

ORDINANCE NUMBER 23 - 001

**ORDINANCE AUTHORIZING THE CITY OF MONMOUTH OF
WARREN COUNTY, ILLINOIS TO BORROW FUNDS FROM THE
PUBLIC WATER SUPPLY LOAN PROGRAM OF THE ILLINOIS
ENVIRONMENTAL PROTECTION AGENCY**

WHEREAS, the City of Monmouth, Warren County, Illinois, operates its public water supply system (“the System”) and in accordance with the provisions of the Article VII of the Illinois Constitution and the Local Government Debt Reform Act, 30 ILCS 350/1 et seq. (collectively “the Act”); and

WHEREAS, the MAYOR and CITY COUNCIL/ of the City of Monmouth (“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, including the following:

Lead Service Line Replacement

together with any land or rights in land and all electrical, mechanical or other services necessary, useful or advisable to the construction and installation (“the Project”), all in accordance with the plans and specifications prepared by the consulting engineers of the City of Monmouth, which Project has a useful life of greater than twenty (20) years;

WHEREAS, the estimated cost of construction and installation of the Project, including engineering, legal, financial and other related expenses is One Million Thirty-one Thousand and No/100 Dollars (\$1,031,000.00), 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 662, 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 are expected to be paid for with a loan to the City of Monmouth from the Public Water Supply Loan Program through the Illinois Environmental Protection Agency, the loan to be repaid from revenue derived from the Water and Sewer Rates (i.e. water and sewer monthly billing) and 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 City of Monmouth is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount of One Million Thirty-one Thousand and No/100 Dollars (\$1,031,000.00) to provide funds to pay the costs of the Project; and

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

NOW THEREFORE, be it ordained by the Corporate Authorities of the City of Monmouth, Warren County, Illinois, as follows:

SECTION 1. INCORPORATION OF PREAMBLES

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

SECTION 2. DETERMINATION TO BORROW FUNDS

It is necessary and in the best interests of the City of Monmouth 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 City of Monmouth in the aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed One Million Thirty-one Thousand and No/100 Dollars (\$1,031,000.00) .

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 Water and Sewer Rates, 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 City of Monmouth 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 City of Monmouth to pay the principal and interest due to the Public Water Supply Loan Program without the written consent of the Illinois Environmental Protection Agency.

SECTION 4. LOAN NOT INDEBTEDNESS OF CITY OF MONMOUTH

Repayment of the loan to the Illinois Environmental Protection Agency by the City of Monmouth pursuant to this Ordinance is to be solely from the revenue derived from the Water and Sewer Rates, and the loan does not constitute an indebtedness of the City of Monmouth within the meaning of any constitutional or statutory limitation.

SECTION 5. APPLICATION FOR LOAN

The City Administrator and/or Mayor is hereby authorized to make application to the Illinois Environmental Protection Agency for a loan through the Public Water Supply Loan Program, in accordance with the loan requirements set out in 35 Ill. Adm. Code 662.

SECTION 6. ACCEPTANCE OF LOAN AGREEMENT

The Corporate Authorities hereby authorize acceptance of the offer of a loan through the Public Water Supply 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 City of Monmouth has outstanding bonds that are payable from revenues of the system but the outstanding bonds are not senior to, but on parity with, the loan authorized by this Ordinance.

SECTION 8. AUTHORIZATION OF [MAYOR/PRESIDENT] TO EXECUTE LOAN AGREEMENT

The Mayor 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 Mayor 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.

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PASSED this _____ day of _____, A.D., 2023.

APPROVED this _____ day of _____, A.D., 2023.

MAYOR

ATTESTED:

CITY CLERK

Ayes: _____

Nays: _____

Absent or not voting: _____

CERTIFICATION

I, SUSAN TREVOR, do hereby certify that I am the duly elected, qualified and acting Clerk of the City of Monmouth. I do further certify that the above and foregoing, identified as Ordinance Number _____, is a true, complete and correct copy of an ordinance otherwise identified as an ORDINANCE AUTHORIZING THE CITY OF MONMOUTH OF WARREN COUNTY, ILLINOIS TO BORROW FUNDS FROM THE PUBLIC WATER SUPPLY LOAN PROGRAM OF THE ILLINOS ENVIRONMENTAL PROTECTION AGENCY, passed by the City Council for the CITY OF MONMOUTH, of Warren County, Illinois on the 6th day of February, 2023, and approved by the Mayer of the City of Monmouth on the same said date, the original of which is part of the books and records within my control as Clerk of the City of Monmouth.

Dated this _____ day of February, 2023.

City Clerk for the City of Monmouth