



Memorandum

To: Honorable Mayor and Members of the City Council
CC: Members of Administration and Public Works Committee
From: Paul Moyano, Senior Project Manager
CC: Edgar Cano, Public Works Agency Director; Lara Biggs, Capital Planning & Engineering Bureau Chief / City Engineer
Subject: Ordinance 16-O-23, Authorizing the City Manager to Execute Documents Related to Funding of the 1909 Intake Replacement Project from the Illinois Environmental Protection Agency Public Water Supply Loan Program
Date: February 13, 2023

Recommended Action:

Staff recommends City Council adoption of 16-O-23, Authorizing the City Manager to Execute Documents Related to Funding of the 1909 Intake Replacement Project from the Illinois Environmental Protection Agency (IEPA) Public Water Supply Loan Program (PWSLP). *City Manager requests suspension of the City Council Rule to allow introduction and action on this ordinance.*

Funding Source:

Funding for the 1909 Intake Replacement Project from the IEPA PWSLP was authorized as Ordinance 70-O-22 by City Council on July 11, 2022. The debt service will be paid from the Water Fund.

CARP:

Resilience Regulations, Emergency Preparedness & Management

Council Action:

For Introduction and Action

Summary:

The oldest raw water intake at the City's water plant was built in 1909. It is beyond its useful life, performing under capacity and needing replacement. The award of the Construction Contract for the intake replacement project was approved by City Council on October 24, 2022. Funding has been secured through a combination of loans from the federal Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) loan

program and the Illinois Environmental Protection Agency (IEPA) State Revolving Fund (SRF) Public Water Supply Loan Program (PWSLP).

The WIFIA loan, authorized in Ordinance 107-O-21, is a 30-year loan with an interest rate of 2.00%. The first debt service payment will be deferred for two years under the terms of the loan agreement. The SRF loan, authorized in Ordinance 70-O-22, is a 20-year loan with an interest rate of 1.24%.

Analysis:

The City has been working with the IEPA to fund capital projects since the 1980s. The City Manager has traditionally been assigned as the Authorized Representative to execute loan documents. A change in the IEPA's ordinance template that was used to prepare Ordinance 70-O-22 resulted in assigning the Mayor as the Authorized Representative for the loan funding the Intake Project. Ordinance 16-O-23, now under consideration, will instead assign the City Manager as the Authorized Representative to facilitate the execution of loan disbursement requests, certifications, and other loan documents for the duration of the Intake Replacement Project.

Legislative History:

On July 11, 2022, the City Council approved the adoption of Ordinance 70-O-22, authorizing the City to borrow funds from the Illinois Environmental Protection Agency (IEPA) Public Water Supply Loan Program (PWSLP).

On October 24, 2022, the City Council approved a contract with Ballard Marine Construction to construct the new intake.

Attachments:

[Ordinance 16-O-23](#)

16-O-23

AN ORDINANCE

**Authorizing the City Manager to Execute Documents Related to
Funding of the 1909 Intake Replacement Project from
the Illinois Environmental Protection Agency
Public Water Supply Loan Program**

WHEREAS, the City of Evanston, in the County of Cook, Illinois (the “City”) operates its public water supply system (“the System”) and in accordance with the provisions of the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois and the Local Government Debt Reform Act, 30 ILCS 350/1 et seq. (collectively “the Act”); and

WHEREAS, the Mayor and City Council of the City (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:

Replace an existing 1909 intake in Lake Michigan that supplies raw water to the Evanston Water Plant, which involves abandoning the existing 1909 intake structure and pipeline, construction of a new replacement intake structure and pipeline, construction of new onshore facilities, and modifications to existing facilities to incorporate the new intake into the water treatment process at the Evanston Water Plant

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 City, which Project has a useful life of 100 years; and

WHEREAS, the estimated cost of constructing and installing the Project, including engineering, legal, financial, and other related expenses is Fifty Five Million

Six Hundred Sixty Five Thousand Nine Hundred Thirty Nine dollars (\$55,665,939) and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, in accordance with the provisions of the Act and Ordinance 70-O-22, the City is authorized to borrow funds from the Public Water Supply Loan Program in the aggregate principal amount of Thirty Five Million Two Hundred Seventy Nine Thousand Nine Hundred Thirty Nine dollars (\$35,279,939) to provide funds to pay the costs of the Project and;

WHEREAS, the loan to the City has been made pursuant to a Loan Agreement, including certain terms and conditions between the City and the Illinois Environmental Protection Agency;

NOW THEREFORE, BE IT ORDAINED BY THE CORPORATE AUTHORITIES OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1: 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: 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 laws. 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 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 Public Water Supply Loan Program without the written consent of the Illinois Environmental Protection Agency.

SECTION 3: The City Manager or their designee is hereby authorized to execute any documents associated with the Agreement or future amendments, payment requests, reimbursements, or any other matters related to the Illinois Environmental Protection Agency in connection with this loan.

SECTION 4: All ordinances, resolutions, orders, or parts thereof, which conflict with the provisions of this Ordinance, to the extent of such conflict, are hereby repealed.

Introduced: _____, 2023

Approved:

Adopted: _____, 2023

_____, 2023

Daniel Biss, Mayor

Attest:

Approved as to form:

Stephanie Mendoza, City Clerk

Nicholas E. Cummings, Corporation
Counsel