



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item:	Waterworks and Sewerage Revenue Bonds for Water Main and Lead Water Service Line Replacement		
Presenter & Title:	Rita Kruse, Finance Director Bob VanGyseghem, Superintendent of Water & Wastewater		
Date:	October 21, 2024		
<i>Please Check Appropriate Box:</i>			
☐	Committee of the Whole Meeting	☐	Special Committee of the Whole Meeting
☒	City Council Meeting	☐	Special City Council Meeting
☐	Public Hearing	☐	Other -
Associated Strategic Plan Goal/Objective: EMS-II			
Estimated Cost: \$15,000,000		Budgeted? ☒ Yes ☐ No	Other Funding? ☐ Yes ☒ No
<i>If "Other Funding," please explain how the item will be funded:</i>			
Executive Summary:			
In compliance with the Lead Service Line Replacement and Notification Act, a plan to replace all lead water service lines in Geneva has been prepared and approved by the Illinois Environmental Protection Agency. Water mains will also be replaced which are 80 to 100 years old with lead services. The current plan is projected to take 15 years to complete. To fund the first three years of this project, the City will be utilizing the IEPA Water Pollution Control Loan Program. This program allows the City to borrow funds from the IEPA at a low interest rate. The current rate is 1.8%, the final rate will be determined at the loan closing. The requested amount of \$15,000,000 includes construction and engineering costs, construction contingency and accrued interest costs. This debt issuance is subject to the "backdoor referendum" procedures. Once council approves the authorizing ordinance, the City will publish the ordinance in Daily Herald on October 30, 2024. Any objectors have 30 days to obtain 10% (or 1,622) signatures to require the City to go to referendum. The petition period will expire on November 29, 2024. The bond ordinance will be placed on the Committee of the Whole meeting once the IEPA approves the loan.			
Attachments: <i>(please list)</i>			
• Ordinance			
Voting Requirements:			
<i>This motion requires a simple majority of affirmative votes for passage. (City Council)</i>			
Recommendation / Suggested Action: <i>(how the item should be listed on agenda)</i>			
Recommend Approval of Ordinance authorizing the issuance of Waterworks and Sewerage Revenue Bonds of the City of Geneva, Kane County, Illinois, in an aggregate principal amount not to exceed \$15,000,000, for improvements to the waterworks and sewerage system of the City, specifically water main and lead water service line replacement.			

EXTRACT OF MINUTES of a regular public meeting of the City Council of the City of Geneva, Kane County, Illinois, held in the City Hall Council Chamber, 109 James Street, Geneva, Illinois, in said City, at 7:00 o'clock P.M., on the 21st day of October, 2024.

* * *

The Mayor called the meeting to order and directed the City Clerk to call the roll. Upon the roll being called, the Mayor, Kevin Burns, and the following Alderpersons were physically present at said location: _____

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

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

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

The Mayor announced that in order to finance the necessary improvements to the City's combined waterworks and sewerage system, it would be necessary for the City to issue revenue bonds in an amount not to exceed \$15,000,000, and that the City Council would consider the adoption of an ordinance authorizing the issuance of such bonds.

Thereupon, the City Clerk presented, the Mayor explained, and there was read by title an ordinance as follows, a copy of which was provided to each Alderperson 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 21st day of October, 2024 (the “*Ordinance*”), by the City Council of the City of Geneva, Kane County, Illinois (the “*City*”), intends to issue its Waterworks and Sewerage Revenue Bonds in an aggregate principal amount not to exceed \$15,000,000 (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 City (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 City Clerk of the City (the “*City Clerk*”) within thirty (30) days after the date of publication of this notice, signed by 1,622 or more electors of the City (the same being equal to 10% of the registered voters in the City), asking that the question of improving the System and the issuance of the Bonds therefor, be submitted to the electors of the City. If such petition is filed with the City Clerk within thirty (30) days after the date of publication of the Ordinance and this notice and on or before November 25, 2024, the question of the issuance of the Bonds shall be submitted to the electors of the City on the 25th day of February, 2025, unless no voters in the City are scheduled to cast votes for any candidates for nomination for, election to or retention in public office at said election, in which case the question of the issuance of the Bonds shall be submitted to the electors of the City on the 1st day of April, 2025. If such petition is filed with the City Clerk within thirty (30) days after the date of publication of the Ordinance and this notice and after November 25, 2024, the question of the issuance of the Bonds shall be submitted to the electors of the City on the 1st day of April, 2025. 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 City Clerk within said 30-day period, the Bonds shall be authorized to be issued.

By order of the City Council of the City of Geneva, Kane County, Illinois.

Dated this 21st day of October, 2024.

Vicki Kellick
City Clerk, City of Geneva,
Kane County, Illinois

ORDINANCE NO. 2024-43

AN ORDINANCE authorizing the issuance of Waterworks and Sewerage Revenue Bonds of the City of Geneva, Kane County, Illinois, in an aggregate principal amount not to exceed \$15,000,000, for improvements to the waterworks and sewerage system of the City, specifically water main and lead water service line replacement.

* * *

WHEREAS, the City of Geneva, Kane County, Illinois (the “*City*”), 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 City Council of the City (the “*Council*”) has determined that it is advisable, necessary and in the best interests of the public health, safety and welfare to improve the waterworks and sewerage system of the City, specifically water main and lead water service line replacement, all in accordance with the preliminary plans and estimate of costs heretofore approved by the Council and now on file in the office of the City 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 \$15,000,000, 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 City that the Project be undertaken and in order to finance the costs thereof it will be necessary for the City to issue up to

\$15,000,000 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 City, to be evidenced by the Bonds, through the "Public Water Supply Loan Program" or the "Water Pollution Control Loan Program," or from both of said programs, of the State (together, 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 City 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 within 30 years, which is within the period of useful life of the Project; and

WHEREAS, such loan or loans to the City 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 City will pursue the issuance of the Bonds in the conventional public municipal markets:

NOW, THEREFORE, Be It Ordained by the City Council of the City of Geneva, Kane County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Council 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 City 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 \$15,000,000.

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 Council in a newspaper of general circulation in the City, 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 City, 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 City is filed with the City 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 City will be authorized to issue the Bonds. A form of petition to be provided by the City Clerk to any person requesting one is attached hereto as *Exhibit A*. In the event that no such petition is filed, the City 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 Council 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 City 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 City to pay the principal and interest due to the Program without the written consent of the IEPA.

Section 5. Loan Not Indebtedness of City. Repayment of the loan(s), as may be evidenced by the Bonds, by the City 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 City within the meaning of any constitutional or statutory limitation.

Section 6. Application for Loan. The Mayor, City Administrator or Finance Director of the City 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 Council 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 Council 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 City 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 City 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 City will comply with all other provisions of the Program Regulations with respect to the loan and the Bonds.

Section 9. Authorization of Mayor to Execute Loan Agreement. The City Mayor is hereby authorized and directed to execute the Loan Agreement with the IEPA. The Council may authorize by resolution a person other than the City Mayor 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.

ADOPTED by the City Council on the 21st day of October, 2024.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED on October 21, 2024

Mayor, City of Geneva,
Kane County, Illinois

PUBLISHED in _____ on _____, 2024.

RECORDED in the City Records on October 21, 2024.

Attest:

City Clerk, City of Geneva,
Kane County, Illinois

Aldersperson _____ moved and Aldersperson _____
seconded the motion that said ordinance as presented and read by the City 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 Mayor 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 Alderspersons voted AYE: _____

NAY: _____

Whereupon the Mayor declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting and did direct the City Clerk to record the same in full in the records of the City Council of the City of Geneva, Kane 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.

City Clerk

STATE OF ILLINOIS)
) SS
 COUNTY OF KANE)

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Geneva, Kane County, Illinois (the “City”), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the City and of the City Council thereof (the “Council”).

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Council held on the 21st day of October, 2024, insofar as same relates to the adoption of Ordinance No. _____ entitled:

AN ORDINANCE authorizing the issuance of Waterworks and Sewerage Revenue Bonds of the City of Geneva, Kane County, Illinois, in an aggregate principal amount not to exceed \$15,000,000, for improvements to the waterworks and sewerage system of the City, specifically water main and lead water service line replacement.

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 Council 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 Council at least 72 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 72-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 Council 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 City, this 21st day of October, 2024.

City Clerk, City of Geneva,
Kane County, Illinois

[SEAL]

EXHIBIT A

To the City Clerk of the City of Geneva, Kane County, Illinois:

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

“Shall the City of Geneva, Kane County, Illinois, pay the costs of improving the waterworks and sewerage system of said City, specifically water main and lead water service line replacement, and issue its waterworks and sewerage revenue bonds to the amount of \$15,000,000 (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 OR RURAL ROUTE NUMBER	
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, Illinois
_____	_____	, Geneva, 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), _____ (City, 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 City 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 KANE)

NO REFERENDUM CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Geneva, Kane County, Illinois (the “City”), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the City and of the City Council thereof (the “City”).

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Council held on the 21st day of October, 2024, insofar as same relates to the adoption of Ordinance No. _____ entitled:

AN ORDINANCE authorizing the issuance of Waterworks and Sewerage Revenue Bonds of the City of Geneva, Kane County, Illinois, in an aggregate principal amount not to exceed \$15,000,000, for improvements to the waterworks and sewerage system of the City, specifically water main and lead water service line replacement.

(the “Ordinance”).

I do further certify that the Ordinance was duly and properly published in _____, a newspaper published and of general circulation within the City, on the ____ day of _____, 2024, 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 City of the question as set forth therein. Such Petition forms were available from me continuously from _____, 2024, up to and including _____, 2024.

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 City.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City, this
____ day of _____, 2024.

City Clerk, City of Geneva,
Kane County, Illinois

[SEAL]