

**ORDINANCE NO. 3277**

**ORDINANCE AUTHORIZING LOAN AGREEMENT  
(PUBLIC WATER SUPPLY LOAN PROGRAM NON-HOME RULE ENTITY)  
TO BORROW FUNDS FROM THE PUBLIC WATER SUPPLY LOAN PROGRAM**

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**WHEREAS**, the Village of Frankfort, Will County, Illinois (“Village”) operates its public water supply system (“the System”) and in accordance with the provisions of Article II, Division 139 of the Illinois Municipal Code (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 Mayor and Board of Trustees of the Village of Frankfort have determined that it is advisable, necessary and in the best interests of public health, safety and welfare of the residents of the Village to improve the System, including the following:

**Replacement of approximately 200 lead service lines to residences. Replacement will include full water service replacement from the water main to the residential water meter.**

together acquiring, if necessary, with any land or rights in land and all electrical, mechanical or other services necessary, useful or advisable for such Lead Service Line Replacement (LSLR) Project (“the Project”), all in accordance with the plans and specifications prepared by consulting engineers of the Village of Frankfort; which Project has a projected useful life of 25 years; and

**WHEREAS**, the estimated cost of construction and installation of the Project, including engineering, legal, financial and other related expenses is \$4,000,000.00, and there are insufficient funds on hand and lawfully available to pay these costs; and

**WHEREAS**, the Illinois Environmental Protection Agency’s Public Water Supply Loan Program (PWSLP) for Lead Service Line Replacement (LSLR) Programs are approved to fund 100% of the Lead Water Pipe Replacement Projects up to \$4,000,000.00; and

**WHEREAS**, the Village has applied to fund the Project through the State of Illinois Public Water Supply PWSLP for Lead Service Line Replacement Projects (LSLR).

**WHEREAS**, the Illinois Environmental Protection Agency LSLP Loan Program provides for up to 100% loan principal forgiveness, favorable interest rates, and other favorable loan agreement terms and provisions; and

**WHEREAS**, if principal and/or interest is not otherwise forgiven, 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 with principal and interest payment payable semi-annually with the loan maturing in 25 years; and

**WHEREAS**, it is anticipated the Village Project's costs are eligible to be entirely funded by a loan with 100% principal forgiveness to the Village of Frankfort from the Public Water Supply Loan Program (PWSLP) through the Illinois Environmental Protection Agency's Lead Service Line Replacement (LSLR) Program. But, if not otherwise eligible, the Loan would 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 Frankfort is authorized to borrow funds from the Public Water Supply Loan Program (PWSLP) in the aggregate principal amount of \$4,000,000.00 to provide funds necessary to pay the costs of the Project; and

**WHEREAS**, in accordance with the Procedures for Issuing Loans from the Public Water Supply Loan Program Title 35 Ill. Adm. Code 662, the Village is eligible for up to 100% of the loan for the Project costs forgiven by the State of Illinois pursuant to principal loan forgiveness

provisions contained in the Loan Rules; and

**WHEREAS**, the loan to the Village of Frankfort shall be made pursuant to a Loan Agreement including certain terms and conditions between the Village of Frankfort and the Illinois Environmental Protection Agency, which when the Agreement is prepared by the EPA, must then be approved by the Village Board; and

**NOW THEREFORE, be it ordained by the Corporate Authorities of the Village of Frankfort, Will and Cook 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 Village of Frankfort to construct the Project for the public health, safety and welfare of the Village residents, in accordance with the plans, specifications, and funding 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, and subject to a loan agreement acceptable to the Village, it is hereby authorized that funds be borrowed by the Village of Frankfort in an aggregate principal amount including construction period interest financed over the term of the loan not to exceed \$4,000,000.00.

**SECTION 3. PUBLICATION**

Pursuant to the records of the Will County, Illinois County Clerk and the Cook County Clerk, the Village of Frankfort has 15,170 electors as of November 6, 2020, in Will County, Illinois and zero (0) electors in Cook County, Illinois.

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 *Daily Southtown*, a newspaper of general circulation in the Village of Frankfort. If no petition, signed by electors numbering 10% or more of the registered voters in the Village of Frankfort which is a minimum of 1,517 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 Village of Frankfort, is filed with the Village of Frankfort Clerk within 30 days after the date of publication of this Ordinance and Notice of Intent to Borrow Funds, then this Ordinance shall be in full force and effect. A petition form shall be provided by the Village of Frankfort 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 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 Frankfort 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 Frankfort 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 FRANKFORT**

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

**SECTION 6. APPLICATION FOR LOAN**

The MAYOR 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 and sign such other documents as may be necessary or convenient for such loan.

**SECTION 7. ACCEPTANCE OF LOAN AGREEMENT**

Subject to the Village reservation of its right to review, and if acceptable, approve the proposed Loan Agreement referenced in this section, 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. OUTSTANDING BONDS**

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

**SECTION 9. AUTHORIZATION OF MAYOR TO EXECUTE LOAN AGREEMENT**

Upon its review and approval by the Village, 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 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 this 23<sup>rd</sup> day of November, 2020; with six members voting AYE; no members voting NAY; no members absent; the Village President voting AYE; and no members abstaining and said vote being:

ADAM BORRELLI            AYE            JOHN C. CLAVIO            AYE  
MARGARET M. FARINA   AYE            KEITH OGLE                AYE  
EUGENE SAVARIA        AYE            JESSICA PETROW           AYE  
VILLAGE PRESIDENT JIM HOLLAND   AYE

APPROVED this 23<sup>rd</sup> day of November, 2020.



  
JIM HOLLAND  
VILLAGE PRESIDENT

ATTEST:

  
BRIAN FEEHERY  
VILLAGE CLERK

STATE OF ILLINOIS        )  
  ) SS  
COUNTIES OF WILL        )  
& COOK                        )

EXHIBIT A

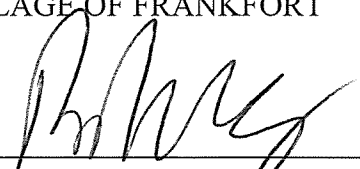
**NOTICE OF INTENT TO BORROW FUNDS  
AND RIGHT TO FILE PETITION**

NOTICE IS HEREBY GIVEN that, pursuant to Ordinance No. 3277, passed on November 23, 2020, the Village of Frankfort, Will and Cook Counties, Illinois (the “VILLAGE”), intends to enter into a Loan Agreement with the Illinois Environmental Protection Agency (IEPA) in an aggregate principal amount not to exceed \$4,000,000.00 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 improvements to the public water supply system of the Village of Frankfort. The Water System Improvements consist of the replacement of residential lead water service lines from the Village’s water mains to the residential water meter. Under Illinois Environmental Protection Public Water Supply Loan Program, the Village is eligible to have 100% of the principal amount loaned by the IEPA to the Village forgiven under its Lead Water Service Line Replacement Principal Forgiveness Loan Program. A complete copy of the Village Ordinance accompanies this notice.

NOTICE IS HEREBY FURTHER GIVEN that if a petition signed by 1,517 or more electors of the Village of Frankfort (being equal to 10% of the registered voters in the Village of Frankfort), requesting that the question of improving the public water supply system and entering into the Loan Agreement is submitted to the Village of Frankfort Clerk within 30 days after the publication of this Notice, the question of improving the public water supply system of the Village of Frankfort as provided in the Ordinance and Loan Agreement shall be submitted to the electors of the Village of Frankfort at the next election to be held under general election law on April 6, 2021. The petition form is available during normal business hours at the Office of the Village Clerk of the Village of Frankfort, 432 West Nebraska Street, Frankfort, Illinois 60423.

Dated at Frankfort, Will & Cook Counties, Illinois this 23<sup>rd</sup> day of November, 2020.

VILLAGE OF FRANKFORT

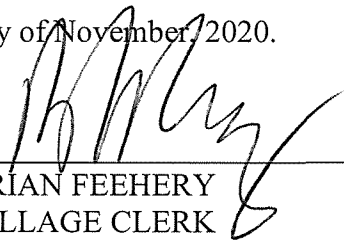
By:   
\_\_\_\_\_  
BRIAN FEEHERY  
VILLAGE CLERK



**CERTIFICATION**

I, Brian Feehery, do hereby certify that I am the duly appointed, qualified and acting Clerk of the Village of Frankfort. I do further certify that the above and foregoing, identified as Ordinance No. 3277, is a true, complete and correct copy of an Ordinance otherwise identified as ORDINANCE AUTHORIZING LOAN AGREEMENT (PUBLIC WATER SUPPLY LOAN PROGRAM NON-HOME RULE ENTITY) TO BORROW FUNDS FROM THE PUBLIC WATER SUPPLY LOAN PROGRAM passed by the Board of Trustees of the Village of Frankfort on the 23<sup>rd</sup> day of November, 2020, and approved by the Mayor of the Village of Frankfort and is in full force and effect on the date hereof.

Dated at Frankfort, Will & Cook Counties, Illinois this 23<sup>rd</sup> day of November, 2020.



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BRIAN FEEHERY  
VILLAGE CLERK  
Village of Frankfort  
Will County, Illinois