

Ordinance No. 746
Water Pollution Control Loan Program
Project L177093 – 2025 Phase 2 Improvements Project

An Ordinance authorizing the Urbana & Champaign Sanitary District, a municipal corporation, Champaign County, Illinois, to borrow funds from the Water Pollution Control Loan Program;

WHEREAS, the Urbana & Champaign Sanitary District, a municipal corporation of Champaign County, Illinois (the "District"), operates its sewerage system (the "System") in accordance with the provisions of 70 ILCS 3010/3a, et seq., and the Local Government Debt Reform Act, 30 ILCS 350/1 et seq. (collectively, the "Act"); and,

WHEREAS, the Board of Trustees of the District (the "Corporate Authorities") has determined that it is advisable, necessary and in the best interest of public health, safety, and welfare to improve the System, including the following:

Construction of the 2025 Phase 2 Improvements Project

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 therefore prepared by consulting engineers to the District, which Project has a useful life of 25 years; and,

WHEREAS, the estimated cost of constructing and installing the Project, including engineering, legal, financial and other related expenses is \$31,100,000.00; and,

WHEREAS the District has insufficient funds on hand and lawfully available to pay these costs; and

WHEREAS, the loan shall bear an interest rate as defined by 35 Ill. Adm. Code 365, which does not exceed the maximum rate authorized by the Bond Authorization Act, as amended, 30 ILCS 305/0.01 et seq., at the time of the issuance of the loan; and

WHEREAS, the principal and interest payment shall be payable semi-annually, and the loan shall mature in 20 years, which is within the useful life of the Project; and

WHEREAS, the costs are expected to be paid for with a loan to the District, from the Water Pollution Control Loan Program through the Illinois Environmental Protection Agency, the loan to be repaid from revenues of the System, and the loan is authorized to be accepted at this time pursuant to the Act; and

WHEREAS, in accordance with the provisions of the Act, the District is authorized to borrow funds from the Water Pollution Control Loan Program in the aggregate principal amount of \$31,100,000.00 to provide funds to pay the costs of the Project; and,

WHEREAS, the loan to the District shall be made pursuant to a Loan Agreement, including certain terms and conditions, between the District and the Illinois Environmental Protection Agency.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE URBANA & CHAMPAIGN SANITARY DISTRICT, CHAMPAIGN COUNTY, ILLINOIS AS FOLLOWS:

SECTION 1. Incorporation of Preambles. The Corporate Authorities hereby find that the recitals contained in the preambles to this ordinance are true and correct, and incorporate them into this Ordinance by this reference.

SECTION 2. Determination to Borrow Funds. It is necessary and in the best interests of the District to construct the Project for the public health, safety and welfare, in accordance with the plans and specifications, as described; that the System continue to be operated in accordance with the provisions of the Act; and that for the purpose of constructing the Project, it is hereby authorized that funds be borrowed by the District in an aggregate principal amount (which can include construction period interest financed over the term of the loan) not to exceed \$31,100,000.00.

SECTION 3. Publication. This Ordinance, together with a Notice in the statutory form (attached hereto as Exhibit A), shall be published once within ten days after passage hereof by the Corporate Authorities in the News-Gazette, a newspaper published and of general circulation in the District, and if no petition, signed by electors numbering 10% or more of the registered voters of the District, (i.e., 7,625 electors) asking that the question of improving the System as provided in this Ordinance, and entering into the Loan Agreement therefore be submitted to the electors of the District, is filed with the District Clerk within 30 days after the date of publication of this Ordinance, and said notice, then this Ordinance shall be in full force and effect. A petition form shall be provided by the District Clerk to any individual requesting one.

SECTION 4. Additional Ordinances. If no petition meeting the requirements of the Act and other applicable law is filed during the 30 day petition period, then the Corporate Authorities may adopt additional ordinances or proceedings supplementing or amending this Ordinance providing for entering into said 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 said 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 law. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for entering into said Loan Agreement under applicable law.

However, notwithstanding the above, the District 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 District to pay the principal and interest due to the Water Pollution Control Loan Program without the written consent of the Illinois Environmental Protection Agency.

SECTION 5. Loan Not Indebtedness of District. Repayment of the Loan to the Illinois Environmental Protection Agency by the District pursuant to this Ordinance is to be solely from the revenues of the System, anticipated to be derived from an increased collection of connection fees, user charges, and from interest earned by the District on its construction and debt service funds, supplemented by additional user charges if the amount collected from fees and interest are insufficient in any year to pay

the principal and interest scheduled to be paid to the Illinois Environmental Protection Agency on the loan, and the loan does not constitute an indebtedness of the District within the meaning of any constitutional or statutory limitation.

SECTION 6. Application for Loan. The President of the Board of Trustees is hereby authorized to make application to the Illinois Environmental Protection Agency for a loan through the Water Pollution Control Loan Program, in accordance with the loan requirements set out in 35 Ill. Adm. Code 365.

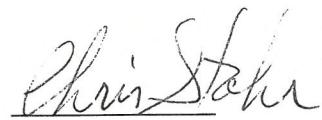
SECTION 7. Acceptance of Loan Agreement. The Corporate Authorities hereby authorize acceptance of the offer of a loan through the Water Pollution Control Loan Program, including all terms and conditions of the Loan Agreement as well as all special conditions contained therein and made a part thereof by reference. The Corporate Authorities further agree that the loan funds awarded shall be solely for the purposes of the Project as approved by the Illinois Environmental Protection Agency in accordance with the terms and conditions of the Loan Agreement.

SECTION 8. Authorization of President of the Board of Trustees to Execute the Loan Agreement. The President of the Board of Trustees of the District is hereby authorized and directed to execute the Loan Agreement with the Illinois Environmental Protection Agency. The Corporate Authorities may authorize by resolution a person other than the President of the Board of Trustees for the sole purpose of authorizing or executing any documents associated with payment requests or reimbursements from the Illinois Environmental Protection Agency in connection with this loan.

SECTION 9. Severability. If any section, paragraph, clause or provision of this Ordinance is held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 10. Repealer. All ordinances, resolutions or orders, or parts thereof, which conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Adopted by the Corporate Authorities of the District, this 8th day of January, A.D., 2026.



Chris Stohr
District Clerk

Approved by the President of the Board of Trustees of the District this 8th day of January, A.D., 2026.



Charles Nerone
President of the Board of
Trustees of the Urbana &
Champaign Sanitary District,
a municipal corporation,

Ayes: 3
Nays: 0
Absent: 0

Champaign County, Illinois

PUBLISHED in the News-Gazette of Champaign County, Illinois on 1/10/2024

RECORDED in the District Records on 1/8/2028

ATTEST:

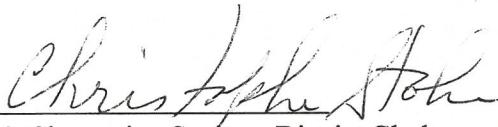


Clerk of the Board of Trustees
of the Urbana & Champaign
Sanitary District, a municipal
corporation, Champaign
County, Illinois

NOTICE OF INTENT TO BORROW FUNDS
AND RIGHT TO FILE PETITION

NOTICE IS HEREBY GIVEN that, pursuant to Ordinance Number 746 adopted on January 8, 2026, the Urbana & Champaign Sanitary District of Champaign County, Illinois (the “DISTRICT”), intends to enter into a Loan Agreement with the Illinois Environmental Protection Agency in an aggregate principal amount not to exceed \$31,100,000.00 and bearing annual interest at an amount not to exceed the maximum rate authorized by law at the time of execution of the Loan Agreement, for the purpose of paying the cost of certain improvement to the sewerage system of the DISTRICT. A complete copy of the Ordinance accompanies this notice.

NOTICE IS HEREBY FURTHER GIVEN that if a petition signed by 7,625 or more electors of the DISTRICT (being equal to 10% of the registered voters in the District), requesting that the question of improving the sewerage system and entering into the Loan Agreement is submitted to the District Clerk within 30 days after the publication of this Notice, the question of improving the sewerage system of the DISTRICT as provided in the Ordinance and Loan Agreement shall be submitted to the electors of the DISTRICT at the next election to be held under general election law on March 17, 2026. A petition form is available from the office of the District Clerk.

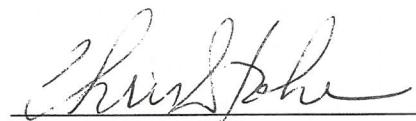


Urbana & Champaign Sanitary District Clerk
Champaign County, Illinois.

CERTIFICATION

I, Chris Stohr, do hereby certify that I am the duly elected, qualified and acting Clerk of the Urbana & Champaign Sanitary District of Champaign County, Illinois. I do further certify that the above and foregoing, identified as Ordinance Number 746 is a true, complete and correct copy of an ordinance otherwise identified as, "Ordinance No. 746 Water Pollution Control Loan Program Project L177093 – 2025 Phase 2 Improvements Project", passed by the Board of Trustees of the Urbana & Champaign Sanitary District of Champaign, County on the 8th day of January, 2026, and approved by the President of the Urbana & Champaign Sanitary District of Champaign County, Illinois on the same said date, the original of which is part of the books and records within my control as Clerk of the Urbana & Champaign Sanitary District of Champaign County, Illinois.

Dated the 8th day of January 8, 2026



Chris Stohr, Clerk