

**ORDINANCE AUTHORIZING LOAN AGREEMENT
(PWS-HOME RULE)**

ORDINANCE NUMBER 110

AN ORDINANCE authorizing the PONTOON BEACH PUBLIC WATER DISTRICT,
Madison County, Illinois, to borrow funds
from the Public Water Supply Loan Program

WHEREAS, the BOARD of PONTOON BEACH PUBLIC WATER DISTRICT,
Madison County, Illinois, operates its public water supply system (“the System”)

and in accordance with the provisions of the 70 ILCS 3705 ~~and the Local~~
~~Government Debt Reform Act, 30 ILCS 350/1 et seq. (collectively “the Act”); and~~

WHEREAS, the BOARD of PONTOON BEACH PUBLIC WATER DISTRICT,
Madison County, Illinois (the “Corporate Authorities”) 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:

Ground Storage Tank/Booster Station

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 40 years; and

WHEREAS, the estimated cost of construction and installing the Project, including
engineering, legal, financial, and other related expenses is \$3,000,000, 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
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 DISTRICT from the Public Water Supply Loan Program through the Illinois Environmental 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 DISTRICT is authorized to borrow funds from the Public Water Supply Loan Program in the aggregated principal amount of \$3,000,000 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 BOARD of PONTOON BEACH PUBLIC WATER DISTRICT, Madison 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 DISTRICT to construct the Project for the public health, safety, and welfare, in accordance with the plans and specifications, as

described; that the System continue 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 Project, it is hereby authorized that funds be borrowed by the DISTRICT in the aggregate principal amount (which includes construction period interest financed over the term of the loan) not to exceed \$4,000,000. **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 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 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 Public Water Supply Loan Program without the written consent of the Illinois Environmental Protection Agency.

SECTION 4. LOAN NOT INDEBTEDNESS OF DISTRICT

Repayment of the loan to the Illinois Environmental Protection Agency by the DISTRICT pursuant to this Ordinance is to be solely from revenues of 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 CHAIRMAN OF THE 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. The loan funds 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 6. RESERVE ACCOUNTS

As long as the DISTRICT has outstanding senior bonds that are payable from revenues of the system, the DISTRICT shall maintain an account, coverage, and reserves equivalent to the account(s), coverage(s) and reserve(s) required by the outstanding ordinance(s).

SECTION 7. OUTSTANDING BONDS

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

SECTION 8. AUTHORIZATION OF CHAIRMAN

TO EXECUTE LOAN AGREEMENT

The CHAIRMAN is hereby authorized and directed to execute the Loan Agreement with the Illinois Environmental Protection Agency. The Corporate Authorities may authorize by resolution another person other than the CHAIRMAN 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, orders, or parts thereof, which conflict with the provisions of this Ordinance, is to the extent of such conflict, are hereby repealed.

THE REST OF THIS PAGE IS LEFT INTENTIONALLY BLANK.

CERTIFICATION


I, E. BECKLAND do hereby certify that I am the duly elected, qualified and acting Clerk of the PONTOON BEACH PUBLIC WATER DISTRICT. I do further certify that the above and foregoing, identified as Ordinance Number 110, is a true, complete and correct copy of an ordinance otherwise identified as ^{AUTHORIZING LOAN AGREEMENT} ~~[insert title of ordinance]~~, passed by the Board of the PONTOON BEACH PUBLIC WATER DISTRICT on the 19th day of MARCH, 2025, and approved by the Chairman of the PONTOON BEACH PUBLIC WATER DISTRICT on the same said date, the original of which is part of the books and records within my control as Clerk of the PONTOON BEACH PUBLIC WATER DISTRICT.

Dated this 19 day of MARCH, 20 25


Clerk of the PONTOON BEACH PUBLIC WATER DISTRICT

PASSED by the Corporate Authorities
on MARCH 19, 2025.

APPROVED 3-19, 2025


CHAIRMAN

PONTOON BEACH PUBLIC WATER DISTRICT

Madison County, Illinois

AYES: 6


NAYS: 0

ABSENT: 1

PUBLISHED in the _____ on _____, 20____.

RECORDED in the DISTRICT Records on MARCH 19,
20 25.

ATTEST:



District Clerk

PONTOON BEACH PUBLIC WATER DISTRICT

Madison County, Illinois