



## ADDENDUM REGULAR VILLAGE BOARD MEETING

February 25, 2020  
7:00 PM

### 6. CONSENT AGENDA

- j. Consideration to adopt Ordinance No. 3653 amending Section 3-3-7, Number of Licenses of the Village Code by increasing the number of Class "A" Liquor Licenses.

(This Ordinance increases Class "A" Liquor Licenses from thirty-four (34) to thirty-six (36).)

- k. Consideration to adopt Resolution No. 14-20 authorizing the Mayor and Village Clerk to execute a Second Extended, Amended and Restated Water Supply Agreement between the Northwest Suburban Municipal Joint Action Water Agency (NSMJAWA) and the Village of Elk Grove Village.

(The restated agreement will allow each municipal member of JAWA to immediately save at least \$214,000 by authorizing limited Trustee accounts for an upcoming bond issuance required to pay the Tollway for the new 90" watermain the Tollway installed as part of the Jane Addams Tollway widening project.

(The JAWA Attorney prepared the necessary documents and the Village Attorney has reviewed and finds it acceptable.)

In compliance with the Americans with Disabilities Act and other applicable Federal and State laws, the meeting will be accessible to individuals with disabilities. Persons requiring auxiliary aids and/or services should contact the Village Clerk, preferably no later than five days before the meeting.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING TITLE 3, CHAPTER 3, SECTION 3-3-7, NUMBER OF LICENSES OF THE VILLAGE CODE OF THE VILLAGE OF ELK GROVE VILLAGE BY INCREASING THE NUMBER OF CLASS "A" LIQUOR LICENSES**

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Trustees of the Village of Elk Grove Village, Counties of Cook and DuPage, Illinois, as follows:

**Section 1:** That Chapter 3, Section 3-3-7, Number of Licenses of the Village Code of the Village of Elk Grove Village, as it pertains to Class "A" Liquor Licenses be amended as follows:

**Class "A" Liquor Licenses be increased from thirty-four (34) to thirty-six (36)**

**Section 2:** The Village Clerk is hereby authorized to publish this Ordinance in pamphlet form.

**Section 3:** That this Ordinance shall be in full force and effect from and after its passage, approval and publication according to law.

VOTE: AYES: \_\_\_\_\_ NAYS: \_\_\_\_\_ ABSENT: \_\_\_\_\_

PASSED this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

APPROVED:

\_\_\_\_\_  
Mayor Craig B. Johnson  
Village of Elk Grove Village

ATTEST:

\_\_\_\_\_  
Loretta M. Murphy, Village Clerk

PUBLISHED this \_\_\_\_\_ day of \_\_\_\_\_ 2020 in pamphlet form.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING THE MAYOR AND VILLAGE CLERK TO EXECUTE  
A SECOND EXTENDED, AMENDED AND RESTATED WATER SUPPLY AGREEMENT  
BETWEEN THE NORTHWEST SUBURBAN MUNICIPAL JOINT ACTION WATER  
AGENCY AND THE VILLAGE OF ELK GROVE VILLAGE (NSMJAWA)**

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**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Board of Trustees of the Village of Elk Grove Village, Counties of Cook and DuPage, State of Illinois as follows:

**Section 1:** That the Mayor be and is hereby authorized to sign the attached document marked:

**SECOND EXTENDED, AMENDED AND RESTATED  
WATER SUPPLY AGREEMENT  
BETWEEN  
NORTHWEST SUBURBAN MUNICIPAL  
JOINT ACTION WATER AGENCY  
AND  
VILLAGE OF ELK GROVE VILLAGE**

a copy is on file in the Village Clerk’s Office and the Village Clerk is authorized to attest said document upon the signature of the Mayor.

**Section 2:** That this Resolution shall be in full force and effect from and after its passage and approval according to law.

**VOTE: AYES: \_\_\_\_\_ NAYS: \_\_\_\_\_ ABSENT: \_\_\_\_\_**

**PASSED this \_\_\_\_\_ day of \_\_\_\_\_ 2020.**

**APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 2020.**

**APPROVED:**

\_\_\_\_\_  
**Mayor Craig B. Johnson  
Village of Elk Grove Village**

**ATTEST:**

\_\_\_\_\_  
**Loretta M. Murphy, Village Clerk**



A Professional Corporation  
140 South Dearborn Street, Suite 600  
Chicago, IL 60603  
www.ancelglink.com

Derke J. Price  
dprice@ancelglink.com  
(P) 312.782.7606 Ext. 4612  
(F) 312.782.0943

## MEMORANDUM

**To:** Executive Committee  
**CC:** Village and City Legal Counsel  
**From:** Derke J. Price  
**Subject:** Second Extended, Amended and Restated Water Supply Agreement  
**Date:** February 14, 2020

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As discussed at yesterday's meeting of the Executive Committee, enclosed is a draft of the Second Extended, Amended and Restated Water Supply Agreement. The amendments (detailed below) are the result of the changes in circumstances concerning Agency debt financing from when the Extended, Amended and Restated Water Supply Agreement was last amended. Our Financial Advisor and Bond Counsel all recommend these changes as essential if the Agency is to maximize all possible savings and cost reductions offered by the Toll Authority and the historically low rates for the debt to be issued. Because of the May 1 deadline imposed by the Toll Authority, it is essential we move expeditiously to have the amendments in place at the time of the offering (missing the May deadline will cost each Village/City \$214,000 in principal savings) plus marginal increases in the debt service rate.

### BACKGROUND

At the time of approval of the Extended, Amended and Restated Water Supply Agreement, the Agency was in the process of negotiating relief on the terms of the debt owed to the Illinois State Toll Highway Authority and eagerly contemplating the retirement of the original debt structure in place since the inception of the Agency. More specifically, the Agency was anticipating that the Toll Authority was going to agree to more favorable terms for the debt it holds and that any future bond debt would be modest and no longer require a Trustee (and no longer require the myriad of special funds and accounts for security). Accordingly, the Extended, Amended and Restated Water Supply Agreement was written in anticipation that there would be a reduction in administration costs and in the amount of money that was required to be held in reserve by the Agency.

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Unfortunately, the anticipated favorable revision in debt terms with the Toll Authority never came to fruition. However, historically low rates in the market combined with the Agency's history and solid rating offer the Agency the opportunity to refinance all of the Agency's debt through Revenue Bonds at rates that will yield substantial savings in debt service (estimated to be in excess of \$2mm annually). Furthermore, the Toll Authority agreed that if the Agency accomplished the refinancing and paid of that debt by May 1, the Toll Authority would reduce the principal owed by the Agency by \$1,500,000.

In preparation for achieving these savings, Bond Counsel (Katten), the Financial Advisor (Speer) and I reviewed the Extended, Amended and Restated Water Supply Agreement. Because of the size of the issue and the fact that these are Revenue Bonds, we all concur that a Trustee will inevitably be a part of the structure. Accordingly, we agreed that we now need to restore certain provisions to the WSA to recognize the reality of the Trustee and to position the Agency for maximum savings on debt service. We restored provisions only where we thought doing so would result in increasing the confidence of the bondholders (or avoid questions of the bondholders) and therefore result in the best possible rate.

Although certain provisions need to be restored, we still found a way to honor the Members' directive to reduce administrative costs and number and amount of reserved funds. This is accomplished through coordinated changes to the Water Supply Agreement and to the Revenue Bond and Note General Resolution. Furthermore, we were able to include future flexibility to do away with certain security requirements where not demanded by the market.

#### CHANGES AND EXPLANATION

Title: Changed to "Second Extended, Amended and Restated Agreement."

Sections 601 (4) and 605(a): Restored the use of the "Fixed Cost" concept in 601 (carried over from the original debt structure) because the new Revenue Bonds will likewise require use of the "Debt Service Fund," "Bond Anticipation Note Debt Service Fund" and "General Fund". *However, because of the change we made to 605, this will not disturb the revisions made in the prior draft to apportion some costs of the Agency equally among the Members while the remainder are apportioned in accordance with the relative percentage volume of water purchased.*

Section 612. Change made to avoid raising any questions with respect to Member obligations generally under the Agreement (as the bondholders/Trustee will – in the event of default by a Member and then a subsequent default by the Agency -- have the

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right to enforce the agreement against each Member as necessary to obtain payments of the debt obligations).

Section 613. This change is to allow the Agency to eliminate the Member Deposits whenever the Bond Resolution does not require it (which can change over time). Because we were amending the WSA, we are looking to take advantage of the opportunity to remove this obligation when possible.

Section 702: This is to be consistent with the changes made in 601 and 605 concerning Fixed Costs.

Section 801. As with 612, restoration here is made because we will have a Trustee and this will avoid any questions by the bondholders about their rights concerning Member obligations generally under the Agreement.

p.46: Formulas updated for Fixed Costs (9601/605) while preserving the Equal Share Costs from before.

That's it. Again, we are recommending this as necessary to give the bondholders the greatest security and confidence possible while honoring the Members' goals from before. Every question or uncertainty represents an identified risk that will cost the Agency money in the rate charged.

Please let me know as soon as possible if you have any questions.