

SOUTH SANGAMON WATER COMMISSION  
SANGAMON COUNTY, ILLINOIS

ORDINANCE NO. 18- 04

**AN ORDINANCE AUTHORIZING THE SOUTH SANGAMON WATER  
COMMISSION, SANGAMON COUNTY, ILLINOIS TO BORROW FUNDS FROM  
HICKORY POINT BANK & TRUST IN A MAXIMUM PRINCIPAL AMOUNT NOT TO  
EXCEED \$750,000.00**

ADOPTED BY THE SOUTH SANGAMON WATER COMMISSION  
THIS 17<sup>th</sup> DAY OF APRIL, 2018

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Published in Pamphlet form by the authority of the South Sangamon Water Commission, Sangamon  
County, Illinois this 17<sup>th</sup> day of April, 2018.

**AN ORDINANCE AUTHORIZING THE SOUTH SANGAMON WATER COMMISSION, SANGAMON COUNTY, ILLINOIS TO BORROW FUNDS FROM HICKORY POINT BANK & TRUST IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$750,000.00**

WHEREAS, the South Sangamon Water Commission, Sangamon County, Illinois (the "Commission"), has heretofore been duly organized and is now operating as a commission and public corporation under the provisions of the Illinois Municipal Code, 65 ILCS 5/1-1-1 et seq. and all laws amendatory thereof and supplementary thereto (the "Act"), and in particular, 65 ILCS 5/11-135-1, et seq. thereof ("Division 135") and operates a common source of supply of water under the authority granted by Division 135 (the "System"); and

WHEREAS, the Board of Commissioners of the District (the "Board") deems it necessary and advisable to borrow funds from Hickory Point Bank & Trust, Illinois ("Lender") to provide for the payment of system improvements and other costs or expenses of the Commission incident to and necessary or convenient to carry out the Commission's corporate purposes and powers; and

WHEREAS, the Board adopted Ordinance No. 10-21 on August 31, 2010 entitled "A Master Ordinance of South Sangamon Water Commission, Sangamon County, Illinois, authorizing and providing certain terms and security for Bond of the Commission" (the "Master Bond Ordinance") pursuant to which the Commission may incur debt on a senior lien, junior lien or subordinate lien basis payable from Revenues, as defined in the Master Bond Ordinance; and

WHEREAS, Lender has prepared a loan proposal pursuant to the Commission's Request for Proposal for a loan in the principal amount of \$750,000.00 evidencing borrowing by the Commission from the Lender, bearing interest and maturing as provided therein (the "Loan"), and the same is presented to the Board for approval (see Exhibit "A" attached hereto and made part hereof); and

WHEREAS, the Loan shall be a subordinate lien obligation under the Master Bond Ordinance and shall be payable solely from Revenues of the System.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE SOUTH SANGAMON WATER COMMISSION, SANGAMON COUNTY, ILLINOIS, AS FOLLOWS:

**Section 1. Incorporation of Preambles.**

The Board hereby finds that the recitals contained in the preambles to this Ordinance are full, true, and correct and does hereby incorporate them into this Ordinance by this reference. Defined terms in the Master Bond Ordinance shall have the same meanings herein.

**Section 2. Determination To Borrow.**

It is necessary and advisable for the public health, safety, welfare, and convenience of residents of the Commission to borrow money from Lender to provide for the payment of system improvements and other costs or expenses of the Commission incident to and necessary or convenient to carry out the Commission's corporate purposes and power, and for the purpose of

financing same, to authorize the Loan as a Subordinate Bond under the Master Bond Ordinance. It is the intent of the Board to invoke all supplemental power and authority available under and pursuant to the Applicable Acts.

**Section 3. Limited Obligation.**

The Loan shall be payable solely from the Revenues on a subordinate lien basis and shall not constitute an indebtedness of the Commission or any municipality represented by the Commission within the meaning of any constitutional or statutory limitation. To the extent required by applicable law, the Loan shall be deemed to constitute a revenue bond under the Applicable Acts. Pursuant to Section 13 of the Local Government Debt Reform Act and the Applicable Acts, the Commission pledges and assigns the Revenues as security for the payment of the Loan. The Commission covenants and agrees with Lender to apply the Revenues to pay principal and interest due on the Loan and will take no action or fail to take any action which in any way would adversely affect the ability of the Commission to collect the Revenues.

**Section 4. Approval of Loan Documents.**

The Loan and other documents evidencing the borrowing authorized herein (collectively, the "Loan Documents") in the form incorporating the terms contained in Exhibit "A" thereof presented before this meeting of the Board shall be and are hereby approved. The Chairman and Clerk are authorized and directed to execute and deliver the Loan Documents in substantially a form incorporating the terms contained in Exhibit "A" thereof presented, together with such other terms, changes and completions as may be approved by the Chairman, subject to the limitations of this Ordinance. The execution of the Loan Documents shall constitute conclusive evidence of the approval of such changes and completions. All things done by the Commission's Chairman, Clerk, Treasurer and attorneys in connection with the Loan shall be and are hereby ratified, confirmed and approved. The Chairman, Clerk, Treasurer, the Commission's attorneys and other officials of the Commission are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Commission, each and everything necessary for the borrowing authorized herein, including the proper execution, delivery and performance of the Loan Documents and related instruments and certificates by the Commission.

**Section 5. Provisions a Contract.**

The provisions of this Ordinance and the Master Bond Ordinance shall constitute a contract between the Commission and the Lender. The Lender may proceed by civil action, mandamus or other proceeding to compel performance of all duties required by this Ordinance, including the establishment and collection of fees, charges and rates for the services supplied by the System.

**Section 6. Effective Date and Publication.**

Pursuant to the Applicable Acts, this Ordinance shall be in full force and effect immediately upon its adoption. The Clerk is authorized to publish this Ordinance in pamphlet form.

**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. The Loan is authorized in part pursuant to the Applicable Acts.

**Section 8.** Repealer.

All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

PASSED by the Board of Commissioners this 17<sup>th</sup> day of April, 2018.

APPROVED: April 17, 2018.

  
\_\_\_\_\_  
CHAIRMAN

ATTEST:

  
\_\_\_\_\_  
Clerk

AYES: Hall, Morris, Blosser

NAYS: none

PASSED: 4/17/2018

APPROVED: 4/17/2018

ABSENT: none

PUBLISHED in pamphlet form on \_\_\_\_\_, 2018.

RECORDED and filed in the office of the Clerk on \_\_\_\_\_, 2018.

Hickory Point "A"

April 16, 2018

South Sangamon Water Commission  
9199 Buckhart Road  
Rochester, IL 62563  
Hand Delivered

Chairman Bloome:

This commitment is issued on behalf of Hickory Point Bank & Trust, hereinafter referred to as "Bank" or "Lender". The following is intended as a summary of the key terms and conditions of the financing. This letter does not contain all terms and conditions, which would be contained in the final loan documents.

**Borrower:** South Sangamon Water Commission ("Commission")

**Lender:** Hickory Point Bank & Trust

**Amount:** \$750,000.00

**Purpose:** Finance capital expenditures for 2018/2019 fiscal year and pay backlog of bills

**Maturity:** Five (5) years

**Type:** Direct Obligation Term Loan

**Payments:** Annual payment of principal and interest, with all principal and interest due at maturity

**Interest Rate:** Fixed at 4.29%

**Commitment**

**Fee:** Waived

**Security:** Unsecured

**Guarantor(s):**None

**Documentation:** Borrower shall execute all notes, certificates, security documents, applications, and other agreements as may be reasonably required by Lender to satisfactorily document this transaction in its sole discretion. Unless specifically stated to the contrary, all information, reports, agreements, and other information to be provided to Lender, shall be in form and substance satisfactory to Lender.

**Costs:** Borrower shall be responsible for obtaining an attorney's opinion that the loan is a direct obligation of the Commission and appropriate ordinances authorizing the loan have been approved.

**Closing:** Within 30 days

**Reporting:** Annual audit

**Other:** Lender will reduce the interest rate to 4.0%, if the Commission will maintain a deposit account with Lender containing a minimum balance of \$750,000.

Lender shall receive and satisfactorily review the following:

1. Legal opinion from attorney acceptable to Bank, confirming the loan is a direct obligation of the Commission and all required resolutions, ordinances, etc. have been properly approved and executed.

This commitment is made in reliance upon information provided by you. Should any of that information prove false, misleading, or incomplete, said commitment may be withdrawn by Lender in its sole discretion, without liability.

This commitment shall remain valid until 5:00 pm Central Standard Time on April 18, 2018. This commitment is between Borrower and Lender and is not assignable, and shall not be relied upon by any third party. The agreement shall be governed in accordance with the laws of the State of Illinois.

To accept this commitment, kindly execute as marked below and return the original to Lender. Upon receipt, this commitment will remain valid for a period of 30 days from the date of acceptance.

Sincerely,

Kevin E. Schultz  
Senior Vice President

This term sheet is hereby accepted this 17 day of April, 2018.

South Sangamon Water Commission

By 

ORDINANCE CERTIFICATE

STATE OF ILLINOIS                    )  
  ) SS  
COUNTY OF SANGAMON                )

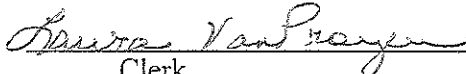
I, Laura VanProyen, Clerk of the South Sangamon Water Commission, Sangamon County, Illinois (the "Commission"), hereby certify that the foregoing Ordinance No. 18- 03 entitled:

AN ORDINANCE AUTHORIZING THE SOUTH SANGAMON WATER COMMISSION, SANGAMON COUNTY, ILLINOIS TO BORROW FUNDS FROM HICKORY POINT BANK & TRUST IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$750,000.00

is a true copy of an original Ordinance which was duly adopted by the recorded affirmative votes of a majority of the members of the Board of Commissioners of the Commission at a regular meeting thereof which was duly called and held in compliance with the Open Meetings Act on April 17, 2018, 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 Chairman of the Commission and recorded in the records of the Commission 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 do further certify that said Ordinance was published in pamphlet form on said date, by authority of the Board of Commissioners, and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as Clerk located in the Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the South Sangamon Water Commission, Sangamon County, Illinois this 17<sup>th</sup> day of April, 2018.

  
Clerk

(SEAL)