

RESOLUTION 18-49

A RESOLUTION ESTABLISHING A JUNIOR BOND RESERVE ACCOUNT FOR THE PAYMENT OF PRINCIPAL AND INTEREST OWED TO THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY FOR PUBLIC WATER SUPPLY LOANS RECEIVED BY THE MORTON GROVE-NILES WATER COMMISSION

WHEREAS, in 2017, the Morton Grove-Niles Water Commission (“MGNWC” or “Commission”) was established by the Village of Morton Grove, a home rule Illinois municipal corporation (“Morton Grove”), and the Village of Niles, a home rule Illinois municipal corporation (“Niles”), by the adoption of ordinances pursuant to Division 135 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-135-1, *et seq.*) (“Division 135”). The establishing ordinances are Morton Grove Ordinance 17-5, which was adopted on March 13, 2017, and Niles Ordinance No. 2017-19, which was adopted on March 14, 2017.

WHEREAS, the MGNWC was established for purposes of constructing and operating a public water supply system (the “MGNWC System”) consisting of water transmission mains, pumping, storage, and other related water delivery and receiving infrastructure between a connection point on the Evanston water system and existing water receiving points of Niles and Morton Grove (the “Project”); and

WHEREAS, on January 25, 2018, pursuant to Ordinance 18-3, the MGNWC authorized the issuance of up to \$110,000,000 of general obligation alternate revenue source water bonds (“Alternate Revenue Bonds”) and Illinois Environmental Protection Agency (“IEPA”) water revenue bonds (“IEPA Loans” or “IEPA Bond”) for the Project (the “Bond Ordinance”); and

WHEREAS, Section 15(F) of the Bond Ordinance required the MGNWC, upon taking delivery of any Series of the IEPA Loans to begin making monthly deposits to a Junior Bond Reserve Account. Said deposits must equal the principal and interest payments due annually on the IEPA Loans. The Bond Ordinance also required the Junior Bond Reserve Account to be fully funded by March 1, 2020; and

WHEREAS, on March 1, 2018, the MGNWC entered into a loan agreement with the Illinois Environmental Protection Agency for up to \$75,186,071.44 in IEPA Loans payable over 20 years at the annual percentage rate of 1.7600%. (the “Loan Agreement”). The Loan Agreement required the MGNWC make semi-annual payments of principal and interest owed on the IEPA Loans upon the commencement of MGNWC operations; and

WHEREAS, the Loan Agreement further required the MGNWC to establish a dedicated source of revenue adequate to make loan repayments for the term of the IEPA Loans, which at a minimum must, be equal to the annual principal and interest payments (the “Junior Bond Reserve Account”). The Junior Bond Reserve Account must be fully funded by March 1, 2020; and

WHEREAS, the MGNWC has taken delivery of certain series of the IEPA loans, and therefore is now required to establish a Junior Bond Reserve Account and begin making monthly deposits to said Junior Bond Reserve Account equal to the principal and interest payments due annually on the IEPA Loans

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, ILLINOIS, AS FOLLOWS:

SECTION 1: Each Whereas paragraph above is incorporated by reference into this Section 1 and made a part hereof as material and operative provisions of this Resolution.

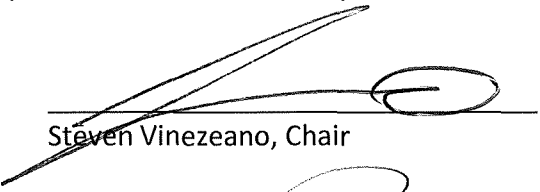
SECTION 2: The governing authority of the Morton Grove-Niles Water Commission hereby authorizes and establishes a Junior Bond Reserve Account and directs the Superintendent of the MGNWC to take all steps necessary to make deposits to the Account and fund said Account as required by the IEPA Loan Agreement and the Bond Ordinance.

SECTION 3: This Resolution shall be in full force and effect from and after its adoption and approval as provided by law.

ADOPTED this 28th day of June 2018, pursuant to a roll call vote as follows:

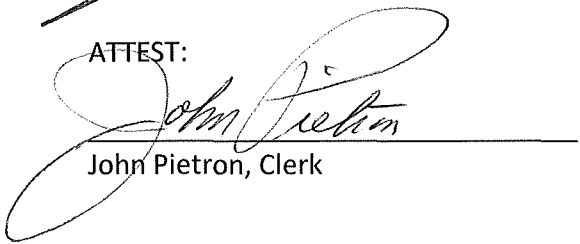
AYES: John Pietron and Steven Vinezeano
NAYS: None
ABSENT: None (Cook County Appointee not appointed yet)

PASSED by the Board of Commissioners of the Morton Grove-Niles Water Commission, Cook County, Illinois on a roll call vote at a Regular Meeting thereof held on the 28th day of June 2018, and approved by the Chair, and attested by the Clerk on the same day.



Steven Vinezeano, Chair

ATTEST:



John Pietron, Clerk

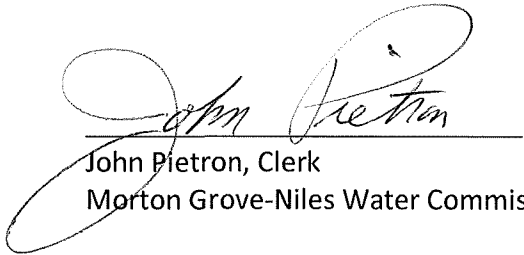
CLERK'S CERTIFICATION

I, John Pietron, certify that I am the duly appointed, qualified Clerk of the Morton Grove-Niles Water Commission. I do further certify that the above and foregoing, identified as Resolution Number 18-49, is a true, complete and correct copy of a Resolution otherwise identified as:

**A RESOLUTION ESTABLISHING A JUNIOR BOND RESERVE ACCOUNT
FOR THE PAYMENT OF PRINCIPAL AND INTEREST OWED TO
THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY FOR PUBLIC WATER SUPPLY LOANS
RECEIVED BY THE MORTON GROVE-NILES WATER COMMISSION**

Which Resolution was passed by the Morton Grove-Niles Water Commission on the 28th day of June 2018, the original of which is part of the books and records within my control as Clerk of the Morton Grove-Niles Water Commission.

Dated this the 28th day of June 2018



John Pietron, Clerk
Morton Grove-Niles Water Commission