

**AN ORDINANCE APPROVING AND ACCEPTING A PROPOSAL
WITH SPEER FINANCIAL, INC.**

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

SECTION 1: That certain proposal with Speer Financial, Inc. is accepted and approved by the South Sangamon Water Commission, a copy of which is attached.

SECTION 2: That Chairman is authorized and directed to execute all documents necessary incorporating the proposal terms on behalf of the Commission, and the proper officers of the Commission are directed to carry out the proposal by its terms.

SECTION 3: This Ordinance is effective immediately.

PASSED this 16th day of August, 2016.


CHAIRMAN

ATTEST:


Clerk

AYES: Hall, Blaine, Sander

NAYS: none

PASSED: 8/16/2016

APPROVED: 8/16/2016

ABSENT: none

KEVIN
McCANNA
Chairman

DANIEL
FORBES
President

DAVID
PHILLIPS
Executive VP

RAPHALIATA
McKENZIE
Senior VP

MAGGIE
BURGER
Senior VP

ANTHONY
MICELI
Senior VP

LARRY
BURGER
Vice President

BARBARA
CHEVALIER
Vice President

MARK
JERETINA
Vice President

July 29, 2016

Randall W. Segatto, Esq.
Barber, Segatto, Hoffee, Wilke & Cate, LLP
831 E. Monroe
Springfield, Illinois 62701

Re: Speer Financial Proposal for Financial Advisory Services for the South Sangamon Water Commission,
Sangamon County, Illinois

Dear Mr. Segatto:

This letter is Speer Financial's proposal offering our professional services as financial consultants in connection with: (1) the issuance of securities (the "Securities") for the South Sangamon Water Commission, Sangamon County, Illinois (the "Commission") and (2) a joint rate study for the Commission. Speer Financial is a registered municipal advisor with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB).

Speer has extensive experience with water commissions and agencies. In Illinois, we serve as the financial advisor for the Northwest Water Commission, the Central Lake County Joint Action Water Agency, the Northwest Suburban Municipal Joint Action Water Agency, as well as for other water bond issuers. We also serve small water districts, such as the Clark-Edgar Rural Water District (Paris, Illinois), to large water systems, such as the City of Des Moines, Iowa Water Works. Speer serves as a financial advisor to local municipal issuers, including Sangamon County, City of Springfield, Springfield Park District, Rochester CUSD No. 3A, and Springfield Metro Sanitary District. We would be pleased to provide you with references for any of our clients upon request.

Issuance of Securities

We understand that the Commission has new money needs and a refunding opportunity for its outstanding Tax-Exempt General Obligation Bonds (Alternate Revenue Source), Series 2010C.

In connection with the issuance of the Securities, Speer Financial will prepare a financing plan and then implement it through the proposed sale and issuance of the Securities. The Commission will make all final decisions, but Speer Financial will make recommendations on all aspects of the financing and work closely with the Commission's staff, attorney and bond counsel. We will develop alternative maturity schedules for the Commission's review. After consultation, we will recommend maturity schedules and other terms for the proposed debt issuance to meet both the Commission's needs and to match financing requirements.

We will research financial and economic data relating to the Commission and compile a disclosure document (typically a term sheet or official statement). We will recommend the best method of sale. When a competitive sale is appropriate, we will distribute the disclosure document to local banks, underwriters or other prospective investors as directed by the Commission. We will check the competitive proposals received and recommend which proposal to accept. When a negotiated sale or private placement is most advantageous to the Commission, we will work with you to select an underwriter or placement agent. We will assist in negotiating the interest rates, spread, terms and conditions of the Securities on your behalf with the selected underwriter or placement agent.

If a refunding were to be included as a purpose of the Securities, we will complete a refunding analysis and assist in the review of the procedures to accomplish the refunding. We will arrange for the delivery of the Securities to the purchaser and, with respect to any new money, the simultaneous transfer of sale proceeds to the Commission. At the request of the Commission and under a separate contract, we can assist the Commission in its compliance with any continuing disclosure requirements.

Rate Study Services (Joint with Commission or its Engineers)

We understand that the Commission would like a rate study with respect to projected Commission income, expenses and net income available to pay debt service. In connection with such rate study, Speer will analyze the Commission's outstanding debt service, check the legal debt service and coverage requirements, and compute the necessary coverage required based upon projected net income assumptions. Speer will need the Commission or its engineers to provide the income and expense assumptions and to make decisions with respect to rates between customer classes.

Compensation

This proposal is for our professional services only and does not include the expenditure of any funds on behalf of the Commission. The Commission is to pay all of its own ordinary expenses in connection with the issuance of the Securities. These may include, but may not be limited to, professional services (attorney, bond counsel, architect, engineer and auditor), credit enhancement (rating, insurance, letters of credit), delivery (postage, express mail, fax service), publication/printing fees (official statement, notice of sale, bid forms, report duplication, printing and delivery of the bonds) and transaction costs (CUSIP, registration/paying agent).

Security Sale Fee. Our fee for security sales is payable from sale proceeds of the Securities. Our financial advisory fee for each sale is calculated as follows:

<u>Term Sheet Advisory Fee:</u>	\$5,000.
<u>Official Statement Advisory Fee:</u>	\$10,000 plus 0.1% of municipal securities issued (e.g., \$3,715,000 official statement sale would result in a fee of \$13,715).

Our fee is the same for competitive and negotiated sales. Our recommendation on the method of sale is based on the best interests of the Commission and is not influenced by our fee. The fee is due upon the sale of the Securities and is payable upon receipt of proceeds. Should the Securities not be sold, there is no obligation to pay our sale services fee.


Joint Rate Study Services Fee. Speer's joint rate study services shall be provided at the following not to exceed hourly rates:

Municipal Advisor Personnel:	\$175/hour
Administrative Personnel:	\$75/hour

Speer's employment under this proposal is expected to continue from the date of acceptance by the Commission and thereafter until canceled by either party upon written notice, and is intended to include any financing completed or authorized prior to expiration, as to be more fully described in a financial services agreement or engagement letter.

Respectfully submitted,

SPEER FINANCIAL, INC.



Daniel D. Forbes
President

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. 16- 07 adopted by the Commission on the 16th day of August, 2016, said Ordinance being entitled:

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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 16th day of August, 2016.


Clerk