

**ORDINANCE AUTHORIZING LOAN AGREEMENT  
WITH ILLINOIS ENVIRONMENTAL PROTECTION AGENCY**

**ORDINANCE NUMBER 2023-0-006**

AN ORDINANCE authorizing the Metro East Sanitary District,  
a Municipal Corporation, herein designated as "the DISTRICT" to borrow funds from the  
Water Pollution Control Loan Program

**WHEREAS**, the Metro East Sanitary District of Madison and St. Clair Counties, Illinois, operates its sewerage system ("the System") in accordance with the provisions of the 70 ILCS 2905/1-2905/5-5; and

**WHEREAS**, the President and Board of Commissioners of the DISTRICT have determined that it is advisable, necessary, and in the best interest of the public health, safety, and welfare to improve the System, including the following:

**Improvements to the Lansdowne Sewer, including cured-in-place  
lining and lining of manholes**

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 the consulting engineers of the DISTRICT, which Project has a useful life of fifty (50) years; and

**WHEREAS**, the estimated cost of construction and installation of the Project, including engineering, legal, financial and other related expenses is TWELVE MILLION DOLLARS (\$12,000,000), 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 365, 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 thirty (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 DISTRICT from the Water Pollution Control Loan Program through the Illinois Environmental Protection Agency, the loan to be repaid from the funds of the DISTRICT and the loan is authorized to be accepted at this time pursuant to the Bond Authorization Act; and

**WHEREAS**, in accordance with the provisions of the Bond Authorization Act, the DISTRICT is authorized to borrow funds from the Water Pollution Control Loan Program in the aggregate principal amount of up to FOURTEEN MILLION DOLLARS (\$14,000,000) to provide funds to pay the costs of the Project; and

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

**NOW THEREFORE**, BE IT ORDAINED BY THE CORPORATE AUTHORITIES OF THE METRO EAST SANITARY DISTRICT OF MADISON AND ST. CLAIR COUNTIES, 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 DISTRICT 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 provisions of the Illinois

Environmental Protection Act, 415 ILCS 5/1 et seq.; and that for the purpose of constructing the

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Project, it is hereby authorized that funds be borrowed by the DISTRICT in the aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed FOURTEEN MILLION DOLLARS (\$14,000,000).

### **SECTION 3. ADDITIONAL ORDINANCES**

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 DISTRICT 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 DISTRICT 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 4. LOAN NOT INDEBTEDNESS OF THE DISTRICT**

Repayment of the loan to the Illinois Environmental Protection Agency by the DISTRICT pursuant to this Ordinance is to be solely from the revenue derived from revenues of

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the System, and the loan does not constitute an indebtedness of the DISTRICT within the meaning of any constitutional or statutory limitation.

#### **SECTION 5. APPLICATION FOR LOAN**

The Executive Director of the Metro East Sanitary District 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 6. 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 7.**

#### **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 of the Board of Commissioners 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 8.**

**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.


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**SECTION 9. REPEALER**

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

PASSED by the Corporate Authorities on February 21, 2023.


APPROVED February 21, 2023

  
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President  
Metro East Sanitary District  
Madison and St. Clair Counties, Illinois

AYES: 4 NAYS: \_\_\_\_\_ ABSENT: 1

PUBLISHED in the Metro East Sanitary District Website on February 21  
2023 RECORDED in the Metro East Sanitary District Records on February 21,  
2023.

ATTEST:

  
\_\_\_\_\_  
Clerk  
Metro East Sanitary District of  
Madison and St. Clair Counties, Illinois

**CERTIFICATION**

I, Stacy Partney, do hereby certify that I am the duly elected, qualified and acting Clerk of the Metro East Sanitary District of Madison and St. Clair Counties, Illinois. I do further certify that the above and foregoing, identified as Ordinance Number 2023-0-006, is a true, complete and correct copy of an ordinance otherwise identified as **AN ORDINANCE AUTHORIZING LOAN AGREEMENT WITH ILLINOIS ENVIRONMENTAL PROTECTION AGENCY**, passed by the Board of Commissioners of the of the Metro East Sanitary District of Madison and St. Clair Counties, Illinois on the 21 day of February, 2023, and approved by the President of the Metro East Sanitary District of Madison and St. Clair Counties, Illinois, on the same said date, the original of which is part of the books and records within my control as Clerk of the Metro East Sanitary District of Madison and St. Clair Counties, Illinois.

Dated this 21 day of February, 2023.

Stacy Partney  
Clerk of the Metro East Sanitary District  
of Madison and St. Clair Counties, Illinois