

AUTHORIZING THE CITY OF DEKALB, ILLINOIS TO BORROW FUNDS FROM THE PUBLIC WATER SUPPLY LOAN PROGRAM THROUGH THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY (IEPA) IN AN AMOUNT NOT TO EXCEED \$3,100,000.

WHEREAS, the City of DeKalb (the "City") is a home rule unit of local government and may exercise any power and perform any function pertaining to its government and affairs pursuant to Article VII, Section 6, of the Illinois Constitution of 1970; and

WHEREAS, the City operates its public water supply system (the "System") in accordance to the provisions of Article VII, Section 6 of the Illinois Constitution of 1970 and the Local Government Debt Reform Act, 30 ILCS 350/1, *et seq.* (the "Act"); and

WHEREAS, the City's corporate authorities find that it is advisable, necessary, and in the best interest of the public health, safety, and welfare to improve the System including, but not limited to, the following:

The City will replace lead water service lines in the interest of public health to avoid the risk of increased lead levels beyond regulatory limits in customers' water. This includes the replacement of publicly-owned and privately-owned portions of the lead water service from the water main to the water meter for approximately 200 properties. Also, together with any land or rights in land and all electrical, mechanical, and 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, which Project has a useful life of 100 years; and

WHEREAS, the estimated cost of construction and installation of the Project, including engineering, legal, financial, and other related expenses, is \$3,100,000, and there are insufficient funds on hand and lawfully available to pay these costs; and

WHEREAS, in accordance with the Procedures for Issuing Loans from the Public Water Supply Loan Program, Title 35 Ill. Adm. Code Part 663.250, the City is eligible to have up to \$3,100,000 of the Project costs be forgiven by the State of Illinois, pursuant to principal loan forgiveness provisions; and

WHEREAS, to the extent that principal loan forgiveness is not available for the Project, the City has determined that it will not be seeking a loan for the Project, and therefore, the loan described herein will not be subject to repayment; and

WHEREAS, in accordance with the provisions of the Act, the City is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount of \$3,100,000 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 CITY COUNCIL OF THE CITY OF DEKALB, ILLINOIS:

SECTION 1: INCORPORATION OF PREAMBLES

The recitals to this ordinance are true, material, adopted and incorporated as Section 1 to this ordinance.

SECTION 2: DETERMINATION TO BORROW FUNDS

The City's corporate authorities find that it is necessary and in the best interests of the City 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 in the aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed \$3,100,000.

SECTION 3: ADDITIONAL ORDINANCES

The City's 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 THE 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 the 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 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 663.

SECTION 6: ACCEPTANCE OF LOAN AGREEMENT

The City's corporate authorities hereby authorize acceptance of the offer of a loan through the Public Water Supply Loan Program including, but not limited to, all terms and conditions of the Loan Agreement, as well as all special conditions contained therein and made a part thereof by reference. The City's 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 MAYOR TO EXECUTE LOAN AGREEMENT

The Mayor is hereby authorized and directed to execute the Loan Agreement with the Illinois Environmental Protection Agency. The City's corporate authorities authorize the City Manager to

authorize or execute 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: EFFECTIVE DATE

This Ordinance shall be in full force and effect after passage and publication pursuant to law. Publication date: February 11, 2025. Effective date: February 20, 2025.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a Regular meeting thereof held on the 10th day of February 2025 and approved by me as Mayor on the same day. Passed on First Reading by a 7-0-1 roll call vote. Aye: Zasada, Larson, Smith, Powell, Verbic, Walker, Barnes. Nay: None. Absent: Perkins. Second Reading waived by a 7-0-1 roll call vote. Aye: Zasada, Larson, Smith, Powell, Verbic, Walker, Barnes. Nay: None. Absent: Perkins.




COHEN BARNES, Mayor

ATTEST:



Ruth A. Scott, Executive Assistant