

MEMORANDUM

DAVID G. MORRISON, CITY ATTORNEY

TO: Randy Tweet, City Manager

RE: Water Pollution Control Loan Program – Debt Ordinance
Public Water Supply Loan Program – Debt Ordinance

DATE: June 8, 2017

In May, 2017, the City of Rock Island was contacted by representatives of the Illinois Environmental Protection Agency regarding Ordinance No. 004-2013, and Ordinance No. 047-2016, as amended by Ordinance No. 055-2016, regarding the above-referenced Loan Programs. The representatives from the Illinois Environmental Protection Agency indicated that the ordinances needed to be amended to add the following language:

“Section ___ RESERVE ACCOUNTS

As long as the [entity] has outstanding revenue bonds payable from revenues of the system that are senior to the revenue bond authorized by this ordinance, the [entity] shall maintain an account, coverage and reserves equivalent to the accounts, coverages and reserves required by the outstanding ordinances.”

The City Attorney’s Office has coordinated with the Finance Department to verify that, in fact, the City could and is meeting the reserve requirements set forth in the proposed language from the Illinois Environmental Protection Agency. A review of the City’s bond obligations by the Finance Director revealed that currently the City is and will be in compliance with the proposed additional language from the Illinois Environmental Protection Agency if the ordinances are amended to add the language requested by the Illinois Environmental Protection Agency.

The addition of the requested language is mandatory in order for the City to continue to receive the loans from the Illinois Environmental Protection Agency and does not affect any repayment obligation or other obligations of the City, which language needs to be added no later than June 30, 2017.

Recommendation

The City Attorney’s Office recommends City Council approve the amendment of the existing ordinances to include the language regarding reserve accounts, as attached, and consider, suspend the rules and pass the Amended Ordinances.

Submitted by: David G. Morrison, City Attorney

Approved by: Randy Tweet, City Manager

AMENDED
ORDINANCE AUTHORIZING LOAN AGREEMENT WATER POLLUTION
CONTROL LOAN PROGRAM – HOME RULE ENTITY

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCK ISLAND, ILLINOIS

Section One: That Ordinance No. 004-2013, passed by the Rock Island City Council on January 14, 2013, authorizing The City of Rock Island, Rock Island County, Illinois, to borrow funds from the Water Pollution Control Loan Program, is hereby amended by adding the following new Section:

“SECTION 8. RESERVE ACCOUNTS

As long as the City of Rock Island has outstanding revenue bonds payable from revenues of the system that are senior to the revenue bond authorized by this Ordinance, the City of Rock Island shall maintain an account, coverage and reserves equivalent to the accounts, coverages and reserves required by the outstanding Ordinances.”

Section Two. All ordinances and parts of ordinances in conflict herewith are hereby repealed insofar as they do so conflict.

Section Three. This ordinance shall be in full force and effect 10 days after its passage and approval, as required by law.

MAYOR OF THE CITY OF ROCK ISLAND

PASSED: _____

APPROVED: _____

ATTEST: _____
CITY CLERK

SECOND AMENDED
ORDINANCE AUTHORIZING LOAN AGREEMENT PUBLIC WATER SUPPLY
LOAN PROGRAM – HOME RULE ENTITY

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCK ISLAND, ILLINOIS

Section One: That Ordinance No. 047-2016, passed by the Rock Island City Council on November 7, 2016, and Amended by Ordinance No. 055-2016, passed by the Rock Island City Council on December 12, 2016, authorizing The City of Rock Island, Rock Island County, Illinois, to borrow funds from the Public Water Supply Loan Program, is hereby further amended by adding the following new Section:

“SECTION 8. RESERVE ACCOUNTS

As long as the City of Rock Island has outstanding revenue bonds payable from revenues of the system that are senior to the revenue bond authorized by this Ordinance, the City of Rock Island shall maintain an account, coverage and reserves equivalent to the accounts, coverages and reserves required by the outstanding Ordinances.”

Section Two. All ordinances and parts of ordinances in conflict herewith are hereby repealed insofar as they do so conflict.

Section Three. This ordinance shall be in full force and effect 10 days after its passage and approval, as required by law.

MAYOR OF THE CITY OF ROCK ISLAND

PASSED: _____

APPROVED: _____

ATTEST: _____
CITY CLERK