Ordinance #O.21.16

An Ordinance **AUTHORIZING THE CITY OF GALENA, JO DAVIESS COUNTY, ILLINOIS TO BORROW FUNDS FROM THE PUBLIC WATER SUPPLY LOAN PROGRAM.**

Adopted by the City Council of the City of Galena this 13th Day of December 2021.

Published in pamphlet form by authority of the City Council of the City of Galena, Jo Daviess County, Illinois, this 13th Day of December 2021.

STATE OF ILLINOIS)
) City of Galena
COUNTY OF JO DAVIESS)

CERTIFICATE

I, Mary Beth Hyde, certify that I am the duly elected municipal clerk of the City of Galena, JoDaviess County, Illinois.

I further certify that on the 13th Day of December 2021, the Corporate Authorities of said municipality passed and approved Ordinance No. O.21.16 entitled **AN ORDINANCE AUTHORIZING THE CITY OF GALENA, JO DAVIESS COUNTY, 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. O.21.16 including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the municipal building, commencing the 13th Day of December 2021 and commencing for at least ten (10) days thereafter.

Dated at Galena, Illinois, this 13th Day of December 2021.

Mary Beth Hyde

Mary Beth Hyde, City Clerk

(Seal)

ORDINANCE NUMBER 0.21.16

AN ORDINANCE AUTHORIZING THE CITY OF GALENA, JO DAVIESS COUNTY, ILLINOIS TO BORROW FUNDS FROM THE PUBLIC WATER SUPPLY LOAN PROGRAM

WHEREAS, the City of Galena, Jo Daviess County, Illinois operates its public water supply/waterworks system ("the System") in accordance with the provisions of 65 ILCS 5/11-139-1, et. seq., and the Local Government Debt Reform Act, 30 ILCS 350/1 (collectively, "the Act"), and

WHEREAS, the Mayor and City Council of the City of Galena ("the Corporate Authorities") have determined that it is advisable, necessary and in the best interests of public health, safety and welfare to improve the System, including the following:

Lead Service Line replacement entails water service upgrades throughout the City of Galena to replace existing lead service lines.

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 consultants of the City of Galena, which Project has a useful life of 30 years; and

WHEREAS, the estimated cost to purchase and install the Project, including engineering, legal, financial, administrative and other related expenses is $3,729,455.00, 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 662, for the lead service line project, the Village meets the criteria for the Lead Service Line Replacement Principal Forgiveness; and

WHEREAS, in accordance with the Procedures for Issuing Loans from the Public Water Supply Loan Program Title 35 Ill. Adm. Code Part 662, the City meets the Disadvantaged Community Principal Forgiveness and is eligible to have a percentage of the Project costs be forgiven by the State of Illinois pursuant to principal loan forgiveness provisions; and

WHEREAS, the principal and interest payment shall be payable semi-annually, and the loan shall mature in up to 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 Galena 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 Act, the City of Galena is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount of $4,000,000 to provide funds to pay the costs of the Project;

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

NOW THEREFORE, be it ordained by the Corporate Authorities of the City of Galena, Jo Daviess 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 Galena 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 provision of the Act; and that for the purpose of constructing the Project, it is hereby authorized that funds be borrowed by the City of Galena in an aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed $4,000,000.

SECTION 3. PUBLICATION

This Ordinance, together with a Notice in the statutory form (attached hereto as Exhibit "A"), shall be published once within 10 days after passage in *The Galena Gazette*, a newspaper published and of general circulation in the City of Galena, and if no petition signed by electors numbering 10% or more of the registered voters in the City of Galena (i.e., 240) asking that the question of improving the System as provided in this Ordinance and entering into the Loan Agreement therefore be submitted to the electors of the City of Galena, is filed with the City of Galena City Clerk within 30 days after the date of publication of this Ordinance and notice, then this Ordinance shall be in full force and effect. A petition form shall be provided by the City Clerk to any individual requesting one.

SECTION 4. ADDITIONAL ORDINANCES

If no petition meeting the requirements of the Act and other applicable laws is filed during the 30 day petition period, then 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 law. 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 Galena 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 Galena 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 5. LOAN NOT INDEBTEDNESS OF THE CITY OF GALENA

Repayment of the loan to the Illinois Environmental Protection Agency by the City of Galena 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 of Galena within the meaning of any constitutional or statutory limitation.

SECTION 6. APPLICATION FOR LOAN

The City of Galena 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 7. 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 8. RESERVE ACCOUNTS

The City of Galena does not contemplate establishing any reserve accounts because it does not have any revenue bonds outstanding that would be superior or senior to the debt obligation contemplated herein.

SECTION 9. AUTHORIZATION OF CITY OF GALENA MAYOR TO EXECUTE LOAN AGREEMENT

The City 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 10. 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 11. REPEALER

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

PASSED by the City Council of the City of Galena, Jo Daviess County, Illinois on December 13, 2021.

Introduced: December 13, 2021
Passed: December 13, 2021
Approved: December 13, 2021

Terry Renner

ATTEST: Terry Renner, Mayor

Mary Beth Hyde

Mary Beth Hyde, City Clerk

Ayes: Bernstein, Hahn, Kieffer, McCoy, Westemeier, Wienen, Renner
Nays: None
Absent: None

PUBLISHED in the Galena Gazette on December 22, 2021
RECORDED in the City of Galena records on December 13, 2021

ATTEST:

Mary Beth Hyde

Mary Beth Hyde, City Clerk
City of Galena, Jo Daviess County, Illinois

CERTIFICATION

I, MARY BETH HYDE, certify that I am the Clerk of the City of Galena. I do further certify that the above and foregoing, identified as Ordinance Number O.21.16, is a true, complete and correct copy of an ordinance otherwise identified as "An Ordinance Authorizing the City of Galena, Jo Daviess County Illinois to Borrow Funds from the Public Water Supply Loan Program" passed by the City Council of the City of Galena on December 13, 2021, and approved by the Mayor of the City of Galena 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 Galena.

Dated this 13th day of December 2021.

Mary Beth Hyde, City Clerk

Exhibit "A"

NOTICE OF INTENT TO BORROW FUNDS AND RIGHT TO FILE PETITION

NOTICE IS HEREBY GIVEN that, pursuant to Ordinance Number O.21.16, adopted on December 13, 2021, the City of Galena, Jo Daviess County, Illinois, (the "entity") intends to enter into a Loan Agreement with the Illinois Environmental Protection Agency in an aggregate principal amount not to exceed $4,000,000 and bearing annual interest at an amount not to exceed the maximum rate authorized by law at the time of execution of the Loan Agreement, for the purpose of paying the cost of certain improvements to the public water supply system of the City of Galena. A complete copy of the Ordinance accompanies this Notice.

NOTICE IS HEREBY FURTHER GIVEN that if a petition signed by 240 or more electors of the City of Galena (being equal to 10% of the registered voters in the City of Galena), requesting that the question of improving the public water supply system and entering into the Loan Agreement is submitted to the City Clerk within 30 days after the publication of this Notice, the question of improving the public water supply system of the City of Galena as provided in the Ordinance and Loan Agreement shall be submitted to the electors of the City of Galena at the next election to be held under general election law on March 15, 2022. A petition form is available from the Office of the City Clerk.

Mary Beth Hyde, City Clerk
City of Galena, Jo Daviess County, Illinois