

## ORDINANCE No. 16/17-M-06

AN ORDINANCE ABATING THE *AD VALOREM* TAX PREVIOUSLY LEVIED FOR THE YEAR 2015 TO PAY DEBT SERVICE ON THE \$9,350,000 GENERAL OBLIGATION ALTERNATE BONDS (SEWERAGE SYSTEM ALTERNATE REVENUE SOURCE), SERIES 2014, OF THE ROCK RIVER WATER RECLAMATION DISTRICT, WINNEBAGO COUNTY, ILLINOIS.

WHEREAS, the Rock River Water Reclamation District, Winnebago County, Illinois (the “**District**”) is a duly organized and existing sanitary district of the State of Illinois, is now operating under and pursuant to the provisions of the Sanitary District Act of 1917, as amended, 70 ILCS 2405/0.1 *et seq.* (the “**Sanitary District Act**”), and is a “governmental unit” as defined in Section 2(i) of the Local Government Debt Reform Act of the State of Illinois, as amended, 30 ILCS 350/1 *et seq.* (the “**Debt Reform Act**”), and under the Sanitary District Act, the Board of Trustees is the corporate authority and the governing body of the District; and

WHEREAS, on April 14, 2014, the District issued its \$9,350,000 General Obligation Alternate Bonds (Sewerage System Alternate Revenue Source), Series 2014 (the “**Series 2014 Bonds**”), pursuant to Ordinance No. 13/14-M-12 of the District (the “**Bond Ordinance**”) duly adopted on March 24, 2014, for the purpose of improving and extending the sanitary sewerage system (the “**System**”) of the District by acquiring, constructing and equipping improvements to and extensions of the System including, but not limited to, one or more trunk sewer mains and other sewer extensions together with a new administration building for the District and making related improvements to the System including, in connection with those improvements and extensions, all mechanical, electrical and other facilities and services necessary, useful or advisable to the program of improvements and extensions and, incidental to those project costs, to pay bond discount, interest, bond reserve requirements, and legal, other financing and related administrative fees and costs; and

WHEREAS, in Section 20 of the Bond Ordinance, the Board of Trustees levied a direct annual *ad valorem* tax (the “**Pledged Taxes**”) upon all taxable property in the District sufficient in each year to pay and discharge the principal of the Series 2014 Bonds at maturity and to pay interest on the Series 2014 Bonds as the same falls due, in the specific amounts for the specific years set forth in Section 20; and

WHEREAS, the Series 2014 Bonds were sold with maturities and bearing interest so as to require the levy of taxes in 2014 and subsequent years to pay debt service on the Series 2014 Bonds in amounts less than the amounts provided in Section 20 of the Bond Ordinance and, as provided in Section 16(f) of the Bond Ordinance, the authorized officers of the District (a) included in the Determination Certificate for the Series 2014 Bonds the amount of the reductions in the amounts levied pursuant to Section 20 for 2014 and subsequent years resulting from the sale of the Series 2014 Bonds on such terms, and (b) the Treasurer of the District filed in the office of the County Clerk (the “**County Clerk**”) of The County of Winnebago, Illinois, in connection with the issuance of the Series 2014 Bonds a certificate of tax abatement for such years in such amounts; and

WHEREAS, in Section 30(b) of the Bond Ordinance, the District covenanted (in pertinent part) that it would not take any action or fail to take any action which would in any way adversely affect the levy, extension, collection and application of the Pledged Taxes, except to abate those taxes to the extent that money is on hand and irrevocably set aside in the Bond Fund to pay principal of and interest on the Series 2014 Bonds; and

WHEREAS, Section 22 of the Bond Ordinance provides that the Pledged Taxes to be extended in a particular year may be abated if (1) the Treasurer deposits Pledged Revenues into the Pledged Revenues Subaccount established by the Bond Ordinance in an amount necessary to provide for the payment of interest and principal coming due on the Series 2014 Bonds in the following calendar year otherwise payable from the proceeds of such tax levy and (2) the Board of Trustees adopts an ordinance or ordinances (collectively, the “**Abatement Ordinance**”) setting forth the following items:

(a) the amount of funds available from Pledged Revenues or other lawfully available sources or the reduction in debt service attributable to purchases by the District of the Series 2014 Bonds to enable the abatement of the Pledged Taxes;

(b) an appropriation of such funds to pay principal of and interest on the Series 2014 Bonds;

(c) a direction to the Treasurer to deposit such funds not already held in the Bond Fund into that fund or to reimburse a fund or account from which advances to the Bond Fund in anticipation of Pledged Taxes were made and thereupon to notify the Clerk of such deposit;

(d) a statement of the year and the amount of abatement of Pledged Taxes, which amount to be abated shall not exceed the amount of Pledged Revenues and other available funds so deposited into the Bond Fund; and

(e) a direction to the Clerk to file a certified copy of the Abatement Ordinance with the County Clerk.

WHEREAS, the amount of the Pledged Taxes to be extended and collected during calendar year 2017 (the “**Abatement Year**”) to pay debt service on the Series 2014 Bonds is \$703,250.00; and

WHEREAS, the Treasurer has reported that there is on deposit in the Pledged Revenues Subaccount of the Principal and Interest Account in the Bond Fund \$703,250.00 derived from Pledged Revenues or other lawfully available sources; and

WHEREAS, this Board of Trustees desires to abate the Pledged Taxes to be extended and collected during the Abatement Year to pay debt service on the Series 2014 Bonds in accordance with the requirements of the Bond Ordinance;

NOW, THEREFORE, BE IT AND IT IS HEREBY ORDAINED BY THE BOARD OF TRUSTEES OF THE ROCK RIVER WATER RECLAMATION DISTRICT, WINNEBAGO COUNTY, ILLINOIS, as follows:

**Section 1. Incorporation of Preambles.** The Board of Trustees finds and determines that all of the recitals contained in the preambles to this ordinance are true, correct and complete and incorporates them into this ordinance by this reference.

**Section 2. Definitions.** Terms defined in the preambles to this ordinance shall have the meanings prescribed for them in the preambles. Capitalized terms not otherwise defined in this ordinance shall have the meanings prescribed for them in the Bond Ordinance.

**Section 3. Transfer and Deposit of Funds.** The Board of Trustees determines that the following moneys are available to pay debt service on the Series 2014 Bonds: \$703,250.00 on deposit in the Pledged Revenues Subaccount of the Principal and Interest Account in the Bond Fund derived from Pledged Revenues and other legally available sources. The aggregate of such amounts, \$703,250.00, equals the amount of debt service on the Series 2014 Bonds otherwise payable from Pledged Taxes to be extended and collected during the Abatement Year, after giving effect to reductions in such debt service, if any, due to purchases by the District of Series 2014 Bonds. Such funds are appropriated for the purpose of paying debt service on the Series 2014 Bonds otherwise payable from Pledged Taxes to be extended and collected during the Abatement Year.

**Section 4. Abatement of Pledged Taxes.** The Pledged Taxes levied in Section 20 of the Bond Ordinance for the levy year identified below in the amount identified below are abated in their entirety.

<u>Levy Year</u>	<u>Amount Levied to be Abated</u>
2016	\$703,250.00

**Section 5. Direction to District Clerk.** The Clerk shall cause a certified copy of this ordinance to be filed with the County Clerk promptly and in any event on or prior to March 1 of the calendar year following the "Levy Year" identified in Section 4.

**Section 6. County Clerk.** The filing of a certified copy of this ordinance with the County Clerk shall be complete authority to the County Clerk to cause the abatement of the Pledged Taxes provided for in Section 4, and it shall be the duty of the County Clerk to abate the Pledged Taxes in accordance with the provisions of this ordinance.

**Section 7. Severability.** If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

**Section 8. Effective Date.** This ordinance shall be in full force and effect immediately upon its adoption and approval, as provided by law.

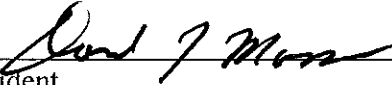
PASSED by the Board of Trustees of the Rock River Water Reclamation District on October 24, 2016.

AYE (list names): Elmer Jones, Lloyd Hawks, Donald Massier, Donald Kerestes, Rick Pollack

NAY (list names): \_\_\_\_\_

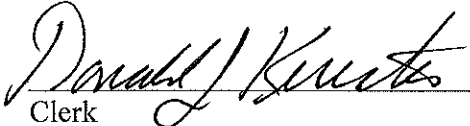
ABSENT (list names): \_\_\_\_\_

Approved on October 24, 2016.

  
\_\_\_\_\_  
President  
Rock River Water Reclamation District  
Winnebago County, Illinois

[SEAL]

Attest:

  
\_\_\_\_\_  
Clerk  
Rock River Water Reclamation District  
Winnebago County, Illinois