

ORDINANCE NO. 2020-1006

**PUBLIC WATER SUPPLY LOAN PROGRAM ORDINANCE AUTHORIZING
LOAN AGREEMENT NON-HOME RULE ENTITY (e.g. Village, City, Town)**

Adopted by the
Village Board of Trustees
of the
Village of Cobden
on this 20TH day of July, 2020

Published in pamphlet form by the authority of the Village Board of Trustees of the Village of Cobden,
Union County, Illinois, on this 21st day of July, 2020

**PUBLIC WATER SUPPLY LOAN PROGRAM
ORDINANCE AUTHORIZING LOAN AGREEMENT
NON-HOME RULE ENTITY (e.g. Village, City, Town)**

ORDINANCE NUMBER 2020-1006

AN ORDINANCE authorizing the Village of Cobden, Union County, Illinois to borrow funds from the Public Water Supply Loan Program

WHEREAS, the Village of Cobden, Union County, Illinois operates its public water supply system (the System) and in accordance with the provisions of 65 ILCS 5/11-129 et.seq. and the Local Government Debt Reform Act, 30 ILCS 350/1 (collectively, the Act), and

WHEREAS, the PRESIDENT AND BOARD OF TRUSTEES of the Village of Cobden (“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:

The rehabilitation of three water storage tanks, the replacement of the standby emergency generator, and relocation of two water mains,

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 consulting engineers of the Village of Cobden; which Project has a useful life of 20 years [**must be greater than repayment period in fifth Whereas clause below**]; and

WHEREAS, the estimated cost of construction and installation of the Project, including engineering, legal, financial and other related expenses is \$650,000.00, 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 20 years, (**cannot be more than 30 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 Village of Cobden 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 Village of Cobden is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount of \$650,000.00 to provide funds to pay the costs of the Project;

WHEREAS, the loan to the Village of Cobden shall be made pursuant to a Loan Agreement, including certain terms and conditions, between the Village of Cobden and the Illinois Environmental Protection Agency; **NOW THEREFORE**, be it ordained by the Corporate Authorities of the Village of Cobden of Union 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 Village of Cobden 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 Village of Cobden in an aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed \$650,000.00.

SECTION 3. PUBLICATION

This Ordinance, together with a Notice in the statutory form (attached hereto as Exhibit A), shall be published once within ten days after passage in The Southern Illinoisan, a newspaper published and of general circulation in the Village of Cobden, and if no petition, signed by electors numbering 10% or more of the registered voters in the Village of Cobden (59) 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 Village of Cobden, is filed with the Village of Cobden 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 Village of Cobden Clerk to any individual requesting one.

(NOTE: The 30-day publication requirement is not mandatory for entities whose statutory authorization to borrow money does not include the requirement.)

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 Village of Cobden 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 Village of Cobden 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 VILLAGE OF COBDEN

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

SECTION 6. APPLICATION FOR LOAN

The Village President 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

As long as the Village of Cobden has outstanding senior bonds that are payable from revenues of the system, the Village of Cobden shall maintain an account, coverage, and reserves equivalent to the account(s), coverage(s) and reserve(s) required by the outstanding ordinance(s).

(NOTE: If there is no senior debt payable from revenues of the system, this section should be deleted, and the legal opinion must state there is no such senior debt.)

SECTION 9. AUTHORIZATION OF PRESIDENT TO EXECUTE LOAN AGREEMENT

The PRESIDENT 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 PRESIDENT 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

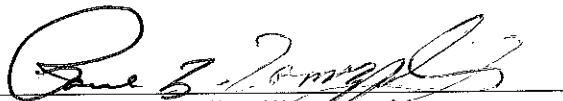
If any section, paragraph, clause or provision of this Ordinance is held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

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 Corporate Authorities on July 20, 2020.

Approved July 20, 2020.



Paul Z. Tomazzoli, Village President
Village of Cobden
Union County, Illinois

AYES: 6 – Jeanne Britt, Patrick Brumleve, Todd Dietterle, Larry Hackethal, Austin Sellars, David Stewart


NAYS: 0 – None

ABSENT: 0 – None

PUBLISHED in The Southern Illinoisan on July 24, 2020.

RECORDED in the Village of Cobden Records on July 21, 2020.

ATTEST:

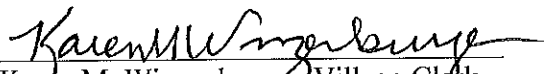


Karen M. Winger
Village Clerk
Village of Cobden, Union County, Illinois

**NOTICE OF INTENT TO BORROW FUNDS
AND RIGHT TO FILE PETITION**

NOTICE IS HEREBY GIVEN that, pursuant to Ordinance Number 2020-1006, adopted on July 20, 2020, the Village of Cobden, Union 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 \$ 650,000.00 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 improvement to the public water supply system of the Village of Cobden. A complete copy of the Ordinance accompanies this notice.

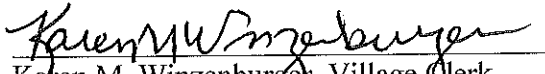
NOTICE IS HEREBY FURTHER GIVEN that if a petition signed by [59] or more electors of the Village of Cobden (being equal to 10% of the registered voters in the Village of Cobden), requesting that the question of improving the public water supply system and entering into the Loan Agreement is submitted to the Village of Cobden Clerk within 30 days after the publication of this Notice, the question of improving the public water supply system of the Village of Cobden as provided in the Ordinance and Loan Agreement shall be submitted to the electors of the Village of Cobden at the next election to be held under general election law on Tuesday, April 6, 2020. A petition form is available from the office of the Village Clerk.


Karen M. Winzenburger, Village Clerk
Village of Cobden
Union County, Illinois

CERTIFICATION

I, Karen Winzenburger, do hereby certify that I am the duly elected, qualified and acting Clerk of the Village of Cobden. I do further certify that the above and foregoing, identified as Ordinance Number 2020-1006, is a true, complete and correct copy of an ordinance otherwise identified as WATER TANK IMPROVEMENTS PROJECT, passed by the Board of Trustees of the Village of Cobden on the 20th day of July, 2020, and approved by the President of the Village of Cobden on the same said date, the original of which is part of the books and records within my control as Clerk of the Village of Cobden.

Dated this 20th day of July, 2020.


Karen M. Winzenburger, Village Clerk
Village of Cobden
Union County, Illinois

**PUBLIC WATER SUPPLY LOAN PROGRAM
SAMPLE ORDINANCE AUTHORIZING LOAN AGREEMENT
NON-HOME RULE ENTITY (e.g. Village, City, Town)**

Loan applicants or their attorney are requested to contact Stephanie Flowers at the Illinois EPA, Division of Legal Counsel (217/782-5544; stephanie.flowers@illinois.gov) to discuss the attached Sample Ordinance and Dedicated Source of Revenue Requirement.