

NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT

ORDINANCE NO. 21-06

AN ORDINANCE AUTHORIZING THE NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, LAKE AND McHENRY COUNTIES, ILLINOIS, TO BORROW FUNDS FROM THE WATER POLLUTION CONTROL LOAN PROGRAM

WHEREAS, the Northern Moraine Wastewater Reclamation District, Lake and McHenry Counties, Illinois (the "***District***"), operates its sewerage system (the "System") pursuant to and in accordance with the provisions of the Sanitary District Act of 1917, 70 ILCS 2405 (the "***1917 Act***") and the Local Government Debt Reform Act, 30 ILCS 350 (the "***Debt Reform Act***" and, collectively with the 1917 Act, the "***Act***"); and

WHEREAS, the President and Board of Trustees of the District (the "***Corporate Authorities***") have determined that it is advisable, necessary, and in the best interest of the public health, safety, and welfare to improve the System to serve the Village of Holiday Hills, McHenry County, Illinois and the ultimately adjacent unincorporated Le Villa Vaupell Subdivision (the "***Service Territory***"), through the extension of sanitary sewers, force mains, lift stations, and all other necessary facilities and equipment, together with any land or rights in land and all electrical, mechanical or other services necessary, useful or advisable to the construction and installation (collectively, the "***Project***"), all in accordance with the plans and specifications prepared by the consulting engineers of the District, which Project has an anticipated useful life of fifty (50) years; and

WHEREAS, the estimated cost of construction and installation of the Project, including engineering, legal, financial and other related expenses is \$7,000,000.00, and there are insufficient funds on hand and lawfully available to pay these costs; and

WHEREAS, the loan shall bear an interest rate as defined by 35 Ill. Adm. Code 365, which does not exceed the maximum rate authorized by the Bond Authorization Act, as amended, 30 ILCS 305/0.01 *et seq.*, at the time of the issuance of the loan; and

WHEREAS, the principal and interest payment shall be payable semi-annually, and the loan shall mature in twenty (20) years, which is within the period of useful life of the Project; and

WHEREAS, the costs of the Project are expected to be paid for in part with a loan to the District from the Water Pollution Control Loan Program through the Illinois Environmental Protection Agency (the "**Loan**"); and

WHEREAS, the District intends to repay for the Loan from revenues of the System; and

WHEREAS, the Loan is authorized to be accepted at this time pursuant to the Act; and

WHEREAS, in accordance with the provisions of the Act, the District is authorized to borrow funds from the Water Pollution Control Loan Program as the Loan in the aggregate principal amount of \$4,000,000.00 to provide funds to pay the costs of the Project; and

WHEREAS, the Loan to the District shall be made pursuant to a Loan Agreement, including certain terms and conditions between the District and the Illinois Environmental Protection Agency;

NOW THEREFORE, BE IT ORDAINED BY THE CORPORATE AUTHORITIES OF THE NORTHERN MORAIN WASTEWATER RECLAMATION DISTRICT, LAKE AND McHENRY COUNTIES, ILLINOIS, as follows:

SECTION 1. INCORPORATION OF PREAMBLES. The Corporate Authorities hereby find that the recitals contained in the foregoing preambles are true and correct, and incorporate them into this Ordinance by this reference.

SECTION 2. DETERMINATION TO BORROW FUNDS. The Corporate Authorities of the District have determined that it is necessary and in the best interests of the District to construct the Project for the public health, safety, and welfare, in accordance with the plans and specifications, as described; that the System continues to be operated in accordance with the provisions of the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*; and that for the purpose of constructing the Project, it is hereby authorized that funds be borrowed by the District

in the aggregate principal amount (which can include construction period interest financed over the term of the Loan) not to exceed \$4,000,000.00.

SECTION 3. ADDITIONAL ORDINANCES. The Corporate Authorities may adopt additional ordinances or proceedings supplementing or amending this Ordinance, providing for entering into the Loan Agreement with the Illinois Environmental Protection Agency, prescribing all the details of the Loan Agreement, and providing for the collection, segregation, and distribution of the revenues of the System, so long as the maximum amount of the Loan Agreement as set forth in this Ordinance is not exceeded and there is no material change in the Project or purposes described herein. Any additional ordinances or proceedings shall in all instances become effective in accordance with the Act or other applicable laws. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for entering into the Loan Agreement under applicable law. However, notwithstanding the above, the District may not adopt additional ordinances or amendments which provide for any substantive or material change in the scope and intent of this Ordinance, including but not limited to interest rate, preference or priority of any other ordinance with this Ordinance, parity of any other ordinance with this Ordinance, or otherwise alter or impair the obligation of the District to pay the principal and interest due to the Water Pollution Control Loan Program without the written consent of the Illinois Environmental Protection Agency.

SECTION 4. LOAN NOT INDEBTEDNESS OF THE DISTRICT. Repayment of the Loan to the Illinois Environmental Protection Agency by the District pursuant to this Ordinance is to be solely from the revenue derived from the revenues of the System, and the Loan does not constitute an indebtedness of the District within the meaning of any constitutional or statutory limitation.

SECTION 5. APPLICATION FOR LOAN. The District Manager is hereby authorized to make application to the Illinois Environmental Protection Agency for the Loan through the Water

Pollution Control Loan Program, in accordance with the loan requirements set out in 35 Ill. Adm. Code 365.

SECTION 6. ACCEPTANCE OF LOAN AGREEMENT. The Corporate Authorities hereby authorize acceptance of the offer of a Loan through the Water Pollution Control Loan Program, including all terms and conditions of the Loan Agreement as well as all special conditions contained therein and made a part thereof by reference. The Corporate Authorities further agree that the Loan funds awarded shall be used solely for the purposes of the Project as approved by the Illinois Environmental Protection Agency in accordance with the terms and conditions of the Loan Agreement.

SECTION 7. OUTSTANDING BONDS. The District has outstanding bonds, but such bonds do not have a lien against revenues of the System that are senior to the Loan authorized by this Ordinance.

SECTION 8. AUTHORIZATION OF PRESIDENT TO EXECUTE LOAN AGREEMENT. The President of the District is hereby authorized and directed to execute the Loan Agreement with the Illinois Environmental Protection Agency. The Corporate Authorities may authorize by resolution a person other than the President for the sole purpose of authorizing or executing any documents associated with payment requests or reimbursements from the Illinois Environmental Protection Agency in connection with this Loan.

SECTION 9. SEVERABILITY. If any section, paragraph, clause or provision of this Ordinance is held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 10. REPEALER. All ordinances, resolutions, orders, or parts thereof, which conflict with the provisions of this Ordinance, to the extent of such conflict, are hereby repealed.

SECTION 11. EFFECTIVE DATE. This Ordinance shall be in full force and effect upon its passage and approval in the manner provided by law.

PASSED by the Corporate Authorities on November 9, 2021.

AYES: 5

NAYS: 0

ABSENT: 0

ABSTAIN: 0

APPROVED Nov. 9, 2021

Lee A. Whitely
District President

ATTEST:

Deborah Martin
District Clerk



PUBLISHED in pamphlet form on November __, 2021.

PUBLISHED in the *Northwest Herald* on _____, 20__.

RECORDED in the District Records on _____, 20__.

ATTEST:

District Clerk