

IC 14-33-20

Chapter 20. Water Supply Systems

IC 14-33-20-1

Applicability of chapter

Sec. 1. (a) This chapter applies only to furnishing water supply for domestic, industrial, and public use.

(b) This chapter does not apply to the accomplishment of any other purpose:

- (1) for which a district has been established; or
- (2) that is added to the purposes of the district after establishment.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-2

"Commission" defined

Sec. 2. As used in this chapter, "commission" refers to the Indiana utility regulatory commission.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-3

"Water facilities" and "water supply" defined

Sec. 3. As used in this chapter, "water facilities" and "water supply" include the following:

- (1) Source of supply.
- (2) Treatment facilities.
- (3) Purifying and storage facilities.
- (4) Distribution systems.
- (5) Appurtenant equipment.
- (6) Materials and supplies.
- (7) Land, easements, and rights-of-way.
- (8) Buildings.
- (9) All other facilities for the administration, operation, and maintenance of the items described in subdivisions (1) through (8).

As added by P.L.1-1995, SEC.26.

IC 14-33-20-4

District electing to furnish water supply for domestic, industrial, and public use

Sec. 4. (a) A district established for the purpose of furnishing water supply for domestic, industrial, and public use may elect to furnish water supply under this chapter if:

- (1) the district plan; or
- (2) a part of or an amendment to the district plan;

so states.

(b) A district that adds the purpose of furnishing water supply for domestic, industrial, and public use may elect in the manner provided by subsection (a) to furnish water supply under this chapter.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-5

District as legal entity

Sec. 5. (a) A district electing to come under this chapter is considered, with regard to activities relating to furnishing water supply for domestic, industrial, and public use, to be a legal entity for the following purposes:

- (1) Contracting with individuals, associations, corporations, municipal corporations, conservancy districts, the state, and the United States for the acquisition of property.
- (2) The borrowing of money, including security for indebtedness so incurred.
- (3) The purchase and sale of water.

(b) A district:

- (1) may sue and be sued for the purposes described in subsection (a); and
- (2) has the rights and powers granted by this article to the extent consistent with this chapter.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-6

Territorial authority

Sec. 6. An order of the court:

- (1) establishing a district; or
- (2) adding the purpose of furnishing water supply for domestic, industrial, and public use;

grants to the district territorial authority to provide the service of water supply within the district. Territorial authority includes the power to acquire, maintain, and operate a source of water outside the district.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-7

Supplying water outside territorial authority

Sec. 7. If a district proposes in:

- (1) the district plan;
- (2) a part of or an amendment to the district plan; or
- (3) implementation of the district plan;

to provide water supply to users outside of the territory to which the district has been granted territorial authority, the district must petition the commission for territorial authority to serve the additional users.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-8

Commission setting hearing; notice

Sec. 8. Upon the filing of a petition with the commission under section 7 of this chapter, the commission shall do the following:

- (1) Set the petition for public hearing.
- (2) Give notice of the time and place of the hearing by publication one (1) time in at least one (1) newspaper printed

and published in each county in which the district proposes to carry on operations relating to furnishing water supply. The publication must be at least ten (10) days before the date set for hearing. The district shall pay the cost of the publication at the time of filing the petition.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-9

Opposing petition

Sec. 9. Any interested person may:

- (1) appear at the hearing under section 8 of this chapter either in person or by attorney; and
- (2) oppose the petition.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-10

Commission's findings after hearing

Sec. 10. (a) The commission shall, after hearing the evidence introduced at the hearing under section 8 of this chapter, enter a finding that the convenience and necessity of the public proposed to be served in the area in which the additional users are located:

- (1) will; or
- (2) will not;

be served by the district.

(b) If the finding is in the affirmative, the commission shall enter an order granting territorial authority for the area. The district shall attach a copy of the order to:

- (1) the district plan; or
- (2) a part of, an amendment to, or the implementation of the district plan;

before the district plan is submitted for approval.

(c) If the finding is in the negative, the commission shall enter an order denying the approval to serve the additional users in the area.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-11

Municipality or public utility supplying water

Sec. 11. If:

- (1) a district is established for the purpose of furnishing water supply for domestic, industrial, and public use or that purpose is added to a district; and
- (2) there is within the boundaries of the district a municipality or public utility providing water supply to part of the territory within the boundaries;

the order of the court establishing the district or adding that purpose is territorial authority only for that territory within the boundaries not served by the municipality or public utility.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-12

Supplying water to additional users outside territorial boundaries; jurisdiction; expenses

Sec. 12. (a) IC 14-33-4-2 does not apply to the addition of territory to a district in any county for the purpose of supplying water to additional users outside the territorial boundaries of the district. The commission has exclusive jurisdiction over the granting to a district of territorial authority to serve additional water users.

(b) For the purposes of:

(1) granting territorial authority to a district to serve additional water users under subsection (a); and

(2) exercising the commission's jurisdiction for changes in the rates and charges of a district under section 14 of this chapter;

the commission shall recoup its expenses under IC 8-1-2-70. For purposes of this subsection, a district that has the purpose of water supply and that operates under this chapter is considered a municipal utility.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-13

Reasonable and just charges for services; rates

Sec. 13. (a) A district coming under this chapter shall furnish reasonably adequate services and facilities. The charge made by the district for a service provided or to be provided, either directly or indirectly, must be nondiscriminatory, reasonable, and just. Every discriminatory, unjust, or unreasonable charge for service is unlawful. A reasonable and just charge for services is a charge that produces sufficient revenue to pay all the legal and other necessary expenses incident to the operation of the water facilities:

(1) including maintenance costs, operating charges, upkeep, repairs, and interest charges on bonds, notes, or other evidences of indebtedness;

(2) providing a sinking fund for the liquidation of bonds, notes, or other evidence of indebtedness;

(3) providing adequate money to be used as working capital, as well as money for making extensions and replacements; and

(4) paying taxes, if any, that are assessed against the water facilities.

(b) The rates may include a reasonable profit on the investment, so that the charges produce an income sufficient to maintain the water facilities in a sound physical and financial condition to provide adequate and efficient service. A rate too low to meet these requirements is unlawful.

(c) A district and the district's board, officers, and employees:

(1) shall enforce the collection of the rates and charges; and

(2) if necessary, may discontinue water service to a water user for the nonpayment of rates and charges.

(d) A district shall make a charge against the property in the district for fire protection furnished by the water facilities, separate from rates and charges for water supplied to users. The receipts from fire protection charges are considered revenues of the water

facilities.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-14

Schedule of rates and charges; regulation

Sec. 14. A district coming under this chapter shall file the initial schedule of rates and charges to patrons of the district with the commission. If changes in rates and charges are necessary, the district is subject to the jurisdiction of the commission in the same manner as provided by statute for the regulation of rates and charges of municipal water utilities.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-15

"Net revenues" defined

Sec. 15. (a) As used in this section, "net revenues" means gross revenues less the reasonable cost of operation and maintenance.

(b) A district coming under this chapter may pay the costs, including incidental expenses, of constructing or otherwise acquiring all the works of improvement necessary to furnish water supply for domestic, industrial, and public use by issuing bonds, notes, or other evidences of indebtedness to be payable from revenues in the manner provided by this article. The bonds, notes, or other evidences of indebtedness of the district for water purposes are payable solely from the net revenues of the water facilities. All bonds, notes, contracts, warrants, debentures, and pledges entered into by a district for the purposes of:

- (1) this chapter; or
- (2) IC 13-3-4 (before its repeal);

do not constitute an obligation payable from the collection of a special benefits tax.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-16

Resolution authorizing bonds, notes, or other evidences of indebtedness

Sec. 16. All bonds, notes, or other evidences of indebtedness payable from revenues may be authorized only by resolution of the board. The resolution, as well as the bonds, notes, or other evidences of indebtedness issued under the resolution, is a contract with all holders of the bonds, notes, or other evidences of indebtedness.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-17

Requirements for bonds, notes, or other evidences of indebtedness

Sec. 17. (a) All bonds, notes, or other evidences of indebtedness that are authorized by the resolution must be in one (1) or more series and may:

- (1) bear the date;
- (2) mature at a time not exceeding fifty (50) years from the date

of issuance;
(3) bear interest at any rate;
(4) be in a denomination;
(5) be in a form, either coupon or registered;
(6) carry registration and conversion privileges;
(7) be executed in the manner;
(8) be payable in the medium of payment, at the place;
(9) be subject to terms of redemption, with or without a premium;
(10) be declared or become due before the maturity date;
(11) provide for the replacement of mutilated, destroyed, stolen, or lost bonds, notes, or other evidences of indebtedness;
(12) be authenticated in a manner and upon compliance with conditions; and
(13) contain other terms and covenants;
that are provided by resolution of the board.

(b) Notwithstanding the form or tenor, and in the absence of an express recital on the face that the bond, note, or other evidence of indebtedness is nonnegotiable, the bonds, notes, or other evidences of indebtedness are negotiable instruments for all purposes.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-18

Execution of bonds, notes, or other evidences of indebtedness; valid and binding obligations

Sec. 18. (a) The bonds, notes, or other evidences of indebtedness shall be executed in the name of the district by the chairman of the board and attested by the secretary. Interest coupons may be executed by placing the facsimile signature of the chairman on the coupons.

(b) The bonds, notes, or other evidences of indebtedness are valid and binding obligations of the district for all purposes provided by this chapter and in the resolution, even if before delivery any of the persons whose signatures appear on the bonds, notes, or other evidences of indebtedness have ceased to be officers of the district.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-19

Validity of authorization and issuance of bonds, notes, or other evidences of indebtedness

Sec. 19. The validity of the authorization and issuance of the bonds, notes, or other evidences of indebtedness is not dependent on or affected in any way by the following:

(1) Proceedings taken for the improvement for which the bonds, notes, or other evidences of indebtedness are to be issued.

(2) Contracts made in connection with the improvement.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-20

Recital of authority of bond, note, or other evidence of

indebtedness

Sec. 20. A resolution authorizing bonds, notes, or other evidences of indebtedness payable from revenues must provide that a bond, note, or other evidence of indebtedness payable from revenues contain a recital that the bond, note, or other evidence of indebtedness is issued under this article or under IC 13-3-3 (before its repeal). A bond, note, or other evidence of indebtedness containing the recital under authority of such a resolution is conclusively considered:

- (1) to be valid; and
- (2) to have been issued in conformity with this article or IC 13-3 (before its repeal).

As added by P.L.1-1995, SEC.26.

IC 14-33-20-21**Sale of bonds, notes, or other evidences of indebtedness**

Sec. 21. The bonds, notes, or other evidences of indebtedness payable from revenues:

- (1) shall, except as provided in subdivision (4), be sold at public sale as provided by general statutes concerning the sale of bonds;
- (2) may be sold at different times or an entire issue or series may be sold at one (1) time;
- (3) may be sold:
 - (A) in part; or
 - (B) in part in installments at different times or at one (1) time; and
- (4) may be sold or issued to the United States or the state without a public offering.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-22**Bonds, notes, or other evidences of indebtedness equally and ratably secured by lien**

Sec. 22. All bonds, notes, or other evidences of indebtedness of the same issue shall be equally and ratably secured, without priority because of:

- (1) number or date of issue;
- (2) sale;
- (3) execution; or
- (4) delivery;

by a lien upon the revenues in accordance with this chapter and the resolution authorizing issuance.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-23**Constitutionally restricted bonds or debts not authorized**

Sec. 23. This chapter does not authorize the board to do anything that would result in the creation of an instrument that constitutes a bond or debt within the meaning of the constitutional restriction

relating to:

- (1) the creation or incurring of a debt or indebtedness; or
- (2) the issuance of an instrument constituting a bond or debt.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-24

Restrictions on bonds, notes, or other evidences of indebtedness

Sec. 24. (a) The bonds, notes, or other evidences of indebtedness, including interest, are not any of the following:

- (1) A debt of the district or the board.
- (2) A charge, lien, or encumbrance, legal or equitable, upon:
 - (A) property of the district; or
 - (B) income, receipts, or revenues of the district other than the revenues of the water facilities that have been pledged to payment.

(b) Every bond, note, or other evidence of indebtedness must recite in substance the following:

- (1) That the bond, note, or other evidence of indebtedness, including interest, is payable solely from the revenues pledged to payment.
- (2) That the board is not under an obligation to pay the bond, note, or other evidence of indebtedness except from those revenues.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-25

Bonds, notes, or other evidences of indebtedness issued for refunding other indebtedness

Sec. 25. Bonds, notes, or other evidences of indebtedness may be issued for refunding outstanding bonds, notes, or other evidences of indebtedness of the district in the discretion of the board. However, refunding may not contradict the terms of a resolution that the board has passed authorizing the issuance of bonds, notes, or other evidence of indebtedness sought to be refunded.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-26

District borrowing money

Sec. 26. (a) A district coming under this chapter may borrow money for a term not to exceed two (2) years, which may be renewed for a term of two (2) years, from a bank organized under state or federal statutes or from a state or federal agency in anticipation of the receipt of money from any source, including the following:

- (1) Grants and loans from state or federal agencies.
- (2) Money from the sale of bonds, notes, or other evidences of indebtedness proposed to be issued under this chapter.

(b) The district may pledge the money to be received to the repayment of the principal and interest of the borrowing.

(c) The interim financing may also be repaid from the sale of bonds, notes, or other evidences of indebtedness without designating

the bonds, notes, or other evidences of indebtedness as refunding obligations. The proceeds of interim financing may be used in whole or part for the following:

(1) The acquisition of real, personal, or mixed property, or options on real, personal, or mixed property.

(2) Services reasonably necessary to provide water supply for domestic, industrial, and public use.

(d) Interim financing may be negotiated and consummated directly between the district and the state or federal bank or state or federal agency without public offering. The district may make covenants to the lender and the lender has the rights and remedies that are authorized by this article.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-27

Tax exemptions

Sec. 27. The:

(1) bonds, notes, or other evidences of indebtedness;

(2) proceeds from and the interest on the bonds, notes, or other evidences of indebtedness;

(3) water property and facilities of the district; and

(4) revenues received from the furnishing of water and providing fire protection;

are exempt from taxation by the state.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-28

Security of bonds, notes, or other evidences of indebtedness

Sec. 28. (a) To adequately secure the payment of the bonds, notes, or other evidences of indebtedness, including interest, payable from revenues, the board and the board's officers, agents, and employees shall do the following:

(1) Pay punctually the principal of every bond, note, or other evidence of indebtedness, including interest:

(A) on the date;

(B) at the place;

(C) in the manner; and

(D) out of the money mentioned in the bonds, notes, other evidences of indebtedness, and coupons;

in accordance with the resolution authorizing issuance.

(2) Preserve and protect the security of the bonds, notes, or other evidence of indebtedness and the rights of the holders, and warrant and defend those rights against all claims and demands of all persons.

(3) Hold in trust the revenues pledged to the payment of the bonds, notes, or other evidence of indebtedness for the benefit of the holders and apply those revenues:

(A) only as provided by the resolution authorizing issuance;
or

(B) if the resolution is modified in the manner provided in:

- (i) the bonds, notes, or other evidence of indebtedness; or
- (ii) this chapter;

only as provided in the resolution as modified.

(4) Keep proper books of record and accounts of the water facilities, separate from all other records and accounts:

- (A) in which complete and correct entries shall be made of all transactions relating to the water facilities and any part of the water facilities for which the revenues are pledged; and
- (B) that, together with all other books and papers of the board, are at all times subject to the inspection of the holder of the bonds, notes, or other evidences of indebtedness then outstanding or a representative of the holder authorized in writing.

(b) This section does not require the board to expend money other than revenues received or receivable from the water facilities.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-29

Provisions compromising parts of bonds, notes, or evidences of indebtedness

Sec. 29. (a) The board may insert, in a resolution authorizing the issuance of bonds, notes, or other evidences of indebtedness payable from revenues, provisions that then comprise a part of the contract with the holders of the bonds, notes, or other evidences of indebtedness concerning the following:

- (1) Limitations on the purpose to which the proceeds of sale of an issue of bonds, notes, or other evidences of indebtedness payable from revenues issued to finance the improving of the water facilities may be applied.
- (2) Limitations on the issuance of additional bonds, notes, or other obligations to finance the improving of the water facilities and on the lien of the water facilities.
- (3) Limitations on the right of the board to restrict and regulate the use of the water facilities.
- (4) The amount and kind of insurance to be maintained on the water facilities and the use and disposition of insurance money.
- (5) Pledging all or a part of the revenues of the water facilities to which the board's right exists.
- (6) Covenanting against pledging all or a part of revenues of the water facilities to which the board's right exists.
- (7) Events of default and terms and conditions upon which any of the bonds, notes, or other evidences of indebtedness become or may be declared due before maturity, including the terms and conditions upon which the declaration and the consequences of the declaration may be waived.
- (8) The rights, liabilities, powers, and duties arising if the board breaches any covenants, conditions, or obligations.
- (9) A procedure by which the terms of:
 - (A) a resolution authorizing bonds, notes, or other evidences of indebtedness payable from revenues; or

(B) any other contract with the holders; may be amended or abrogated, including the amount of bonds, notes, or other evidences of indebtedness to which the holders must consent and the manner in which the consent may be given.

(10) The execution of all instruments necessary or convenient in the following:

(A) The exercise of the powers granted by this chapter.

(B) The performance of the duties of the board and the board's officers, agents, and employees.

(11) Refraining from pledging or in any manner claiming or taking the benefit or advantage of a stay or extension statute that affects the duties or covenants of the board in relation to the following:

(A) The bonds, notes, or other evidences of indebtedness.

(B) The performance of or the lien of the bonds, notes, or other evidences of indebtedness.

(12) The:

(A) purchase out of any money available for the purchase, including the proceeds of bonds, notes, or other evidences of indebtedness payable from revenues, of outstanding bonds, notes, or other evidences of indebtedness; and

(B) price at which and the manner in which the purchases may be made.

(13) Other acts that:

(A) are desirable to secure the bonds, notes, or other evidences of indebtedness; or

(B) may tend to make the bonds, notes, or other evidences of indebtedness more marketable.

(b) This section does not authorize the board to:

(1) make any covenants; or

(2) perform any act;

requiring the expenditure of money other than revenues received or receivable from the water facilities.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-30

Application for appointment of receiver of water facilities

Sec. 30. If:

(1) the:

(A) board defaults in the payment of the principal or interest on any of the bonds, notes, or other evidences of indebtedness payable from revenues after the bonds, notes, or other evidences of indebtedness have become due, whether at maturity or upon call for redemption; and

(B) default continues for a period of thirty (30) days; or

(2) the board or the board's officers, agents, or employees:

(A) fail or refuse to comply with this chapter; or

(B) default in an agreement made with the holders of the bonds, notes, or other evidences of indebtedness;

any holder or a trustee of a holder may apply to the circuit court with jurisdiction in the county in which the district is primarily situated for the appointment of a receiver of the water facilities, whether or not the holder or trustee is seeking or has sought to enforce any other right or remedy in connection with the bonds, notes, or other evidences of indebtedness.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-31

Appointment of receiver of water facilities

Sec. 31. Upon an application the circuit court:

- (1) may appoint; and
- (2) shall appoint, if the application is made by the holders or a trustee of the holders of twenty-five percent (25%) in principal amount of the bonds, notes, or other evidences of indebtedness then outstanding;

a receiver of the water facilities.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-32

Receiver taking possession of water facilities

Sec. 32. A receiver appointed under this chapter:

- (1) shall directly or by the receiver's agents and attorneys enter upon and take possession of the water facilities for which the revenues are pledged; and
- (2) may exclude:
 - (A) the board;
 - (B) the board's officers, agents, and employees; and
 - (C) all persons claiming under the board or the board's officers, agents, or employees.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-33

Duties of receiver

Sec. 33. A receiver appointed under this chapter shall do the following:

- (1) Have, hold, use, operate, manage, and control the facilities.
- (2) In the name of the board or otherwise, exercise all rights and powers of the board with respect to the water facilities as the board might do.
- (3) Maintain, restore, and insure the water facilities and periodically make all proper repairs to the facilities.
- (4) Subject to the jurisdiction of the commission, establish, levy, maintain, and collect fees, tolls, rentals, and other charges in connection with the water facilities as are proper and reasonable.
- (5) Collect and receive all revenues, deposit the revenues in a separate account, and apply the revenues collected and received in the manner that the court directs.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-34

Surrender of possession of water facilities by receiver

Sec. 34. (a) Whenever:

(1) all that is due:

(A) upon the bonds, notes, or other evidences of indebtedness payable from revenues, including interest; and

(B) upon other notes, bonds, or other obligations, including interest, having a charge, lien, or encumbrance on the revenues of the water facilities;

under the terms of covenants or agreements with the holders have been paid or deposited as provided; and

(2) all defaults have been cured;

the court may, after notice and hearing that the court considers reasonable and proper, direct the receiver to surrender possession of the facilities to the board.

(b) The same right of the holders of the bonds, notes, or other evidences of indebtedness to secure the appointment of a receiver exists upon a subsequent default as provided in this chapter.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-35

Court supervision of receiver

Sec. 35. (a) A receiver appointed under this chapter:

(1) shall, in the performance of the powers conferred upon the receiver, act under the supervision of the court making the appointment;

(2) is at all times subject to the orders of the court; and

(3) may be removed by the court.

(b) The court may enter other orders that the court considers appropriate for the exercise by the receiver of functions specifically set forth in this chapter.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-36

Protection of holders or trustees

Sec. 36. Subject to contractual limitations binding upon the holders or trustees for the holders of an issue of bonds, notes, or other evidences of indebtedness payable from revenues, including restrictions on the exercise of a remedy to a specified proportion of holders, a holder or trustee of bonds, notes, or other evidences of indebtedness may, for the equal benefit and protection of all holders similarly situated, do the following:

(1) By mandamus or other action:

(A) enforce the rights of the holder or trustee against the board and the board's officers, agents, and employees; and

(B) require the board or officers, agents, or employees to perform:

(i) duties and obligations under this chapter; and

(ii) contracts with the holders.

(2) By action require the board to account as if the board was

the trustee of an express trust.

(3) By action enjoin any acts or things that:

(A) are unlawful; or

(B) in violation of the rights of the holders.

(4) Bring suit upon the bonds, notes, or other evidences of indebtedness.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-37

Remedies

Sec. 37. (a) A remedy conferred by this chapter upon a holder or trustee for a holder of bonds, notes, or other evidences of indebtedness payable from revenues:

(1) is in addition to every other remedy; and

(2) may be exercised without exhausting and without regard to any other remedy conferred by:

(A) this chapter; or

(B) any other statute.

(b) A waiver of a default or breach of duty or contract, whether by a holder or a trustee for a holder of bonds, notes, or other evidences of indebtedness payable from revenues, does not do any of the following:

(1) Extend to or affect a subsequent default or breach of duty or contract.

(2) Impair any rights or remedies.

(c) A delay or an omission of a holder or a trustee for a holder of bonds, notes, or other evidences of indebtedness does not do any of the following:

(1) Extend to or affect a subsequent default or breach of duty or contract.

(2) Impair any rights or remedies.

(d) A delay or an omission of a holder or a trustee for a holder of bonds, notes, or other evidences of indebtedness in exercising a right or power accruing upon default:

(1) does not impair a right or power; and

(2) may not be construed to be a waiver of the default or acquiescence in the default.

(e) Every substantive right and every remedy conferred upon the holders of bonds, notes, or other evidences of indebtedness payable from revenues may be enforced and exercised periodically and as often as is expedient. If action to enforce a right or exercise a remedy:

(1) is brought and then discontinued; or

(2) is determined adversely to the holder or trustee;

the board and the holder or trustee shall be restored to their former positions as if an action had not been brought.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-38

Discharge of indebtedness

Sec. 38. (a) Notwithstanding any other provision of this chapter, a district may do the following:

(1) Borrow money from the state in accordance with other statutes.

(2) Evidence the indebtedness upon terms and conditions that are provided in the statutes or that the state requires.

(b) A district may:

(1) pay and discharge the indebtedness from the proceeds of bonds, notes, or other evidences of indebtedness issued under:

(A) this chapter; or

(B) IC 13-3-4 (before its repeal); or

(2) refund the indebtedness to the state;

in accordance with this chapter.

As added by P.L.1-1995, SEC.26.

IC 14-33-20-39

Liberal construction of chapter

Sec. 39. This chapter shall be liberally construed to facilitate the financing of water supply systems of districts.

As added by P.L.1-1995, SEC.26.