

ORDINANCE NO.

ORDINANCE APPROVING AN AMENDMENT OF THE WIFIA MASTER AGREEMENT AND ONE OR MORE WIFIA PROJECT LOAN AGREEMENTS WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND ONE OR MORE SUPPLEMENTAL INDENTURES AND AUTHORIZING THE ISSUANCE OF WATERWORKS AND SEWERAGE SENIOR LIEN REVENUE BONDS OF THE CITY OF JOLIET, ILLINOIS.

WHEREAS, the City of Joliet (the “City”) is a home rule unit of government of the State of Illinois under Section 6 of Article VII of the Illinois Constitution of 1970, duly authorized to own and operate a waterworks system and a sanitary sewerage system; and

WHEREAS, the City currently owns and operates its waterworks system and its sanitary sewerage system as a combined utility system (the “System”); and

WHEREAS, the City has previously issued various series of its Waterworks and Sewerage Senior Lien Revenue Bonds that are currently outstanding (the “Outstanding Bonds”); and

WHEREAS, the Outstanding Bonds are “Senior Lien Obligations” secured under the Master Indenture of Trust Securing Waterworks and Sewerage Revenue Senior Lien Obligations dated as of March 15, 2022 (as heretofore supplemented, the “Master Indenture”) between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

WHEREAS, the City determined to finance a portion of the costs of the Water Transmission System Project and a portion of the costs of the Water Main Replacement Project (each as more particularly described in the Master Indenture) by obtaining credit assistance in the form of secured loans (the “WIFIA Loans”) from the United States Environmental Protection Agency (“USEPA”) pursuant to the Water Infrastructure Finance and Innovation Act (codified as 33 U.S.C. 3901-3915); and

WHEREAS, in connection with the WIFIA Loans, the City and the USEPA entered into a WIFIA Master Agreement dated April 19, 2022 (the “WIFIA Master Agreement”) and two WIFIA Project Loan Agreements (collectively, the “Outstanding WIFIA Loan Agreements”) with respect to the Water Transmission System Project and Water Main Replacement Project; and

WHEREAS, the City and USEPA will enter into Amendment No. 1 to the WIFIA Master Agreement (the “Amendment”); and

WHEREAS, the Outstanding WIFIA Loan Agreements are “Senior Lien Obligations” under the Master Indenture evidenced by the Outstanding Bonds; and

WHEREAS, the City has determined to obtain credit assistance in the form of an additional secured WIFIA Loan (the “Phase III WIFIA Loan”) for the purpose of funding the cost of the Phase III Project (System Improvements for AWSPP) (the “Phase III Project”) as more particularly described in the WIFIA Master Agreement, as amended by the Amendment and the hereinafter defined Phase III WIFIA Loan Agreement), which is part of the Water Transmission System Project (collectively, the “Phase III Project”) and to enter into a WIFIA Project Loan Agreement (the “Phase III WIFIA Loan Agreement” and, together with the WIFIA Master Agreement and the Outstanding WIFIA Loan

Agreements, the “WIFIA Loan Agreements”) in connection therewith; and

WHEREAS, the Phase III Project includes the design, engineering, construction engineering, program management, project management, acquisition, construction and installation of System improvements, including infrastructure to connect the System to the Water Transmission System Project and other related facility improvements to the System; and

WHEREAS, the Phase III WIFIA Loan will be a Senior Lien Obligation under the Master Indenture evidenced by the issuance of one or more series of Waterworks and Sewerage Revenue Senior Lien Bonds of the City, each constituting a series of Senior Lien Obligations secured under the Master Indenture and created pursuant to one or more supplemental indentures (each a “Phase III WIFIA Loan Supplemental Indenture”).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JOLIET, ILLINOIS, AS FOLLOWS:

Section 1. Authority and Purposes. This ordinance is adopted pursuant to Section 6 of Article VII of the Illinois Constitution of 1970 for the purpose of financing a portion of the costs of the improvement and expansion of the System by the design, engineering, construction engineering, program management, project management, acquisition, construction and installation of the Phase III Project by entering into (i) the Amendment of the WIFIA Master Agreement and (ii) the Phase III WIFIA Loan Agreement and by the issuance of the Waterworks and Sewerage Revenue Senior Lien Bonds to the USEPA (the “Revenue Bonds”) authorized to be issued by Section 4 of this Ordinance.

Section 2. Findings and Determinations. It is found and determined that (i) all of the recitals contained in the preamble to this Ordinance are incorporated in full as part of this Ordinance, and (ii) the undertaking of the Phase III Project and the borrowing of money to finance the costs of the Phase III Project as provided for in this Ordinance pertains to the government and affairs of the City, is for proper public purposes and is in the public interest.

Section 3. Approval of the Phase III WIFIA Loan Supplemental Indenture. To provide the details of and to prescribe the terms and conditions upon which the Revenue Bonds are to be issued, secured, executed, authenticated and held, the Mayor, the City Manager and the Director of Finance of the City (the “Authorized Officers”) are each hereby authorized to execute and deliver one or more

Phase III WIFIA Loan Supplemental Indentures, in the name and on behalf of the City, in each case in the form attached hereto as Exhibit A, and such form is hereby approved, with such other or further changes in the form of the Phase III WIFIA Loan Supplemental Indenture as may be approved by any Authorized Officer executing a Phase III WIFIA Loan Supplemental Indenture. The execution of any Phase III WIFIA Loan Supplemental Indenture by any Authorized Officer shall constitute conclusive evidence of the approval by such Authorized Officer and this City Council of any and all such changes from the form of the Phase III WIFIA Loan Supplemental Indenture presented to this meeting and approved hereby.

Section 4. Authorization and Terms of Revenue Bonds. To meet part of the estimated costs of the Phase III Project (including the reimbursement of prior expenditures), to capitalize interest on the Revenue Bonds, to fund any debt service reserve funds or System reserves required under the terms of the Master Indenture or any Phase III WIFIA Loan Supplemental Indenture, to pay the financing costs and the loan management costs of each WIFIA Loan and to pay the costs of issuance of the Revenue Bonds herein authorized, there is hereby appropriated the sum of \$86,926,000. Pursuant to the home rule powers of the City to incur debt and for the purpose of financing said appropriation, Waterworks and Sewerage Revenue Senior Lien Bonds (the "Revenue Bonds") of the City are authorized to be issued and sold in one or more series and in an aggregate principal amount of not to exceed \$86,926,000.

Each series of the Revenue Bonds shall be issued pursuant to the Master Indenture and a Phase III WIFIA Loan Supplemental Indenture and shall be Senior Lien Obligations, as defined in the Master Indenture. The tax covenants contained in Section 413 of the Master Indenture shall not apply to the Revenue Bonds.

No Revenue Bond shall mature later than January 1, 2065 and no Revenue Bond shall bear interest at a rate per annum greater than the maximum rate of interest per annum permitted under the Bond Authorization Act, 30 Illinois Compiled Statutes 305.

Authority is hereby delegated to any one of the Authorized Officers, to determine all of the terms and provisions of the Revenue Bonds in accordance with the terms and provisions of, and subject to the limitations of this Ordinance. Such terms and provisions to be set forth in the Phase III WIFIA Loan Supplemental Indenture creating each series of Revenue Bonds.

Section 5. Limited Obligations. The Revenue Bonds shall be limited obligations of the City payable from the Revenues (as defined in the Master Indenture) of the System and certain other moneys and securities held by the Trustee under the Master Indenture and the applicable Phase III WIFIA Loan Supplemental Indenture. The Revenue Bonds shall not constitute an indebtedness or a loan of the credit of the City within the meaning of any constitutional or statutory limitation and neither the full faith and credit nor the taxing power of the City is pledged to the payment of the principal of or the interest on the Revenue Bonds.

Section 6. Trust Estate Securing Revenue Bonds. Pursuant to the Master Indenture the Revenue Bonds shall be payable from, and secured by a pledge of, lien on and security interest in the Trust Estate consisting of (i) the Revenues, (ii) amounts on deposit in the Funds, Accounts and Dedicated Sub-Funds established under the Master Indenture and the Phase III WIFIA Loan Supplemental Indenture authorizing the applicable series of the Revenue Bonds and (iii) all other moneys held from time to time under the Master Indenture on any applicable Phase III WIFIA Loan Supplemental Indenture for the payment of the Revenue Bonds.

Section 7. Appointment of Paying Agent. U.S. Bank Trust Company, National Association, a national banking association having the powers of a trust company doing business and having an office in the state of Illinois is hereby appointed as the Paying Agent for the Revenue Bonds.

Section 8. Approval of the Amendment and One or More WIFIA Project Loan Agreements.

The Authorized Officers are each hereby authorized to execute and deliver (i) the Amendment to the WIFIA Master Agreement and (ii) one or more Phase III WIFIA Loan Agreements in the name and on behalf of the City. The Amendment shall be in substantially the form of Amendment No. 1 between the United States Environmental Protection Agency and the City and attached hereto as Exhibit B. Each Phase III WIFIA Loan Agreement shall be in substantially the form of the United States Environmental Protection Agency WIFIA Loan Agreement for up to \$86,926,000 with City of Joliet, Illinois for the Alternative Water Supply Program – Phase III Project (WIFIA-19155IL) (the “Phase III WIFIA Loan Agreement”) attached hereto as Exhibit C. Such forms are hereby approved with such other or further changes in the Amendment or the Phase III WIFIA Loan Agreement and any other WIFIA Project Loan Agreements as may be approved by any Authorized Officer executing the same. The execution of (i) the Amendment and (ii) the Phase III WIFIA Loan Agreement by any Authorized Officer shall constitute conclusive evidence of the approval by such Authorized Officer and this City Council of any and all such changes from the form of the Amendment or the Phase III WIFIA Loan Agreement presented to the meeting and approved hereby.

Section 9. Authorization of the Purchase of Qualified Credit Instruments. In connection with any sale of any series of the Revenue Bonds, any one of the Authorized Officers is authorized to obtain one or more Qualified Credit Instruments (as defined in the Master Indenture) if such Authorized Officer determines such Qualified Credit Instrument to be desirable in connection with such sale of such Revenue Bonds. The Authorized Officer may, on behalf of the City, make such covenants with Qualified Credit Providers (as defined in the Master Indenture) as are necessary or desirable to obtain such Qualified Credit Instruments, execute and deliver such documents and agreements and pay such related costs with Revenue Bonds proceeds or with the funds of the City, as are necessary to carry out the purposes of this Ordinance.

Section 10. Subordination of State Loans. All loans to the City from the State of Illinois Public Water Supply Loan Program and the State of Illinois Water Pollution Control Loan Program through the Illinois Environmental Protection Agency and the Loan Agreements with respect thereto shall be completely subordinated to all Senior Lien Obligations under the Master Indenture, including the Revenue Bonds, and to all requirements of all Funds, Sub-Funds and Accounts maintained under the Master Indenture having a priority on application of the Revenues to that of the Junior Lien Obligation Debt Service Fund. All such State of Illinois Public Water Supply Loan Program Loans and Water Pollution Control Loan Program Loans shall be payable from the System General Fund. In addition, the City reserves the right to designate such Loans as Junior Lien Obligations payable from moneys that may be withdrawn from the Junior Lien Obligation Debt Service Fund.

Section 11. Prior Actions Ratified and Confirmed. The prior actions of the Authorized Officers and all other authorized officers and agents of the City in doing any and all acts necessary in connection with the WIFIA Loans, the WIFIA Master Agreement, the WIFIA Loan Agreements and the WIFIA loan program and the issuance of the Revenue Bonds are hereby approved, ratified and confirmed, including, without limitation, the execution and delivery on behalf of the City of the WIFIA Loan Term Sheet.

Section 12. Ratification and Continued Effectiveness of Actions of Any Authorized Officer. In the event that any Authorized Officer executes or delivers any document or other instrument approved hereunder and later ceases to be such an Authorized Officer before the delivery or performance of the document or instrument so executed, whether by reason of resignation, disqualification or otherwise, any such document or instrument so executed or delivered and any such other action taken in connection therewith shall be and continue to be authorized by this Ordinance and valid, binding and enforceable against the City.

Section 13. Authorization and Ratification of Subsequent Acts. The Authorized Officers are each hereby authorized to do all such acts and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of this Ordinance, and the documents attached hereto as Exhibits, and all of the acts of the Authorized Officers that are in conformity with the intent and purposes of this Ordinance, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 14. Ordinance to Constitute Full Authority. This Ordinance shall constitute full authority for the execution and delivery of the final form of the documents attached hereto as Exhibits and the issuance of the Revenue Bonds and to the extent that the provisions of this Ordinance conflict with the provisions of any other ordinance or resolution of the City, the provisions of this Ordinance shall control. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

As used in this Ordinance, the term "Mayor", the term "City Clerk", the term "City Manager" or the term "Director of Finance" includes any person appointed to that office, or authorized to perform the functions of that office, on a temporary or interim basis.

Section 15. Publication. The City Clerk is hereby authorized and directed to publish this Ordinance in pamphlet form and to file copies thereof for public inspection in her office.

Section 16. Effective Date. This Ordinance shall become effective upon its passage and approval.

PASSED this _____ day of _____, 20____.

MAYOR

CITY CLERK

VOTING YES: _____

VOTING NO: _____

NOT VOTING: _____

CERTIFICATE

I, Lauren O'Hara, City Clerk of the City of Joliet, Illinois, hereby certify that the foregoing ordinance entitled: "Ordinance Approving an Amendment of the WIFIA Master Agreement and one or more WIFIA Project Loan Agreements with the United States Environmental Protection Agency and one or more Supplemental Indentures and Authorizing the Issuance of Waterworks and Sewerage Senior Lien Revenue Bonds of the City of Joliet, Illinois," is a true copy of an original ordinance that was duly adopted by the recorded affirmative votes of a majority of the members of the City Council of the City at a meeting thereof that was duly called and held at 6:30 p.m. on August 5, 2025, in the Council Chambers at the City Hall, 150 West Jefferson Street, and at which a quorum was present and acting throughout, and that said copy has been compared by me with the original ordinance signed by the Mayor on August ____, 2025, and thereafter published in pamphlet form on August ____, 2025, and recorded in the Ordinance Book of the City and that it is a correct transcript thereof and of the whole of said ordinance, and that said ordinance has not been altered, amended, repealed or revoked, but is in full force and effect.

I further certify that the agenda for said meeting included the ordinance as a matter to be considered at the meeting and that said agenda was posted at least 48 hours in advance of the holding of the meeting in the manner required by the Open Meetings Act, 5 Illinois Compiled Statutes 120, and was continuously available for public review during the 48 hour period preceding the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this ____ day of August, 2025.

(SEAL)

City Clerk

EXHIBIT A

PHASE III WIFIA LOAN SUPPLEMENTAL INDENTURE

EXHIBIT B

AMENDMENT NO. 1 TO THE MASTER LOAN AGREEMENT

EXHIBIT C

PHASE III WIFIA PROJECT LOAN AGREEMENT