

VILLAGE OF DOWNERS GROVE
Report for the Village
6/4/2019

| SUBJECT: | SUBMITTED BY: |
|--|---------------------------------|
| Ordinance Authorizing a Loan Agreement with the Illinois Environmental Protection Agency (IEPA) Resolution Authorizing the Village Manager to execute certain documents associated with IEPA Loan Agreement L175338 | Judy Buttny Finance Director |

SYNOPSIS

An ordinance has been prepared authorizing execution of a Loan Agreement between the Village and the Illinois Environmental Protection Agency (IEPA) for 2019 watermain replacements. A resolution has also been prepared authorizing the Village Manager to execute certain IEPA loan documentation.

STRATEGIC PLAN ALIGNMENT

The goals for 2017-2019 include *Steward of Financial, Environmental and Neighborhood Sustainability and Top Quality Infrastructure*.

FISCAL IMPACT

The two watermain contracts to be funded by the IEPA loans in 2019 total \$4,552,914.01. The IEPA loan amount including a 3% contingency is \$4,689,501.43. The FY19 Budget provides \$4.8 million for IEPA loans in the Water Fund. Current rates are 1.84% for a twenty year loan, which contrasts with current rates of 2.7% from issuing municipal bonds.

RECOMMENDATION

Approval on the June 11, Active Agenda.

BACKGROUND

On February 9, 2016, Council approved an ordinance authorizing the Village to borrow funds from the Public Water Supply Loan Program at the IEPA. This was after the approval by the IEPA of a five-year Project Planning Document for 2016 through 2020 in the amount of \$18,310,000 for water infrastructure projects, which is the maximum that would be allowed to be funded under this program. Staff included all potential capital projects in the plan, but anticipates that \$14.1 million will be constructed during this time period. The projects are re-prioritized annually.

There will be five separate loans under this program, one for each of the five years. This is the fourth year the Village has taken advantage of this program. The 2019 loan is in the amount of \$4,689,501.43 for watermain replacements. These funds were used for watermain replacements in 2016 in the amount of (\$1,257,356.60), 2017 (\$1,609,341.39) and 2018 (\$3,704,667.69).

Pursuant to the terms of the Agreement, the Village may authorize a person other than the 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. Accordingly, attached is a resolution giving that authority to the Village Manager.

ATTACHMENTS

Ordinance

Loan Agreement

Resolution

RESOLUTION NO. ____**A RESOLUTION AUTHORIZING THE VILLAGE MANAGER
OF THE VILLAGE OF DOWNERS GROVE TO EXECUTE CERTAIN DOCUMENTS
ASSOCIATED WITH IEPA LOAN AGREEMENT L175338**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That Ordinance No. _____ authorized execution of Loan Agreement L175338 between the Village of Downers Grove and the Illinois Environmental Protection Agency (IEPA) for replacement of water main and related appurtenances.

2. That said Ordinance authorizes the Corporate Authorities to allow, by resolution, a person other than the Mayor to authorize or execute documents solely associated with payment requests or reimbursements from the IEPA in connection with this loan.

3. That the Corporate Authorities hereby authorizes the Village Manager to execute or authorize any documents associated with payment requests or reimbursements from the IEPA in connection with this loan.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk