

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) X *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: December 5, 2022 (B of T) DATE: December 15, 2022

TITLE: IEPA Public Water Supply Loan Program

SUBMITTED BY: Carl Goldsmith, Director of Public Works *g*

BACKGROUND/POLICY IMPLICATIONS:

The Department of Public Works transmits for your consideration an Ordinance authorizing signatures of Village President and Village Clerk on documents required for the application for funding through the IEPA Public Water Supply Loan Program. The Village is seeking to fund the Large Diameter Combined Sewer Rehabilitation project with IEPA loan funding.

FISCAL IMPACT/FUNDING SOURCE

If application is approved by the Illinois Environmental Protection Agency, \$20,000,000 over twenty (20) years

Review (as necessary):

Village Attorney X _____	Date _____
Finance Director X _____	Date _____
Village Manager X _____	Date _____

NOTE: Materials must be submitted to / approved by the Village Manager's Office by 12:00 pm, Wednesday, prior to the Agenda Distribution.



November 22, 2022

TO: Village President and Board of Trustees

THROUGH: Scott Niehaus, Village Manager

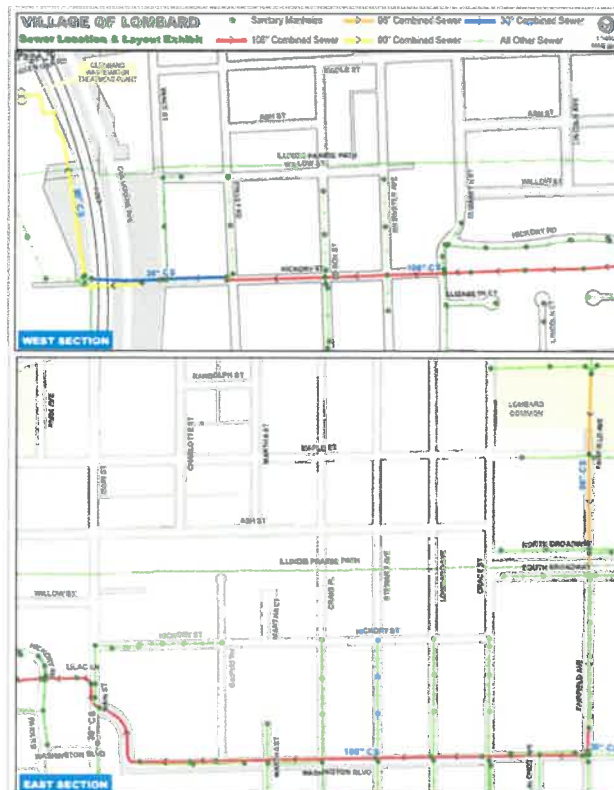
FROM: Carl Goldsmith, Director of Public Works *g*

SUBJECT: Illinois Environmental Protection Agency Public Water Supply Loan Program

Background

Included in the Village of Lombard's Capital Improvement Plan is the rehabilitation of a large diameter combined sewer. The sewer system was initially constructed in the 1930s and 1940s with minor rehabilitation occurring in the 1970s. The scope of the pipe rehabilitation project involves a total of approximately 960 LF of 30-inch, 2,200 LF of 90-inch, 1,400 LF of 96-inch, and 8,200 LF of 108-inch with an invert depth that varies from 11 feet to 28 feet within the project limits.

There was some minor rehabilitation done in the 1970s. The sewer runs through an easement on Lombard Park District property, then primarily through the right of way in residential neighborhoods, crosses Main Street, and continues for a stretch through rear yard easements in a section of the Green Valley Subdivision, where it traverses approximately 33 residential properties. The sewer line then continues west where it runs under IL Route 53 and I-355 before the VILLAGE's jurisdiction terminates at the Glenbard Waste Water Treatment Plant.



The project is currently estimated at \$16,796,200. As the amount of the project represents 100% of annual revenues to the Water/Sewer Fund, staff submitted an application for Illinois Environmental Protection Agency Public Water Supply Loan Program (PWSLP) for the project. The IEPA loan will allow the Village to spread the cost of the project over a defined period of time; similar to borrowing through the issuance of bonds. The Roosevelt Road Watermain Lining Phase I, Roosevelt Road Watermain Lining Phase II and Transmission Main (Civic Center to South Booster) were all funded through the IEPA loan program.

Part of the application process for seeking IEPA PWSLP funding is that the Village Board of Trustees must adopt an Ordinance that identifies the source of the repayment of the loan(s). The attached ordinance will be submitted to the IEPA as evidence of the Village's commitment to the loan process. The application and Ordinance indicate that the Village will be seeking to extend the debt service out for twenty (20) years. The current interest rate for loans initiated between July 1, 2022 through June 30, 2023 for Wastewater Loan Interest Rate is 1.24%. The source of funding to be used to pay the debt is the Water and Sewer Fund.

Upon passage of the Ordinance, it will be submitted to the IEPA as part of the formal application process. In the event that the funds are received, the Village will construct the Roosevelt Road Watermain Lining Phase I and the Transmission Main projects this summer.

Recommendation

The Village staff recommends that the Village President and Board of Trustees approve AN ORDINANCE AUTHORIZING THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS, TO BORROW FUNDS FROM THE PUBLIC WATER SUPPLY LOAN PROGRAM.

EXTRACT OF MINUTES of a regular public meeting of the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, held in the Village Hall Board Room, 255 East Wilson Avenue, Lombard, Illinois, in said Village, at 7:00 o'clock P.M., on the 15th day of December, 2022.

* * *

The President called the meeting to order and directed the Village Clerk to call the roll. Upon the roll being called, the President, Keith T. Giagnorio, and the following Trustees were physically present at said location: _____

The following Trustees were allowed by a majority of the Trustees in accordance with and to the extent allowed by rules adopted by the President and Board of Trustees to attend the meeting by video or audio conference: _____

No Trustee was not permitted to attend the meeting by video or audio conference.

The following Trustees were absent and did not participate in the meeting in any manner or to any extent whatsoever: _____

The President announced that in order to finance the necessary improvements to the Village's combined waterworks and sewerage system, it would be necessary for the Village to issue revenue bonds in an amount not to exceed \$20,000,000, and that the President and Board of Trustees would consider the adoption of an ordinance authorizing the issuance of such bonds.

Thereupon, the Village Clerk presented, the President explained, and there was read by title an ordinance as follows, a copy of

which was provided to each Trustee prior to said meeting and to everyone in attendance at said meeting who requested a copy:

**NOTICE OF INTENT TO ISSUE BONDS
AND RIGHT TO FILE PETITIONS**

Notice is hereby given that pursuant to an ordinance adopted on the 15th day of December, 2022 (the "*Ordinance*"), by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois (the "*Village*"), intends to issue its Waterworks and Sewerage Revenue Bonds in an aggregate principal amount not to exceed \$20,000,000 (the "*Bonds*") and bearing interest per annum at not to exceed the maximum rate authorized by law at the time of sale thereof, for the purpose of paying costs of improving the combined waterworks and sewerage system of the Village (the "*System*"), as further described in the Ordinance. The Bonds would be payable solely from the revenues of the System. A complete copy of the Ordinance follows this notice.

Notice is hereby further given that a petition may be filed with the Village Clerk of the Village (the "*Village Clerk*") within thirty (30) days after the date of publication of this notice, signed by _____ or more electors of the Village (the same being equal to 10% of the registered voters in the Village), asking that the question of improving the System and the issuance of the Bonds therefor, be submitted to the electors of the Village. If such petition is filed with the Village Clerk within thirty (30) days after the date of publication of this notice and on or before January 3, 2023, an election on the proposition to issue said bonds shall be held on the 4th day of April, 2023. If such petition is filed with the Village Clerk within thirty (30) days after the date of publication of this notice and after January 3, 2023, an election on the proposition to issue said bonds shall be held on the 19th day of March, 2024. The Circuit Court may declare that an emergency referendum should be held prior to either of said election dates pursuant to the provisions of Section 2A-1.4 of the Election Code of the State of Illinois, as amended. If no such petition is filed with the Village Clerk within said 30-day period, the Bonds shall be authorized to be issued.

By order of the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois.

Dated this 15th day of December, 2022.

Liz Brezinski
Village Clerk, Village of Lombard,
DuPage County, Illinois

ORDINANCE NO. _____

**AN ORDINANCE AUTHORIZING
THE ISSUANCE OF WATERWORKS AND SEWERAGE
REVENUE BONDS OF THE VILLAGE OF LOMBARD,
DUPAGE COUNTY, ILLINOIS, IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000**

WHEREAS, the Village of Lombard, DuPage County, Illinois (the "*Village*"), operates its combined waterworks and sewerage system (the "*System*") in accordance with the provisions of Division 139 of Article 11 of the Illinois Municipal Code, as supplemented and amended, and in particular as supplemented by the Local Government Debt Reform Act, as amended (collectively, the "*Act*"); and

WHEREAS, the President and Board of Trustees of the Village (the "*Board*") has determined that it is advisable, necessary and in the best interests of the public health, safety and welfare to undertake the following project with respect to the System:

**LARGE DIAMETER COMBINED SEWER REHABILITATION
PROJECT:**

The project includes the rehabilitation of approximately 11,200 linear feet of combined sewer in the Village of Lombard. In addition to the combined sewer rehabilitation, the scope includes manhole improvements, excavation, and restoration. The project limits begin on Emerson Avenue and extend to the Glenbard Wastewater Authority Main WWTP.

all in accordance with the preliminary plans and estimate of costs heretofore approved by the Board and now on file in the office of the Village Clerk, and to pay the engineering, legal, financial and administrative expense related thereto (collectively, the "*Project*"); and

WHEREAS, the Project has an expected useful life of not less than 50 years; and

WHEREAS, the estimated cost of constructing and installing the Project, including engineering, legal, financial, bond discount, printing and publication costs, and

other expenses, is not less than \$20,000,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, it is necessary and for the best interests of the Village that the Project be undertaken and in order to finance the costs thereof it will be necessary for the Village to issue up to \$20,000,000 bonds payable from the revenues of the System (the "*System Revenues*") as authorized by the Act (the "*Bonds*"); and

WHEREAS, the State of Illinois (the "*State*"), acting through the Illinois Environmental Protection Agency (the "*IEPA*"), has offered to make loans to the Village, to be evidenced by the Bonds, through the "Water Pollution Control Loan Program," or from both of said programs, of the State (the "*Program*"), for the purpose of paying certain eligible costs of the Project; and it is necessary and advisable to authorize the acceptance of said loans and execution of appropriate loan documents at the appropriate time; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the Village is authorized to borrow funds from the Program and may issue the Bonds in evidence thereof for the purpose of providing funds to pay the costs of the Project; and

WHEREAS, the loan will bear an interest rate as defined by 35 Ill. Adm. Code 662 (the "*Program Regulations*") which does not exceed the maximum rate authorized by the Bond Authorization Act, as amended, at the time of the issuance of the loan; and

WHEREAS, the principal and interest due on the loan 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, such loan or loans to the Village may be made pursuant to a loan agreement or agreements and bond ordinance or ordinances, with such terms and conditions as may be provided by the IEPA: and

WHEREAS, if funds from the Program are unavailable in a timely manner, the Village will pursue the issuance of the Bonds in the conventional public municipal markets:

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: INCORPORATION OF PREAMBLES. The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

SECTION 2: DETERMINATION TO ISSUE BONDS. It is necessary and in the best interests of the Village to undertake the Project for the public health, safety and welfare, in accordance with the preliminary plans and estimate of costs as hereinabove described, that the System continue to be operated in accordance with the provisions of the Act, and that for such purpose, there are hereby authorized to be issued and sold the Bonds in an aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed \$20,000,000.

SECTION 3: PUBLICATION. This Ordinance, together with a notice in the statutory form (the “Notice”), shall be published once within ten (10) days after passage hereof by the Board in a newspaper of general circulation in the Village, and if no petition signed by a number of electors being at least equal to ten percent (10%) of the number of registered voters in the Village, asking that the question of improving the System and issuance of the Bonds therefor, as provided in this Ordinance, be submitted to the electors of the Village is filed with the Village Clerk within thirty (30) days after the date of the publication of this Ordinance and the Notice, then this Ordinance shall be in effect and the Village will be authorized to issue the Bonds. A form of petition to be provided by the Village Clerk to any person requesting one is attached hereto as *Exhibit A*. In the event that no such petition is filed, the Village Clerk shall provide a no referendum certificate to the IEPA in the form attached hereto as *Exhibit B* and made part hereof

SECTION 4: ADDITIONAL ORDINANCES. If no petition meeting the requirements of applicable law is filed during the petition period hereinabove referred to, then the Board may adopt additional ordinances or proceedings supplementing or amending this Ordinance providing for the issuance and sale of the Bonds, prescribing all the details of the Bonds, so long as the maximum amount of the Bonds as set forth in this Ordinance is not exceeded and there is no material change in the Project or purposes described herein. Such additional ordinances or proceedings shall in all instances become effective in accordance with applicable law. This Ordinance,

together with such additional ordinances or proceedings, shall constitute complete authority for the issuance of the Bonds 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 Program without the written consent of the IEPA.

SECTION 5: LOAN NOT INDEBTEDNESS OF VILLAGE. Repayment of the loan(s), as may be evidenced by the Bonds, by the Village to the IEPA pursuant to this Ordinance is to be solely from the System Revenues derived from user charges for the System and such other lawful sources as described in the preambles hereto, and the loan(s) shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation.

SECTION 6: APPLICATION FOR LOAN. The Village Manager of the Village is hereby authorized to make application to the IEPA for a loan through the Program in accordance with the loan requirements of the Program Regulations.

SECTION 7: ACCEPTANCE OF LOAN AGREEMENT. The Board hereby authorizes acceptance of the offer of the loan(s) through the Program, including all terms and conditions of the IEPA loan agreement(s) as well as all special conditions contained therein and made a part thereof by reference, such loan agreement to be as further approved by the bond ordinance and related proceedings for the Bonds. The Board further agrees that the loan funds awarded shall be used solely for the purposes of the Project as approved by the IEPA in accordance with the terms and conditions of the loan agreement.

SECTION 8: OUTSTANDING BONDS. The Village has outstanding bonds payable from the System Revenues that are senior to the loan authorized by this Ordinance, which will be evidenced by the Bonds. The Village will establish an account, coverage and reserves equivalent to the account, coverage and reserve as the senior lien holders as and to the extent required by the Program Regulations. The Village will

comply with all other provisions of the Program Regulations with respect to the loan and the Bonds.

SECTION 9: AUTHORIZATION OF PRESIDENT TO EXECUTE LOAN AGREEMENT. The Village President is hereby authorized and directed to execute the Loan Agreement with the IEPA. The Board may authorize by resolution a person other than the Village President for the sole purpose of authorizing or executing any documents associated with payment requests or reimbursements from the IEPA in connection with this loan

SECTION 10: SEVERABILITY. If any section, paragraph, clause or provision of this Ordinance shall be 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; EFFECTIVE DATE. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed; and this Ordinance shall be effective immediately.

SECTION 12: That this Ordinance shall be in full force and effect from the after its passage, approval and publication in pamphlet form and as provided for in Section 3 above, as provided by law.

Passed on first reading this _____ day of _____, 2022.

First reading waived by action of the Board of Trustees this _____ day of December, 2022.

Passed on second reading this _____ day of December, 2022.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this _____ day of December, 2022.

Keith Giagnorio, Village President

ATTEST:

Elizabeth Brezinski, Village Clerk

Published by me in pamphlet form this _____ day of December, 2022.

Elizabeth Brezinski, Village Clerk

Trustee _____ moved and Trustee _____ seconded the motion that said ordinance as presented and read by the Village Clerk be adopted.

After a full and complete discussion thereof, including a public recital of the nature of the matter being considered and other information that informed the public, of the business being conducted, the President directed that the roll be called for a vote upon the motion to adopt the ordinance as read.

Upon the roll being called, the following Trustees voted

AYE: _____

NAY: _____

Whereupon the President declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting and did direct the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at said meeting.

Upon motion duly made and seconded, the meeting was adjourned.

Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Lombard, DuPage County, Illinois (the "*Village*"), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the Village and of the President and Board of Trustees thereof (the "*Board*").

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 15th day of December, 2022, insofar as same relates to the adoption of Ordinance No. _____ entitled:

AN ORDINANCE authorizing the issuance of Waterworks and Sewerage Revenue Bonds of the Village of Lombard, DuPage County, Illinois, in an aggregate principal amount not to exceed \$20,000,000.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 48-hour period preceding said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said ordinance, a true, correct and complete copy of the agenda as so posted being attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that the Board has complied with all of the applicable provisions of said Act and said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village, this 15th day of December, 2022.

[SEAL]

Village Clerk, Village of Lombard,
DuPage County, Illinois

**EXHIBIT A
PETITION**

To the Village Clerk of the Village of Lombard, DuPage County, Illinois:

We, the undersigned, being registered voters of the Village of Lombard, DuPage County, Illinois, do hereby petition you to cause the following question to be certified to the County Clerk of The County of DuPage, Illinois, and submitted to the electors of said Village at the next election at which such proposition may lawfully be submitted:

“Shall the Village of Lombard, DuPage County, Illinois, pay the costs of improving the waterworks and sewerage system of said Village, and issue its waterworks and sewerage revenue bonds to the amount of \$20,000,000 (said bonds to be paid solely from the revenues of said combined waterworks and sewerage system) for the purpose of paying the costs thereof?”

SIGNATURE	STREET ADDRESS	
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois
_____	_____	, Lombard, Illinois

The undersigned, being first duly sworn, deposes and certifies that he or she is at least 18 years of age, his or her residence address is _____ (Street Address), _____ (Village, Village or Town), _____ County, _____ (State), that he or she is a citizen of the United States of America, that the signatures on the foregoing petition were signed in his or her presence and are genuine, that to the best of his or her knowledge and belief the persons so signing were at the time of signing said petition registered voters of said Village and that their respective residences are correctly stated therein.

Signed and sworn to before me this _____
_____ day of _____, 20__.

Illinois Notary Public

My commission expires _____

(NOTARY SEAL)

EXHIBIT B

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

NO REFERENDUM CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Lombard, DuPage County, Illinois (the "*Village*"), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the Village and of the President and Board of Trustees thereof (the "*Board*").

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 15th day of December, 2022, insofar as same relates to the adoption of Ordinance No. _____ entitled:

AN ORDINANCE authorizing the issuance of Waterworks and Sewerage Revenue Bonds of the Village of Lombard, DuPage County, Illinois, in an aggregate principal amount not to exceed \$20,000,000.

(the "*Ordinance*").

I do further certify that the Ordinance was duly and properly published in *The Lombardian*, a newspaper published and of general circulation within the Village, on the ____ day of December, 2022 being a date within ten (10) days from the date of passage of the Ordinance.

I do further certify that publication of the Ordinance was accompanied by a separate publication of Notice of: (1) the specific number of voters required to sign the Petition requesting the question of constructing improvements to the public water supply system as provided in the Ordinance; (2) the time in which such Petition must have been filed; and (3) the date of the prospective referendum.

I do further certify that I did make available and provide to any individual so requesting a Petition form, which Petition form provided for submission to the electors of the Village of the question as set forth therein. Such Petition forms were available from me continuously from December __, 2022, up to and including January __, 2023.

I do further certify that no Petition has been filed in my office within thirty (30) days after publication of the Ordinance or as of the time of the signing hereof, as provided by statute asking that the question of improving the public water supply system as provided in the Ordinance and the Loan Agreement therefor be submitted to the electors of the Village.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village, this 15th day of December, 2022.

Village Clerk, Village of Lombard,
DuPage County, Illinois

[SEAL]