

**ROCHELLE CITY COUNCIL
REGULAR MEETING 5/13/24
AGENDA ITEM NO. 2**

SUBJECT: Resolution authorizing the IEPA loan agreement for Well 8 Iron Filter Plant.

Staff Contact: Adam Lanning

Summary: After authorizing a notice of intent, the City must approve a Water Pollution Control Revolving Fund loan agreement with the Illinois EPA to secure funding for the Well 8 Project. The total project costs are as follows:

Construction \$6,700,000 for the low bid.
Contingency (3%) \$201,000 per IEPA loan guidelines
Engineering \$519,500
Total Cost \$7,420,500
Principal Forgiveness \$3,356,625
EDA Grant \$2,356,600
EDA Grant Match from City \$589,000
Total Amount to Repay \$1,707,275

The annual repayment after principal forgiveness will be approximately \$80,000 and the City will not begin repayment until the project is complete. The term of the loan is 20 years at 1.36% and we anticipate IEPA final approval of the loan in June 2024.

Funding Sources:

| Source: | Budgeted Amount (2024): | Proposed Expenditure: |
|-----------------|-------------------------|-----------------------|
| IEPA WPCRF Loan | \$7,200,000 | \$7,420,500 |
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Recommendation: Approve a resolution authorizing the Mayor to sign a WPCRF loan agreement with the IEPA in the amount of \$7,420,500.

Supporting Documents:

Document Link 1
Document Link 2
Document Link 3