

**PUBLIC WATER SUPPLY LOAN PROGRAM  
ORDINANCE AUTHORIZING LOAN AGREEMENT  
BY THE CITY OF GREENVILLE, A NON-HOME RULE CITY**

ORDINANCE NUMBER 2977

AN ORDINANCE authorizing the City of Greenville, Bond, County, Illinois,  
to borrow funds from the Public Water Supply Loan Program

**WHEREAS**, the City of Greenville, Bond County, Illinois, operates its water system (“the System”) and in accordance with the provisions of 65ILCS 5/11-129 and the Local Government Debt Reform Act, 30 ILCS 350/1 (collectively, “the Act”), and

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

**Replace approximately 3,879 lineal feet of 6-inch cast iron water main with 8-inch PVC water main, along West Harris Avenue and South Third Street;**

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 City; which Project has a useful life of 30 years; and

**WHEREAS**, the estimated cost of construction and installation of the Project, including engineering, legal, financial and other related expenses is \$700,000, 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. 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, 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 Water Pollution Control 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 is authorized to borrow funds from the Water Pollution Control Loan Program in the aggregate principal amount of \$700,000 to provide funds to pay the costs of the Project;

**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 Greenville, Bond 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 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 in an aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed \$700,000.

### **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 Greenville Advocate, a newspaper published and of general circulation in the City, and if no petition, signed by electors numbering 10% or more of the registered voters in the City of Greenville, 380 registered voters, 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, is filed with the 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 water fund revenue 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 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 Water Pollution Control Loan Program without the written consent of the Illinois Environmental Protection Agency.

#### **SECTION 5. LOAN NOT INDEBTEDNESS OF CITY OF GREENVILLE**

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 6. APPLICATION FOR LOAN**

The Mayor or City Manager is hereby authorized to make application to the Illinois Environmental Protection Agency for a loan through the Water Pollution Control

Loan Program, in accordance with the loan requirements set out in 35 Ill. Adm. Code 365.

#### **SECTION 7. ACCEPTANCE OF LOAN AGREEMENT**

The Corporate Authorities hereby authorize acceptance of the offer of a loan through the Water Pollution Control 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. 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 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 9. 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 10. 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.

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PASSED by the Corporate Authorities

on July 10, 2012.

Approved July 10, 2012.

Alan Gaffner

Mayor

City of Greenville

Bond, County, Illinois

AYES: Gaffner, Gillard, Hampton, Heath, Sanders

NAYS: None

ABSENT: None

PUBLISHED in the Greenville Advocate on July 19, 2012.

RECORDED in the City Records on July 20, 2012.

ATTEST:

Sue Ann Nelson

City Clerk

City of Greenville,

Bond County, Illinois