



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to approve an Ordinance Authorizing the City of St. Charles to borrow funds from the IEPA Water Loan Program for the Water Tower and North 5 th Avenue Watermain Projects
Presenter:	John Lamb

Please check appropriate box:

	Government Operations	X	Government Services 05.27.14
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	N/A	Budgeted:	YES	X	NO	
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If NO, please explain how item will be funded:

Executive Summary:

The City is applying for a low interest loan through the IEPA's Public Water Supply Loan Program for several water system improvement projects. The following is a breakdown of the projects and costs to be funded. These costs include construction, construction engineering and a 15% contingency.

Red Gate Water Tower	\$ 4,689,500
N.5 th Ave Water Main Improvements	\$ 2,910,500
10 th St Water Tower Rehabilitation	\$ 492,200
Campton Hills Water Tower Rehabilitation	<u>\$ 841,800</u>
Total	\$ 8,934,000

The Red Gate Water Tower and N. 5th Ave Water Main are budgeted projects for FY 14-15. The 10th St. Water Tower and Campton Hills Water Tower Rehabilitation are tentatively budgeted for FY 16-17. It was the recommendation of the IEPA and our engineering consultants to include these projects in the loan approval at this time. This does not obligate the City in any manner for these two future projects. Separate loan agreements will be required after the projects have been approved through the FY 16-17 budget process.

The loan will be repaid from revenues of the water system over a twenty-year period at an estimated interest rate of 1.995%. The ordinance also authorizes the Mayor to execute loan agreements with the IEPA.

Attachments: *(please list)*

Ordinance

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve an Ordinance Authorizing the City to borrow funds from the Public Water Supply Loan Program and a Resolution authorizing the Mayor and Clerk to execute the same on behalf of the City of St. Charles.

<i>For office use only:</i>	<i>Agenda Item Number: 5.f</i>
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State of Illinois)
)
) SS.
Counties of Kane & DuPage)

CERTIFICATION

I, Christine Nilles, the undersigned, do hereby certify that I am the duly qualified and acting Deputy City Clerk of the City of St. Charles, Kane and DuPage Counties, Illinois, and as such City Clerk, I am the keeper of the records and files of the Mayor and City Council of the said city.

I do further certify that the foregoing constitutes a full, true and complete copy of Ordinance 2014-M-XX entitled:

An Ordinance Authorizing the City of St. Charles, Kane and DuPage Counties,
Illinois to Borrow Funds from the Public Water Supply Loan Program

I do further certify that the deliberations of the Mayor and City Council on the adoption of said document were taken openly; that the vote on the adoption of said document was taken openly; that said meeting was a regular meeting of the Mayor and the City Council, at which time a quorum was present; that said meeting was held at a specified time and place convenient to the public; that said meeting was held in strict accordance with the provisions of the Open Meetings Act, as amended, and that the Mayor and City Council have complied with all of the provisions of said Act and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I have hereto affixed my official signature and the corporate seal of said city of St. Charles, Kane and DuPage Counties, Illinois, this ____st day of June 2014.

Deputy City Clerk

City of St. Charles, Illinois

Ordinance No. 2014 M-XX

An Ordinance Authorizing the City of St. Charles, Kane
and DuPage Counties, Illinois to Borrow Funds from the
Public Water Supply Loan Program

Adopted by the
City Council of
the
City of St. Charles
June 2, 2014

Published in pamphlet form by
authority of the City Council
of the City of St. Charles,
Kane and DuPage Counties,
Illinois, June 2, 2014

City Clerk

City of St. Charles, Illinois
Ordinance No. 2014-M- _ _ _ _ _

**An Ordinance Authorizing the City of St. Charles, Kane and DuPage
Counties, Illinois to Borrow Funds from the Public Water Supply Loan
Program**

WHEREAS, the City of St. Charles, Kane and DuPage Counties, Illinois (the "City"), operates its water supply system ("the System") in accordance with the provisions of the Illinois Municipal Code (65 ILCS 5/1-1-1 *et seq.*) and the Local Government Debt Reform Act (30 ILCS 350/1 *et seq.*)(collectively "the Acts"); and

WHEREAS, the Mayor and City Council of the City ("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; and

WHEREAS, the Corporate Authorities desire to make Water Works System Improvements, 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;

WHEREAS, the Project has a useful life in excess of twenty (20) years; and

WHEREAS, the estimated cost of construction and installation of the Project, including engineering, legal, financial and other related expenses is \$8,934,000 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. 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 payments 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 from the Public Water Supply Loan Program through the Illinois Environmental Protection Agency, the loan to be repaid from revenues of the System, and the loan is authorized to be accepted at this time pursuant to the Act; and

WHEREAS, in accordance with the provisions of the Acts and other applicable laws, the City is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount of \$8,934,000 to provide funds to pay the costs of the Project; and

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

NOW THEREFORE, be it ordained by the Corporate Authorities of the City of St. Charles, Kane and DuPage Counties, 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. The Corporate Authorities hereby find and determine that: (1) it is necessary and in the best interests of the City to construct and install the Project for the public health, safety and welfare, in accordance with the plans and

specifications, as described herein; (2) 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 other applicable laws; and (3) that for the purpose of constructing the Project, it is hereby authorized that funds be borrowed by the City in the aggregate principal amount (which can include construction period interest financed over the term of the loan) in an amount not to exceed \$8,934,000.

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

SECTION 5. Application for Loan. The Mayor is hereby authorized and directed 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 forth 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. Authorization of the City Officials to Execute Loan Agreement. The Mayor is hereby authorized and directed to execute a 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 8. 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 9. 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 10. Effective Date. This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form in the manner as provided by law.

PRESENTED to the City Council of the City of St. Charles, Illinois, this ___th day of June 2014.

PASSED by the City Council of the City of St. Charles, Illinois, this ___th day of June 2014.

APPROVED by the City Council of the City of St. Charles, Illinois, this ___th day of June 2014.

Raymond P. Rogina, Mayor

ATTEST:

Nancy Garrison, City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain:

State of Illinois)
)
Counties of Kane and DuPage) ss.

Certificate

I, NANCY GARRISON, certify that I am the duly elected and acting Municipal City Clerk of the City of St. Charles, Kane and DuPage Counties, Illinois.

I further certify that on June ____, 2014, the Corporate Authorities of such municipality passed and approved Ordinance No. 2014-M-____, entitled

"An Ordinance Authorizing the City of St. Charles,
Kane and DuPage Counties, Illinois to Borrow Funds
from the Public Water Supply Loan Program,"

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 2014-M-____, including the Ordinance and a cover sheet thereof was prepared, and a copy of such Ordinance was posted in the municipal building, commencing on June ____, 2014, and continuing for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the municipal clerk.

DATED at St. Charles, Illinois, this _____ day of June 2014.

Municipal Clerk