

**AUTHORIZING THE CITY OF DEKALB,  
ILLINOIS, TO BORROW FUNDS FROM THE  
PUBLIC WATER SUPPLY LOAN PROGRAM FOR  
THE HOLLISTER AVENUE WATER MAIN  
EXTENSION.**

**WHEREAS**, the City of DeKalb, DeKalb County, Illinois, a home rule municipality, operates its public water supply system (“the System”) and in accordance with the provisions of the Illinois Constitution of 1970, Article VII, Section 6 and the Local Government Debt Reform Act, 30 ILCS 3 50/1 *et seq.* (collectively “the Act”); and

**WHEREAS**, the Mayor and City Council of the City of DeKalb (“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:

**HOLLISTER AVENUE WATER MAIN REPLACEMENT**, consisting of 1100 feet of 8” water main, replacing 4” water main, 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 DeKalb, which Project has a useful life of at least 21 years; and

**WHEREAS**, the estimated cost of construction and installation of the Project, including engineering, legal, financial and other related expenses is three-hundred, ninety-six thousand and no/100 (\$396,000.00), 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 DeKalb from the Public Water Supply Loan Program through the Illinois Environmental Protection Agency; the loan to be repaid from the 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 Act, the City of DeKalb is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount not to exceed \$396,000.00 to provide funds to pay the costs of the Project; and

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

**THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL** of the City of DeKalb, Illinois as follows:

**Section 1.** That the above recitals are hereby incorporated into this Ordinance as though fully set forth in this Section 1.

**Section 2.** That it is hereby determined that it is necessary and in the best interests of the City of DeKalb to construct the Project for the public health, safety, and welfare of the citizens of DeKalb, 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 DeKalb in the aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed \$396,000.00.

**Section 3.** That 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 of DeKalb 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: the 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 DeKalb 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.** That repayment of the loan to the Illinois Environmental Protection Agency by the City of DeKalb pursuant to this Ordinance is to be solely from the revenue derived from the System, and the loan does not constitute an indebtedness of the City of DeKalb within the meaning of any constitutional or statutory limitation.

**Section 5.** That the City Engineer 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 and to execute such documents as may be necessary for said application.

**Section 6.** That 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.** That the Mayor of the City of DeKalb is hereby authorized and directed to execute the Loan Agreement with the Illinois Environmental Protection Agency in the amount not to exceed \$396,000.00. 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.** That 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.** That 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.** That this Ordinance shall take effect upon its passage and approval according to Law.

**PASSED BY THE CITY COUNCIL** of the City of DeKalb, Illinois, at a regular meeting, held on the 25<sup>th</sup> day of June 2012, and approved by me as Mayor on the same day. Waived second reading and passed June 25, 2012 on roll call vote. Roll call vote 7-0-1. Aye: Jacobson, Lash, Gallagher, Naylor, Baker, O'Leary, Povlsen. Absent: Teresinski.

**ATTEST:**

  
DIANE K. WRIGHT, City Clerk

  
KRIS POVLSSEN, Mayor

