

Ordinance No. 548

**PUBLIC WATER SUPPLY LOAN PROGRAM ORDINANCE
AUTHORIZING LOAN AGREEMENT FOR A NON- HOME RULE ENTITY
FOR THE VILLAGE OF SOUTH PEKIN, TAZEWELL COUNTY, ILLINOIS**

WHEREAS, the Village of South Pekin, Tazewell County, Illinois (the "Village"), operates its public water supply system ("the System"), and 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 current system has chemical treatment only. The water source for the Village has been determined by state monitoring agencies to be contaminated with unacceptable levels of Manganese. The new treatment plant will include a filtration system that will remove the manganese. The distribution system is contaminated with manganese deposits and is nearly 100 years old. It has been determined that pigging or scrubbing the mains will not be feasible, so given the age, replacement has been determined to be the most responsible solution. It is believed that many of the service lines are lead, and that replacing them at the same time as the other infrastructure would be the most cost-effective method to address this problem; and

WHEREAS, the President of the Board of Trustees and Board of Trustees (the "Corporate Authorities") of the Village have determined that it is advisable, necessary, and in the best interests of public health, safety, and welfare to improve the System, including the construction of a new water treatment plant that can treat for manganese contamination as well as the replacement of the entire distribution system for the Village. This will include the replacement of all mains, all water meters and all service lines determined to be lead service lines and is broken down as the following:

- Phase 1 New Water Treatment Plant: Includes new well pumps, 200 gpm pressure filter plant, concrete backwash water basin, civil site work and piping.
- Phase 2 Water Distribution System Replacement: Includes replacing existing water main, valves, hydrants, service meters, and surface restoration.
- Phase 3 Lead Service Line Replacement: Includes replacing the service piping from the new main to the new meter, replacing the service piping from the new meter to the house, and replacing the existing in-house service and meter piping as necessary.

WHEREAS, the estimated cost of construction and installation of the Project, including engineering, legal, financial, and other related expenses is \$11,600,000, 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 III. 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 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 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 is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount of \$11,600,000 to provide funds to pay the costs of the Project; and

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

NOW, THEREFORE, BE IT ORDAINED by the Corporate Authorities of the Village of South Pekin, Tazewell County, Illinois:

SECTION ONE: 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 TWO: DETERMINATION TO BORROW FUNDS

It is necessary and in the best interests of the Village 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 in an aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed \$12,500,000. This authority is more than the estimated cost of the project, so that the Village does not have to pass new ordinances granting authority to approve requests for additional loan money in case the actual cost of construction is more than the current estimated amount due to unexpected increases in labor, material, or construction impediments during construction.

SECTION THREE: 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 Pekin Daily Times, a newspaper published in Tazewell County, Illinois and of general circulation in the Village, and if no petition, signed by electors numbering 10% or more of the registered voters in the Village (i.e., 57) 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, is filed with the Village 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 Clerk to any individual requesting one.

SECTION FOUR: ADDITIONAL ORDINANCES

If no petition meeting the requirements of the Act and other applicable laws is filed during the 30-day petition period, 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 Village 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, 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 FIVE: LOAN NOT INDEBTEDNESS OF VILLAGE OF SOUTH PEKIN

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

SECTION SIX: APPLICATION FOR LOAN

The President of the Village Board 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 SEVEN: 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 EIGHT: OUTSTANDING BONDS

The Village has no outstanding bonds that are payable from revenues of the System.

SECTION NINE: AUTHORIZATION OF THE PRESIDENT OF THE VILLAGE BOARD TO EXECUTE LOAN AGREEMENT

The President of the Village Board 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 of the Village Board 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 TEN: 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 provision of this Ordinance.

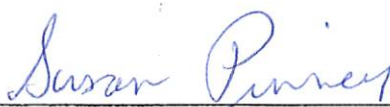
SECTION ELEVEN: REPEALER

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 AND APPROVED by the Board of Trustees of the Village of South Pekin, Tazewell County, Illinois, on the 12th day of February 2024 by roll call vote.



President of the Board of Trustees of the Village of SOUTH PEKIN

ATTEST:


Clerk of the Village of South Pekin

	Aye	Nay	Abstain	Absent
Trustee Dane	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Caldwell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Revelle	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trustee Hawkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Recorded in the Village of South Pekin Records on February 12, 2024

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EXHIBIT A

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

NOTICE IS HEREBY GIVEN that, pursuant to Ordinance No. 548 adopted February 12, 2024, the Village of South Pekin, Tazewell County, Illinois (the "Village") intends to enter into a Loan Agreement with the Illinois Environmental Protection Agency to borrow funds in an aggregate principle amount not to exceed \$11,600,000.00 and bearing interest per annum not to exceed the maximum rate authorized by law at the time of execution of the Loan Agreement, for the purpose of paying the costs of certain improvements to the water supply system of the Village. A complete copy of said Ordinance accompanies this notice.

NOTICE IS HEREBY FURTHER GIVEN that if a petition signed by fifty-seven (57) or more electors of the Village (being equal to ten percent [10%] of the registered voters in the Village) requesting that the question of improving the Village's water supply system and entering into the Loan Agreement therefore is submitted to the Village Clerk within thirty (30) days after publication of this Notice, the question of improving the water system of the Village as provided in the Ordinance and the Loan Agreement shall be submitted to the electors of the Village at the next election to be held under general election law on March 19, 2024, 2024. A form of petition is available from the Village Clerk at the South Pekin Village Hall, 209 W Main St, South Pekin, IL 61564.


Eric Stout, President of the Village Board