons for trucks and commercial vehicles at the locations designated and for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location And Distance
<i>STREETER</i> (17th Ward)	South May Street, at 7500;
<i>E. SMITH</i> (28th Ward)	West Congress Parkway, in the 3400 and 3500 blocks.

2. ZONING ORDINANCE AMENDMENTS.

Referred -- ZONING RECLASSIFICATION OF
PARTICULAR AREA.

Alderman Krystyniak (23rd Ward) presented a proposed ordinance amending the Chicago Zoning Ordinance for the purpose of reclassifying a particular area, which was *Referred to the Committee on Zoning*, as follows:

To classify as an R4 General Residence District instead of an R2 Single-Family Residence District, the area shown on Map No. 14-N bounded by:

a line 110 feet north of and parallel to West 56th Street; South Rutherford Avenue; a line 50 feet north of and parallel to West 56th Street; and the alley next west of South Rutherford Avenue.

3. CLAIMS.

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

The aldermen named below presented nine proposed claims against the City of Chicago for the claimants named as noted, respectively, which were *Referred to the Committee on Claims and Liabilities*, as follows:

T. EVANS (4th Ward)

5125 -- 5131 South Greenwood
Condominium Association;

LAURINO (39th Ward)

Mr. John Sorisho;

Alderman

Claimant

LEVAR (45th Ward)

Ms. Diane Brainer;

Jefferson Square Condominium
Association, Incorporated;

Le Cour Condominium;

Mr. Walter Wisniewski;

STONE (50th Ward)Bellmore Apartments North,
Incorporated;Pratt-Artesian Condominium
Association;

7522 Ridge Building Corporation.

4. UNCLASSIFIED MATTERS.

(Arranged In Order According To Ward Numbers)

Proposed ordinances, orders and resolutions were presented by the aldermen named below, respectively, and were acted upon by the City Council in each case in the manner noted, as follows:

Presented By

ALDERMAN ROTI (1st Ward):

Referred-- ESTABLISHMENT OF TAXICAB STAND 594
ON PORTION OF WEST CERMAK ROAD.

A proposed ordinance to establish taxicab stand 594 on that part of West Cermak Road, along the south curb, from a point 100 feet west of the west building line of South Wentworth Avenue, to a point 60 feet west thereof, for three vehicles, which was *Referred to the Committee on Local Transportation.*

Referred-- GRANT OF PRIVILEGE TO MR. LAWRENCE A. CRAELIUS TO MAINTAIN AND USE LOADING PLATFORM AND CANOPY ADJACENT TO 1100 WEST FULTON STREET.

Also, a proposed ordinance to grant permission and authority to Mr. Lawrence A. Craelius to maintain and use a loading platform and canopy adjacent to the premises at 1100 West Fulton Street, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN STEELE (6th Ward):

Referred-- AMENDMENT OF MUNICIPAL CODE CHAPTER 147, SECTION 147-2 BY DISALLOWING ISSUANCE OF NEW LIQUOR LICENSES ON PORTIONS OF SPECIFIED PUBLIC WAYS WITHIN SIXTH WARD.

A proposed ordinance to amend Municipal Code Chapter 147, Section 147-2 by disallowing the issuance of new liquor licenses along portions of East 75th Street, East 79th Street and East 87th Street located within the sixth ward, with the exception of hotels offering restaurant service, and to allow for the renewal or issuance of liquor licenses to businesses established and licensed prior to the effective date of this ordinance, which was *Referred to the Committee on License*.

Presented By

**ALDERMAN BEAVERS (7th Ward) And
ALDERMAN EISENDRATH (43rd Ward):**

Referred-- DEPARTMENT OF POLICE URGED TO INSTITUTE WRITTEN SURVEY OF INDIVIDUAL WORK SHIFT PREFERENCES FOR ASSIGNMENT OF SWORN POLICE PERSONNEL.

A proposed resolution urging the Police Department to institute a written survey of the

individual work shift preferences of all sworn police personnel without regard to rank and promptly implement a scheduling system based on seniority, which was *Referred to the Committee on Police, Fire and Municipal Institutions.*

Presented By

ALDERMAN SHAW (9th Ward):

Referred-- AREA BOUNDED BY EAST 104TH STREET, SOUTH COTTAGE GROVE AVENUE, EAST 106TH STREET AND SOUTH LANGLEY AVENUE DESIGNATED AS CHICAGO LANDMARK.

A proposed ordinance to designate the area bounded by East 104th Street, South Cottage Grove Avenue, East 106th Street and South Langley Avenue as a Chicago Landmark, which was *Referred to the Committee on Historical Landmark Preservations.*

Presented By

ALDERMAN SHAW (9th Ward) And OTHERS:

Referred-- AMENDMENT OF MUNICIPAL CODE CHAPTER 28.2 BY ADDING NEW SECTION 28.2-11.1 REQUIRING SCHOOL VEHICLE DRIVERS AND/OR ATTENDANTS TO SUPERVISE CHILDREN CROSSING PUBLIC WAYS.

A proposed ordinance, presented by Aldermen Shaw, Roti, Bloom, Beavers, Caldwell, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Henry, Soliz, E. Smith, Bialczak, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, O'Connor, Natarus, Eisendrath, Hansen, Levar, Shiller, M. Smith, Orr and Stone, to amend Municipal Code Chapter 28.2 by adding thereto a new section, to be known as Section 28.2-11.1, which would require school vehicle drivers and/or attendants to supervise children exiting from said vehicle crossing the public ways, which was *Referred to the Committee on Local Transportation.*

Presented By

ALDERMAN VRDOLYAK (10th Ward):

Referred -- GRANT OF PRIVILEGE TO ACME STEEL COMPANY
TO INSTALL AND MAINTAIN PRIVATE PIPELINE
UNDER AND ACROSS SPECIFIED
PUBLIC WAYS.

A proposed ordinance to grant permission and authority to Acme Steel Company to excavate for, install, maintain, operate, use, remove, replace and repair a private pipeline for the transmission of gaseous oxygen beginning at South Indiana Avenue and West 127th Street then continuing across various public ways and terminating at the Interlake Steel Corporation facility located near East 111th Street and South Burley Avenue, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN BURKE (14th Ward):

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 104.1,
SECTION 104.1-14 BY EXTENDING OPERATING HOURS
OF BILLIARD AND/OR POOLROOMS.

A proposed ordinance to amend Municipal Code Chapter 104.1, Section 104.1-14 which would extend the closing time for billiard and/or poolrooms from 1:00 A.M. to 2:00 A.M., which was *Referred to the Committee on License*.

Presented By

**ALDERMAN BURKE (14th Ward) And
ALDERMAN LAURINO (39th Ward):**

GRATITUDE EXTENDED TO MR. AND MRS. EDWARD FRACZEK FOR
HEROIC RESCUE OF ABANDONED SCHOOL CHILDREN.

A proposed resolution reading as follows:

WHEREAS, This week a school bus driver for the Edison Comprehensive Gifted School stopped her bus abruptly in mid-route, and abandoned seven children who were passengers in the bus at a deserted building; and

WHEREAS, These children understandably were very afraid and confused by the outrageous behavior of this school bus driver; and

WHEREAS, From their home, Edward Fraczek and his wife Jean observed this incident and were concerned about the safety of the children; and

WHEREAS, In order to protect the health and safety of these seven gifted children, the Fraczeks befriended and aided these children and invited them into their home to wait until their parents could be notified and arrangements made for their safe transportation home; and

WHEREAS, Out of the goodness and kindness of their hearts the Fraczeks contacted the parents of each of these seven children and befriended them until their parents arrived; and

WHEREAS, This type of generous, heroic and civic-minded behavior should be commended, applauded and emulated by all those living and working in Chicago; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council, assembled this 13th day of December, 1989, do hereby extend our heartfelt thanks and gratitude to Edward and Jean Fraczek for their heroic acts, and offer our best wishes to the entire Fraczek family for a very healthy, happy and successful future; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and presented to Mr. and Mrs. Edward Fraczek.

Alderman Burke moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Burke, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Presented By

ALDERMAN JONES (20th Ward):

**CONGRATULATIONS EXTENDED TO POLICE OFFICER DELTCA ERVIN
ON HIS RETIREMENT AFTER THIRTY-THREE YEARS OF
DEDICATED SERVICE.**

A proposed resolution reading as follows:

WHEREAS, Chicago Police Officer Deltca Ervin, Star 5381, has retired this year after over thirty-three years of dedicated service to the people of this great City; and

WHEREAS, Deltca Ervin, a sterling Chicago product, was inducted in the army in May, 1945, receiving an honorable discharge in December, 1946; and

WHEREAS, Deltca Ervin joined the Chicago Police Department October 1, 1956 and was assigned to the Lawndale District (the old 24th District) which was closed in 1966; later he was promoted to Detective in 1958, received a gunshot wound to the right leg in 1959 while attempting to arrest an offender; and

WHEREAS, During his excellent career, Police Officer Deltca Ervin received numerous awards and letters of commendation, over fifty honorable mentions and seventy complimentary letters, plus Officer of the Month award. He represents the highest standard of public service; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 13th day of December, 1989, A.D., do hereby congratulate and honor Chicago Police Officer Deltca Ervin, Star 5381, on the occasion of his retirement from outstanding public service and extend to this fine citizen our very best wishes for many more years of happiness and success; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and presented to Deltca Ervin.

Alderman Jones moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Jones, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuller, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Presented By

ALDERMAN J. EVANS (21st Ward):

Referred -- ISSUANCE OF PERMIT TO ERECT SIGN/SIGNBOARD
AT WEST 87TH STREET AND DAN RYAN EXPRESSWAY.

A proposed order directing the Commissioner of Inspectional Services to issue a permit to Meade Electric Company, Incorporated, for the erection of a sign/signboard at West 87th Street and the Dan Ryan Expressway for Horizon Foods, which was *Referred to the Committee on Zoning*.

Presented By

ALDERMAN GARCIA (22nd Ward):

Referred -- EXEMPTION OF 3200 SOUTH KEDVALE AND 3200
SOUTH KARLOV BLOCK CLUBS FROM PAYMENT
OF ELECTRICAL FEES FOR INSTALLATION OF
RESIDENTIAL LIGHT POLES.

A proposed ordinance to exempt the 3200 South Kedvale and 3200 South Karlov block clubs from payment of electrical fees for the installation of residential light poles, pursuant to Chapter 137, Section 137-6 of the Municipal Code, which was, *Referred to the Committee on Finance*.

Presented By

ALDERMAN KRISTYNIK (23rd Ward):

Referred -- APPROVAL OF PLAT OF BRATTA'S RESUBDIVISION
AT NORTHEAST CORNER OF SOUTH NORMANDY
AVENUE AND WEST ARCHER AVENUE.

A proposed ordinance directing the Superintendent of Maps, Ex Officio Examiner of Subdivisions, to approve a plat of Bratta's Resubdivision located at the northeast corner of South Normandy Avenue and West Archer Avenue, which was *Referred to the Committee on Streets and Alleys*.

Presented By

**ALDERMAN KRISTYNIK (23rd Ward),
ALDERMAN FARY (12th Ward) And
ALDERMAN BURKE (14th Ward):**

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 27,
SECTION 27-319 BY EXEMPTING CERTAIN WARDS
FROM RESIDENTIAL PARKING RESTRICTIONS
FOR PICK-UP TRUCKS
AND/OR VANS.

A proposed ordinance to amend Municipal Code Chapter 27, Section 27-319 by exempting the 12th, 14th and 23rd Wards from restrictions prohibiting the parking of pick-up trucks and/or vans on residential streets when such vehicles bear special parking permits issued to the vehicle owner in accordance with this section, which was *Referred to the Committee on Traffic Control and Safety*.

Presented By

ALDERMAN HENRY (24th Ward):

Referred-- AMENDMENT OF MUNICIPAL CODE CHAPTER 32
BY ADDING NEW SECTION 32-21.1 ALLOWING
BUREAU OF FORESTRY TO CUT OR TRIM
TREES ON PROPERTY OWNED BY
SENIOR CITIZENS.

A proposed ordinance to amend Chapter 32 of the Municipal Code by adding thereto a new section, to be known as Section 32-21.1, which would allow senior citizens to obtain a special permit authorizing the Bureau of Forestry to cut and/or trim any damaged or diseased trees on the property of said applicants, which was *Referred to the Committee on Aging and Disabled*.

Referred-- WAIVER OF WATER TAP FEES, PENDING LIENS,
SEWER CONNECTION FEES AND PERMIT CHARGES
FOR LOTS LOCATED AT 1226 -- 1232 SOUTH
PULASKI ROAD TO BE PURCHASED
BY LAWDALE CHRISTIAN
REFORM CHURCH.

Also, a proposed ordinance directing the Commissioner of Buildings, the Commissioner of Public Works, the Commissioner of Sewers, the Commissioner of Streets and Sanitation and the Commissioner of Water to waive any outstanding water tap fees, sewer connection fees, pending liens, including demolition liens, and to issue all necessary permits free of charge for the city lots located at 1226 -- 1232 South Pulaski Road to be purchased by the Lawndale Christian Reform Church, which was *Referred to the Committee on Finance*.

Referred-- AMENDMENT OF MUNICIPAL CODE CHAPTER 28.1
BY ADDING NEW SECTION 28.1-3(2)(A) TO CREATE
"CLASS S" PUBLIC CHAUFFEUR'S LICENSE
CLASSIFICATION.

Also, a proposed ordinance to amend Chapter 28.1 of the Municipal Code by adding thereto

a new section, to known as Section 28.1-3(2)(A) which would create a new public chauffeur's license classification to be known as "Class S" for the purpose of regulating all drivers of school vehicles engaged in the transportation of senior citizens and/or students, which was *Referred to the Committee on Local Transportation.*

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 28.2
TO DEGENERIZE REGULATIONS FOR SCHOOL
VEHICLE OPERATORS AND STIPULATE
"CLASS S" LICENSING.

Also, a proposed ordinance to amend Chapter 28.2 of the Municipal Code by deleting certain language and inserting in lieu thereof certain degenderized language pertaining to the regulations for school vehicle operators and require that such vehicle operators possess a "Class S" chauffeur's license, which was *Referred to the Committee on Local Transportation.*

Presented By

ALDERMAN BUTLER (27th Ward):

Referred -- ILLINOIS STATE LEGISLATURE URGED TO ALLOW
VEHICLE OWNERS TO DISPLAY LICENSE PLATE
STICKERS IN RIGHT CORNER OF
REAR WINDOW.

A proposed resolution urging the Illinois State Legislature to consider legislation which would allow vehicle owners to put or display license plate vehicle stickers in the right corner of the vehicle's rear window, which was *Referred to the Committee on License.*

Presented By

ALDERMAN E. SMITH (28th Ward):

Referred -- GRANT OF PRIVILEGE TO NOVELTY GLASS AND
MIRROR COMPANY TO MAINTAIN PEDESTRIAN
BRIDGE UNDER AND ACROSS PORTION
OF WEST CARROLL AVENUE.

A proposed ordinance to grant permission and authority to Novelty Glass and Mirror Company to maintain and use a pedestrian bridge under and across a portion of West Carroll Avenue, connecting the premises at 4726 West Lake Street with the premises at 4725 West Kinzie Street, which was *Referred to the Committee on Streets and Alleys*.

Referred -- RESTORATION OF LIGHT POLE AT
4551 WEST FULTON STREET.

Also, a proposed resolution directing the Commissioner of Public Works to authorize the restoration of the light pole at 4551 West Fulton Street, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN AUSTIN (34th Ward):

ILLINOIS GENERAL ASSEMBLY URGED TO PROVIDE
SUPPLEMENTAL FUNDING FOR SCHOOL NURSE
PROGRAM AND IMPLEMENTATION OF
SAFE SCHOOLS PROGRAM.

A proposed resolution reading as follows:

WHEREAS, Article X, Section 1 of the Illinois Constitution establishes as a fundamental goal of the people of the State of Illinois the educational development of all persons to the limit of their capacities; and

WHEREAS, Article X, Section 1 of the Illinois Constitution declares that the State shall provide for an efficient system of high quality public educational institutions and services; and

WHEREAS, The lack of adequate medical care in public schools places the health of students at risk, and deprives them of the opportunity to develop to the limit of their capacities; and

WHEREAS, The presence of gangs in and near public schools threatens the safety of students, distracts them from educational activities and discourages them from attending and remaining enrolled in school, and prevents them from developing to the limit of their abilities; and

WHEREAS, The Illinois General Assembly has created the Safe Schools Program to provide enhanced criminal penalties for certain illegal acts performed in or near schools, but has provided no funding for increased law enforcement efforts to assist in detecting, arresting and preventing such conduct; and

WHEREAS, Without assurance of a school nurse program and additional law enforcement efforts for implementation of the Safe Schools Program, the State of Illinois may not meet its fundamental goals of allowing the educational development of all persons to the limit of their capacities, or its constitutional responsibility to provide for an efficient and high quality system of public educational institutions and services; and

WHEREAS, Article X, Section 1 of the Illinois Constitution also provides that the State has the primary responsibility for financing the system of public education; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this 13th day of December, 1989, do hereby memorialize the Illinois General Assembly to provide sufficient supplemental funding for operation of a school nurse program and for additional police presence and other law enforcement efforts for implementation of the Safe Schools Program; and

Be It Further Resolved, That the City Clerk transmit certified copies of this resolution to the Clerk of the Illinois Senate and the Clerk of the Illinois House of Representatives.

Alderman Austin moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Austin, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Presented By

ALDERMAN CULLERTON (38th Ward):

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 81.1,
SECTION 81.1-14(E) FURTHER DEFINING MINIMUM
REQUIREMENTS FOR NATURAL LIGHTING IN
HOSPITAL AND HOTEL ROOMS.

A proposed ordinance to amend Chapter 81.1, Sections 81.1-14(E) of the Municipal Code by further defining minimum requirements for window-provided natural lighting in hospital patient rooms and habitable hotel rooms, which was *Referred to the Committee on Buildings*.

Presented By

ALDERMAN LAURINO (39th Ward):

Referred -- EXEMPTION OF PROGRESSIVE LITHOGRAPH AND
IGLESIA DEL BACTO CHURCH FROM PHYSICAL
BARRIER REQUIREMENT PERTAINING TO
ALLEY ACCESSIBILITY.

A proposed order directing the Commissioner of Public Works to waive the physical barrier requirement pertaining to alley accessibility for the parking facility located between the buildings at 4521 and 4529 North Kedzie Avenue, as used by Progressive Lithograph and the Iglesia Del Bacto Church, pursuant to the provisions of Municipal Code Chapter 33, Section 33-19.1, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN PUCINSKI (41st Ward):

TRIBUTE TO LATE MRS. BERNICE WOZNY.

A proposed resolution reading as follows:

WHEREAS, Bernice Wozny was born in Lonzaw, Poland on December 4, 1901, one of three daughters to Joanna and Jan Lukazewski and sister of Rose and Virginia; and

WHEREAS, Bernice Wozny came to these great United States of America as a young child with her parents, who were of modest means, to pursue the American Dream like so many other hardworking people of proud Polish origin who have contributed significantly to the growth and prosperity of the great City of Chicago; and

WHEREAS, Bernice Wozny was the beloved wife of Lawrence Wozny who with his wife and two children, Lawrence and James, and Bernice's sister and brother-in-law Virginia and Harold Scherer and their two children Alice and Mary Ann succeeded in living the American Dream in the great Chicago-Polish tradition as one family in a two-flat on Chicago's great northwest side at 6151 West Rosedale Avenue; and

WHEREAS, Bernice Wozny was a devoted grandmother of five; Christopher, Joseph, Michaline, Julie and Laurie and favorite great-aunt to Michael and Matthew Smith, and Suzanne and Monica Hammer; and

WHEREAS, Bernice Wozny was a loyal member of Saint Tarcissus Catholic Church since the 1930's and a devoted member of that faith and whose aging spirit was raised when her grand-nephew Michael spoke to the great Polish Pope John Paul II about his ailing great-aunt's health and well being; and

WHEREAS, Bernice Wozny played an important role in the upbringing of her niece who is Chicago's great Alderman from the 48th Ward, Mary Ann Smith, who was so influenced by her aunt's faith, work ethic, family values and love, and who taught her to appreciate the greatness and freedom of the United States; now, therefore,

Be It Resolved, That we, Mayor Richard M. Daley and the members of the City Council of the City of Chicago, do hereby honor Mrs. Bernice Wozny for her contributions to her family, faith, and country and extend our deepest sympathies to her beloved family; and

Be It Further Resolved, That a suitable copy of this resolution be prepared for presentation to the Wozny family.

Alderman Pucinski moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Pucinski, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Referred -- ISSUANCE OF PERMIT TO MAINTAIN EXISTING
CANOPY AT 6699 NORTH NORTHWEST HIGHWAY.

Also, a proposed order directing the Commissioner of General Services to issue a permit to Classic Corner Cafe to maintain and use one canopy attached to the building or structure at 6699 North Northwest Highway, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN NATARUS (42nd Ward):

**DRAFTING OF ORDINANCE FOR VACATION OF PORTION
OF EAST OHIO STREET.**

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of East Ohio Street lying east of the east line of North Lake Shore Drive and west of a line approximately 552 feet southeasterly of the east line of North Lake Shore Drive for the Chicago Park District (No. 10-42-89-1423); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

Alderman Natarus moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed order. The motion *Prevailed*.

On motion of Alderman Natarus, the foregoing proposed order was *Passed*.

Referred -- EXEMPTION OF PARKING FACILITY ADJACENT
TO 633 NORTH ST. CLAIR STREET FROM PHYSICAL
BARRIER REQUIREMENT PERTAINING TO
ALLEY ACCESSIBILITY.

Also, a proposed ordinance to exempt the parking facility adjacent to 633 North St. Clair Street from the physical barrier requirement pertaining to alley accessibility, pursuant to the provisions of Municipal Code Chapter 33, Section 33- 19.1, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN EISENDRATH (43rd Ward):

Referred -- APPROVAL OF PLAT OF MC DONNELL SUBDIVISION
ON PORTION OF NORTH BOSWORTH AVENUE.

A proposed ordinance directing the Superintendent of Maps, Ex Officio Examiner of Subdivisions, to approve a plat of McDonnell Subdivision located on the west side of North Bosworth Avenue, near West Wrightwood Avenue, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN SHILLER (46th Ward) And OTHERS:

Referred-- CHICAGO EMERGENCY TELEPHONE SYSTEM
BOARD URGED TO IMPLEMENT 9-1-1 EMERGENCY
TELEPHONE SERVICE SYSTEM ACCESSIBLE TO
CHICAGO RESIDENTS REGARDLESS
OF SUBSCRIPTION STATUS.

A proposed ordinance, presented by Aldermen Shiller, Rush, Tillman, T. Evans, Bloom, Steele, Shaw, Langford, Streeter, Jones, J. Evans, Garcia, Henry, Gutierrez, Butler, E. Smith, Davis, Figueroa, Mell, Kotlarz, Banks, Giles, O'Connor, Pucinski, Eisendrath, Hansen, Levar, M. Smith, and Orr, urging the Chicago Emergency Telephone System Board to implement a 9-1-1 Emergency Telephone Service System available to all Chicago residents whose homes are currently receiving telephone service, regardless of the phone services to which the resident subscribes, which was *Referred to the Committee on Finance*.

Presented By

ALDERMAN SCHULTER (47th Ward):

Referred-- GRANT OF PRIVILEGE TO LAKEVIEW SELF STORAGE,
INCORPORATED TO MAINTAIN HYDRAULIC DOCK
PLATE IN ALLEY BEHIND 1650 WEST
IRVING PARK ROAD.

A proposed ordinance to grant permission and authority to Lakeview Self Storage, Incorporated, doing business as Strongbox, to maintain and use an hydraulic dock plate in the alley behind 1650 West Irving Park Road, which was *Referred to the Committee on Streets and Alleys*.

**5. FREE PERMITS, LICENSE FEE EXEMPTIONS, CANCELLATION
OF WARRANTS FOR COLLECTION, AND WATER RATE
EXEMPTIONS, ET CETERA.**

Proposed ordinances, orders, et cetera described below were presented by the aldermen named and were *Referred to the Committee on Finance*, as follows:

FREE PERMIT:

BY ALDERMAN TILLMAN (3rd Ward):

Liberty Baptist Church -- construction of building (home for the elderly) on the premises known as 4849 -- 4850 South Dr. Martin Luther King Jr. Drive.

LICENSE FEE EXEMPTIONS:

BY ALDERMAN TILLMAN (3rd Ward):

McKinley Danforth House, 4540 South Michigan Avenue.

BY ALDERMAN T. EVANS (4th Ward):

Osteopathic Medical Center, 5200 South Ellis Avenue.

BY ALDERMAN VRDOLYAK (10th Ward):

McKinley Moore House, 9135 South Brandon Avenue.

BY ALDERMAN GUTIERREZ (26th Ward):

Humboldt Park Family Health Center, 2750 West North Avenue.

BY ALDERMAN CULLERTON (38th Ward):

Saint Mary of Providence School, 4200 North Austin Avenue.

BY ALDERMAN STONE (50th Ward):

Misericordia Heart of Mercy, 6300 North Ridge Avenue (for various locations).

CANCELLATION OF WARRANTS FOR COLLECTION:

BY ALDERMAN BLOOM (5th Ward):

Vivekananda Vedanta Society, 5423 South Hyde Park Boulevard (for premises at 5419 South Hyde Park Boulevard) -- building inspection fee.

BY ALDERMAN CULLERTON (38th Ward):

Our Lady of Resurrection Hospital, 5645 West Addison Street -- internal inspection of Nos. 1 and 2 Eclipse-Vertical Tube Boilers (2).

BY ALDERMAN PUCINSKI (41st Ward):

Polish Army Veterans Association, 6005 West Irving Park Road -- annual public place of assembly inspection fees and annual mechanical ventilation inspection fee (2).

BY ALDERMAN EISENDRATH (43rd Ward):

Lutheran General Hospital, 2035 North Lincoln Avenue -- internal inspection of No. 1 B & W Tube Boiler.

BY ALDERMAN LEVAR (45th Ward):

Copernicus Foundation, 5216 West Lawrence Avenue -- semi-annual elevator inspection fees and annual public place of assembly inspection fees (3).

**APPROVAL OF JOURNAL OF
PROCEEDINGS.**

JOURNAL (December 6, 1989).

The City Clerk submitted the printed Official Journal of the Proceedings of the regular meeting held on December 6, 1989 at 10:00 A.M., signed by him as such City Clerk.

Alderman Burke moved to *Approve* said printed Official Journal and to dispense with the reading thereof. The question being put, the motion *Prevailed*.

JOURNAL CORRECTION.

(November 29, 1989).

Alderman Madzryk moved to *Correct* the printed Official Journal of the Proceedings of the regular meeting held on Wednesday, November 29, 1989, as follows:

Page 8307 -- by deleting the numerical address "6432" appearing in the tenth line from the top of the page and inserting in lieu thereof the numerical address "6430".

The motion to correct *Prevailed*.

UNFINISHED BUSINESS.

None.

MISCELLANEOUS BUSINESS.

Time Fixed For Next Succeeding Regular Meeting.

By unanimous consent, Alderman Burke presented a proposed ordinance which reads as follows:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the next succeeding regular meeting of the City Council of the City of Chicago to be held after the meeting held on Wednesday, the thirteenth (13th) day of December, 1989, at 10:00 A.M., be and the same is hereby fixed to be held on Wednesday, the twentieth (20th) day of December, 1989, at 10:00 A.M., in the Council Chamber in City Hall.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

On motion of Alderman Burke, the foregoing proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, T. Evans, Bloom, Steele, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Butler, E. Smith, Davis, Bialczak, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, M. Smith, Orr, Stone -- 49.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Adjournment.

Thereupon, Alderman Burke moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned* to meet in regular meeting on Wednesday, December 20, 1989, at 10:00 A.M., in the Council Chamber in City Hall.



WALTER S. KOZUBOWSKI,
City Clerk.