

AN ORDINANCE APPROVING AN INTERGOVERNMENTAL AGREEMENT PROVIDING FOR ISSUANCE OF ALTERNATE BONDS BY THE SOUTH SANGAMON WATER COMMISSION

BE IT ORDAINED BY THE SOUTH SANGAMON WATER COMMISSION, AS FOLLOWS:

SECTION 1: That Intergovernmental Agreement Providing for Issuance of Alternate Bonds by the South Sangamon Water Commission, between the Village of Chatham, Illinois, the Village of New Berlin, Illinois, and the South Sangamon Water Commission, a copy of which is attached hereto, is hereby approved.

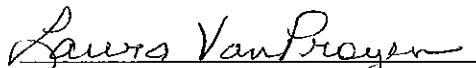
SECTION 2: The Chairman of the Commission is authorized and directed to execute said agreement on behalf of the Commission, and the proper officers of the Commission are authorized and directed to carry out the agreement by its terms.

SECTION 3: This Ordinance is effective immediately.

PASSED this 7th day of September, 2010.


CHAIRMAN

ATTEST:


Clerk

AYES: McCord, Pjetter

NAYS: 0

PASSED: 9/7/10

APPROVED: 9/7/10

ABSENT: Hall

INTERGOVERNMENTAL AGREEMENT
PROVIDING FOR ISSUANCE OF ALTERNATE
BONDS BY THE SOUTH SANGAMON WATER COMMISSION

THIS AGREEMENT dated as of September 1, 2010 (the "Agreement") is by and among the South Sangamon Water Commission, Sangamon County, Illinois (the "Commission"), the Village of Chatham, Illinois (the "Village of Chatham") and the Village of New Berlin, Illinois (the "Village of New Berlin"). This Agreement is made pursuant to the Intergovernmental Cooperation article of the Illinois Constitution (Section 10 of Article VII of the Constitution of the State of Illinois) and the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.* (collectively, the "Intergovernmental Cooperation Act"), the Illinois Municipal Code 65 ILCS 5/1-1-1 *et seq.* (the "Illinois Municipal Code") including Division 135 of Article 11 of the Illinois Municipal Code, 65 ILCS 5/11-135-1 *et seq.* ("Division 135"), the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* (the "Reform Act"), the Omnibus Bond Acts, 5 ILCS 70/8 and other applicable law (collectively, "Applicable Acts").

W I T N E S S E T H:

WHEREAS, the Village of Chatham and the Village of New Berlin (collectively, the "Villages") adopted ordinances pursuant to which the Villages elected to jointly acquire and operate a common source of supply of water under the authority granted by Division 135 and to establish the Commission; and

WHEREAS, the Commission and the Villages have determined it is advisable, necessary and in the best interests of the Villages and the Commission to proceed with the development and construction of a common source of supply of water described generally as follows (the "Project"):

a new water well field and new water treatment facilities located east of the Village of Rochester, Illinois designed to treat 3.3 million gallons per day of water, plus 18" and 20" transmission main to carry water 20 miles to the Village of Chatham, a 10" transmission line to the Village of New Berlin and a booster station that will feed 10 miles of water main, including all necessary engineering, design, land acquisition, connections, appurtenances, material, labor and equipment incident thereto, all mechanical, electrical and other services necessary, useful or advisable to such projects, and, incidental to such improvements, and all bond discount, bond interest, bond reserve account funding, legal, financing, and administrative expenses; and

WHEREAS, the Commission has insufficient funds on hand and lawfully available to pay the costs of the Project; and

WHEREAS, in order to pay the costs of the Project, the Commission and Villages find it is necessary and advisable for the Commission to issue its alternate bonds in an

aggregate principal amount not to exceed \$30,000,000 (the "Bonds") pursuant to Section 15 of the Reform Act and Section 11-135-4.5 of Division 135 and the Applicable Acts; and

WHEREAS, the Villages have each approved and entered into Wholesale Water Agreements with the Commission (individually, a "Contract" and collectively, the "Contracts") pursuant to the Intergovernmental Cooperation Act; and

WHEREAS, the source of the revenues to pay the Bonds will be governmental revenues (the "Governmental Revenue Sources") received by the Commission from the Villages pursuant to this Agreement and the Contracts (the "Intergovernmental Agreements"), and as a backup source of payment, an ad valorem property tax levy on all of the taxable property in the Commission (the "Tax Levy"); and

WHEREAS, the Villages are the sole members of the Commission and the backup Tax Levy if extended will be upon all taxable property in the Villages (the "Taxable Property"); and

WHEREAS, the Commission adopted Ordinance No. 10-22 on August 31, 2010 authorizing issuance of the Bonds and containing the Tax Levy (the "Bond Ordinance").

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties agree as follows:

1. The recitals contained in the preambles to this Agreement are true, correct, and complete, and are incorporated into this Agreement by this reference and the Contracts are incorporated into this Agreement as if set forth in full.
2. The Commission and the Villages find and determine that the Governmental Revenue Sources are a governmental revenue source under the Reform Act.
3. The Commission shall issue the Bonds pursuant to the Bond Ordinance and construct the Project.
4. The Villages shall pay revenues to the Commission pursuant to the Intergovernmental Agreements sufficient to pay principal and interest on the Bonds plus any additional amounts necessary to satisfy the conditions of Section 15 of the Reform Act for the issuance of alternate bonds by the Commission.
5. The Villages and Commission authorize, acknowledge and agree that the boundaries of the Commission are coterminous with the boundaries of the Villages for the purpose of levying and extending the Tax Levy for the Bonds.
6. The Villages authorize, acknowledge, agree, and approve the Tax Levy by the Commission and the Villages shall each fully and completely cooperate and take any and all actions for the levy, extension and collection of the Tax Levy on the Taxable Property to provide sufficient moneys as needed to pay principal or interest on the Bonds.

7. The Bonds shall be payable from the Governmental Revenue Sources and the Commission shall secure the Bonds with a pledge of the Governmental Revenue Sources to payment of the Bonds. The Villages shall have no right to terminate, cancel or rescind the Intergovernmental Agreements while the Bonds are outstanding, no right to withhold from the Commission payments due or to become due under the Intergovernmental Agreements, no right of reduction or set-off against the amounts due or to become due the Commission under the Intergovernmental Agreements, and no lien on the Governmental Revenue Sources for any reason or on account of the existence or occurrence of any event, condition or contingency, whether foreseen or unforeseen or foreseeable or unforeseeable by the Villages or the Commission or any other person; it being the intent hereof that the Villages shall be absolutely and unconditionally obligated to make their payments in full under the Intergovernmental Agreements.

8. The Villages and the Commission elect to exercise, combine, and transfer all powers and functions necessary to implement the terms of the Intergovernmental Agreements and the provisions of the Bond Ordinance, including but not limited to delegation and transfer by each of the Villages to the Commission of the Villages' respective powers and functions to levy the Tax Levy on the Taxable Property and receive the proceeds thereof as necessary.

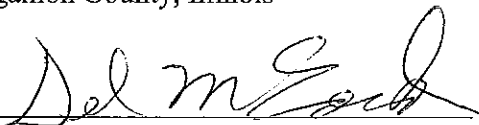
9. The Villages acknowledge and agree that the Intergovernmental Agreements shall constitute contracts with, and shall inure to the benefit of, the Commission, the Villages and the owners of the Bonds, and the Commission, the Villages and any registered owner of a Bond may proceed by civil action, mandamus or other proceeding to compel performance of all duties required by the Intergovernmental Agreements.

10. If any section, paragraph, clause or provision of this Agreement shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement.

IN WITNESS WHEREOF, the Villages and the Commission have caused this Agreement to be executed by their duly authorized officers as of the date first shown above.

SOUTH SANGAMON WATER COMMISSION,
Sangamon County, Illinois

(SEAL)
Attest:

By: 
Chairman


Clerk

VILLAGE OF NEW BERLIN,
Sangamon County, Illinois

(SEAL)
Attest:

By: Stephen K. Frank
President

Deborah Sakamp
Village Clerk

VILLAGE OF CHATHAM,
Sangamon County, Illinois

(SEAL)
Attest:

By: Thomas A Gray
President

Pat Schaefer
Village Clerk



ORDINANCE CERTIFICATE

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

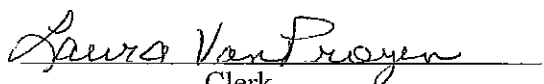
I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the South Sangamon Water Commission.

I do further certify that the ordinance attached hereto is a full, true, and exact copy of Ordinance No. 10- 32, adopted by the Commission on the 7th day of September, 2010, said Ordinance being entitled:

AN ORDINANCE APPROVING AN INTERGOVERNMENTAL AGREEMENT PROVIDING FOR ISSUANCE OF ALTERNATE BONDS BY THE SOUTH SANGAMON WATER COMMISSION

I do further certify that prior to the making of this certificate, the said Ordinance was spread at length upon the permanent records of said Commission, where it now appears and remains.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said Commission this 7th day of September, 2010.


Clerk