

**AN ORDINANCE APPROVING A CONTRACT  
WITH MIKE SOUTHWORTH**

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

**SECTION 1:** That certain contract between the South Sangamon Water Commission and Mike Southworth, a copy of which is attached, is hereby approved.

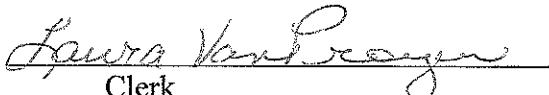
**SECTION 2:** That Chairman is authorized and directed to execute said contract on behalf of the Commission, and the proper officers of the Commission are directed to carry out the proposal by its terms.

**SECTION 3:** This Ordinance is effective immediately.

PASSED this 18<sup>th</sup> day of November, 2019.

  
\_\_\_\_\_  
CHAIRMAN

ATTEST:

  
\_\_\_\_\_  
Clerk

AYES: Bloome Johnson Morris

NAYS: none

PASSED: 11/18/2019

APPROVED: 11/18/2019

ABSENT: none

# Hart, Southworth & Witsman

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November 11, 2019

South Sangamon Water Commission  
9199 Buckhart Road  
Rochester, Illinois 62563

Re: South Sangamon Water Commission  
General Obligation Refunding Bonds  
(Alternate Revenue Source), Series 2020

Ladies and Gentlemen:

We are pleased to provide an engagement letter for our services as bond counsel for the South Sangamon Water Commission, Sangamon County, Illinois (the "Commission") for the Commission's issuance of the above referenced bonds (the "Bonds") being issued for the purpose of refunding certain of the Commission's outstanding bonds and debt originally issued to finance or improve the Commission's facilities (the "Refunding"). For convenience and clarity, we may refer to the Commission in its corporate capacity and to the Commission officers (including the governing body of the Commission) and employees and general and special counsel to the Commission, collectively as "you" (or the possessive "your"). You are retaining us for the limited purpose of rendering our customary approving legal opinion as described below.

## A. Description of Services

As Bond Counsel, we will work with you and Bernardi Securities, Inc. the underwriter you have selected to purchase the Bonds from the Commission (the "Underwriter"), counsel for the Underwriter, your disclosure counsel, and, if any, trustee, paying agent and bond registrar and their designated counsel (you and all of the foregoing persons or firms, collectively, the "Participants"). We intend to undertake each of the following services (the "Services") as necessary:

1. Review relevant Illinois law relating to the legal status and powers of the Commission or otherwise relating to the issuance of the Bonds.
2. Obtain information about the Bond transaction.
3. Review the proposed timetable and consult with the Participants as to the issuance of the Bonds in accordance with the timetable.

Exh. brt "A"

4. Consider the issues arising under the Internal Revenue Code of 1986, as amended, and applicable tax regulations and other sources of law relating to the issuance of the Bonds on a tax-exempt basis.

5. Prepare or review major Bond documents, including the bond ordinance, tax compliance certificates, and closing certificates. We understand that the Bonds will be taken up by the Underwriter in a negotiated sale by the Underwriter. As Bond Counsel, we will assist you in reviewing only those portions of the official statement or any other disclosure document to be disseminated in connection with the sale of the Bonds involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), and the description of the federal tax exemption of interest on the Bonds.

6. Prepare or review pertinent proceedings to be considered by the governing body of the Commission and draft pertinent excerpts of minutes of the meetings relating to the financing.

7. Attend or host such drafting sessions and other conferences as may be necessary, including a preclosing, if needed, and closing; and prepare and coordinate the distribution and execution of closing documents and certificates, opinions and document transcripts.

8. Render our legal opinion regarding the validity of the Bonds, the source of payment for the Bonds and the federal income tax treatment of interest on the Bonds, which opinion (the "Bond Opinion") will be delivered in written form on the date the Bonds are exchanged for their purchase price (the "Closing"). The Bond Opinion will be based on facts and law existing as of its date. Please note that our opinion represents our legal judgment based upon our review of the law and the facts so supplied to us that we deem relevant and is not a guarantee of a result.

B. Limitations: Services We Do Not Provide

Our Services as Bond Counsel are limited as stated above. Consequently, unless otherwise agreed pursuant to a separate engagement letter, our Services do not include:

1. Giving any advice, opinion or representation as to the financial feasibility or the fiscal prudence of issuing the Bonds, including, without limitation, the undertaking of the Refunding, the investment of Bond proceeds, the making of any investigation of or the expression of any view as to the creditworthiness of the Commission, of the Refunding or of the Bonds or the form, content, adequacy or correctness of the financial statements of the Commission. We will not offer financial advice in any capacity beyond that constituting services of a traditionally legal nature.

2. Except as described in paragraph (5) of Part A above, assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, or performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

3. Independently establishing the veracity of certifications and representations of you or the other Participants. For example, we will not review the data available on the Electronic

Municipal Market Access system website created by the Municipal Securities Rulemaking Board (commonly known as “EMMA”) to verify the information relating to the Bonds to be provided by the Underwriter, and we will not undertake a review of your website to establish that information contained therein corresponds to that which you provide independently in your certificates or other transaction documents.

4. Supervising any state, county or local filing of any proceedings held by the governing body of the Commission incidental to the Bonds.

5. Preparing any of the following: requests for tax rulings from the Internal Revenue Service (the “IRS”), blue sky or investment surveys with respect to the Bonds, state legislative amendments or pursuing test cases or other litigation.

6. Opining on securities laws compliance or as to the continuing disclosure undertaking pertaining to the Bonds; and, after the execution and delivery of the Bonds, providing advice as to any Securities and Exchange Commission investigations or concerning any actions necessary to assure compliance with any continuing disclosure undertaking.

7. After Closing, providing continuing advice to the Commission or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be tax-exempt; *e.g.*, we will not undertake rebate calculations for the Bonds without a separate engagement for that purpose, we will not monitor the investment, use or expenditure of Bond proceeds or the use of the facilities financed or refinanced with Bonds, and we are not retained to respond to IRS audits.

8. Any other services not specifically set forth above in Part A.

C. Attorney-Client Relationship; Representation of Others

Upon execution of this engagement letter, the Commission will be our client, and an attorney-client relationship will exist between us. However, our Services as Bond Counsel are limited as set forth in this engagement letter, and your execution of this engagement letter will constitute an acknowledgment of those limitations. Also please note that the attorney-client privilege, normally applicable under state law, may be diminished or non-existent for written advice delivered with respect to Federal tax law matters.

This engagement letter will also serve to give you express written notice that from time to time we represent in a variety of capacities and consult with underwriters, investment bankers, credit enhancers such as bond insurers or issuers of letters of credit, ratings agencies, investment providers, brokers of financial products, financial advisors, banks and other financial institutions and other persons who participate in the public finance market on a wide range of issues, including the Underwriter. We have represented the Underwriter in other matters not related to the Bond transaction. Prior to execution of this engagement letter we may have consulted with one or more of such firms regarding the Bonds. We are advising you, and you understand that the Commission consents to our representation of it in this matter, notwithstanding such consultations, and even though parties whose interests are or may be adverse to the Commission in this transaction are or were clients in other unrelated matters. Your acceptance of our services constitutes consent to these other engagements. Neither our representation of the Commission nor such additional relationships or prior consultations will affect, however, our responsibility to render an objective Bond Opinion.

Your consent does not extend to any conflict that is not subject to waiver under applicable Rules of Professional Conduct (including Circular 230 discussed below), or to any matter that involves the assertion of a claim against the Commission or the defense of a claim asserted by the Commission. In addition, we agree that we will not use any confidential non-public information received from you in connection with this engagement to your material disadvantage in any matter in which we would be adverse to you.

Circular 230 as promulgated by the U.S. Department of Treasury ("Circular 230") provides rules of professional conduct governing tax practitioners. Circular 230 includes provisions regarding conflicts of interest and related consents that in some respects are stricter than applicable state rules of professional conduct which otherwise apply. In particular, Circular 230 requires your consent to conflicts of interest be given in writing within 30 days of the date of this letter. If we have not received all of the required written consents by this date, we may be required under Circular 230 to "promptly withdraw from representation" of the Commission in this matter.

Further, this engagement letter will also serve to give you express notice that we do represent, and have represented, many other municipalities, school districts, park districts, counties, townships, special districts and units of local government within the State of Illinois and also the State itself and various of its agencies and authorities, including but not limited to the Village of New Berlin and the Village of Chatham (collectively, the "governmental units"). Most, but not all, of these representations involve bond or other borrowing transactions. We have assumed that there are no controversies pending to which the Commission is a party and is taking any position which is adverse to any other governmental unit, and you agree to advise us promptly if this assumption is incorrect. In such event, we will advise you if the other governmental unit is our client and, if so, determine what actions are appropriate. Such actions could include seeking waivers from both the Commission and such other governmental unit or withdrawal from representation.

We anticipate that the Commission will have its general or special counsel available as needed to provide advocacy in the Bond transaction and has had the opportunity to consult with such counsel concerning the conflict consents and other provisions of this letter; and that other Participants will retain such counsel as they deem necessary and appropriate to represent their interests.

D. Other Terms of the Engagement: Certain of Your Undertakings

Please note our understanding with respect to this engagement and your role in connection with the issuance of the Bonds.

1. In rendering the Bond Opinion and in performing any other Services hereunder, we will rely upon the certified proceedings and other certifications you and other persons furnish us. Other than as we may determine as appropriate to rendering the Bond Opinion, we are not engaged and will not provide services intended to verify the truth or accuracy of these proceedings or certifications.

2. The representations contained in those documents which are prepared by us, and the representations which may also be contained in any other documents that are furnished to us by you are essential for and provide the basis for our conclusions that there is compliance with State law requirements for the issue and sale of valid bonds and with the Federal tax law for the tax exemption of interest paid on the Bonds. Accordingly, it is important for you to read and

understand the documents we provide to you because you will be confirming the truth, accuracy and completeness of matters contained in those documents at the issuance of the Bonds.

3. If the documents contain incorrect or incomplete statements, you must call those to our attention. We are always happy to discuss the content or meaning of the transaction documents with you. Any untruth, inaccuracy or incompleteness may have adverse consequences affecting either the tax exemption of interest paid on the Bonds or the accuracy and adequacy of disclosures under the State and Federal securities laws, with resulting potential liability for you. During the course of this engagement, we will further assume and rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security.

4. You should carefully review all of the representations you are making in the transaction documents. We are available and encourage you to consult with us for explanations as to what is intended in these documents. To the extent that the representations stated in the documents we provide to you appear reasonable to us, and are not corrected by you, we are then relying upon your signed certifications for their truth, accuracy and completeness.

5. Issuing the Bonds as “securities” under State and Federal securities laws and on a tax-exempt basis is a serious undertaking. As the issuer of the Bonds, the Commission is obligated under the State and Federal securities laws and the Federal tax laws to disclose all material facts. The Commission’s lawyers, financial advisers and bankers can assist the Commission in fulfilling these duties, but the Commission in its corporate capacity, including your knowledge, has the collective knowledge of the facts pertinent to the transaction and the ultimate responsibility for the presentation and disclosure of the relevant information. Further, there are complicated Federal tax rules applicable to tax-exempt bonds. The IRS has an active program to audit such transactions. The documents we prepare are designed so that the Bonds will comply with the applicable rules, but this means you must fully understand the documents, including the representations and the covenants relating to continuing compliance with the federal tax requirements. Accordingly, we want you to ask questions about anything in the documents that is unclear.

6. The members of the governing body of the Commission also have duties under the State and Federal securities and tax laws with respect to these matters and should be knowledgeable as to the underlying basis for the bond issue size, use of proceeds and related matters.

7. We should also be advised by you about the adoption by the Commission of the gift ban provisions of the State Officials and Employees Ethics Act, any special ethics or gift ban ordinance, resolution, bylaw or code provision, any lobbyist registration ordinance, resolution, bylaw or code provision or any special provision of law or ordinance, resolution, bylaw or code provision relating to disqualification of counsel for any reason. We are aware of the provisions of the State Officials and Employees Ethics Act and will assume that you are aware of these provisions as well and that the Commission has adopted proceedings that are only as restrictive as such Act. However, if the Commission has stricter provisions than appear in such Act or has adopted such other special ethics or lobbyist provisions, we assume and are relying upon you to advise us of same.

8. We communicate from time to time with our clients using facsimile, mobile telephones and e-mail. These forms of communication are not completely secure against

unauthorized access. There is some risk of disclosure and loss of attorney-client privilege in using these forms of communication because they do not ensure the confidentiality of their contents. If the Commission objects to our using any one or more of these forms of communication, please let me know in writing and we will attempt to honor that request.

#### E. Fees

As is customary, we will bill our fees as Bond Counsel on a transactional basis instead of hourly. Disbursements and other non-fee charges are billed separately and in addition to our fees for professional services. Factors which affect our billing include: (a) the amount of the Bonds; (b) an estimate of the time necessary to do the work; (c) the complexity of the issue (number of parties, timetable, type of financing, legal issues and so forth); and (d) a recognition that we carry the time for services rendered on our books until a financing is completed, rather than billing monthly or quarterly.

Our statement of charges is customarily rendered and paid at Closing. We generally do not submit any statement for fees prior to the Closing, except in instances where there is a substantial delay from the expected timetable. In such instances, we reserve the right to present an interim statement of charges. If, for any reason, the Bonds are not issued or are issued without the rendition of our Bond Opinion as bond counsel, or our services are otherwise terminated we will charge at the rate of \$295.00 per hour for services rendered plus out-of-pocket expenses. The undersigned will be the attorney primarily responsible for the firm's services on this Bond issue.

#### F. Risk of Audit by Internal Revenue Service

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is excludable from gross income of the owners for federal income tax purposes. We can give no assurances as to whether the IRS might commence an audit of the Bonds or whether, in the event of an audit, the IRS would agree with our opinions. If an audit were to be commenced, the IRS may treat the Commission as the taxpayer for purposes of the examination. The scope of our representation does not include responding to such an audit if one arises. However, if we were separately engaged at the time, and subject to the applicable rules of professional conduct, we may be able to represent the Commission in the matter.

#### G. End of Engagement and Post-Engagement; Records

Our representation of the Commission and our attorney-client relationship will be concluded upon the issuance of the Bonds. Nevertheless, subsequent to the Closing, we will prepare and provide the Participants a bond transcript in electronic format pertaining to the Bonds and file a Federal Information Reporting Form 8038-G.

Please note that you are engaging us as special counsel to provide legal services in connection with a specific matter. After the engagement, changes may occur in the applicable laws or regulations, or interpretations of those laws or regulations by the courts or governmental agencies, that could have an impact on your future rights and liabilities. While we would be pleased to represent you in the future pursuant to a new engagement agreement, unless you engage us specifically to provide additional services or advice on issues arising from this matter, we have no continuing obligation to advise you with respect to future legal developments.

At your request, to be made at or prior to Closing, any other papers and property provided by the Commission will be promptly returned to you upon receipt of payment for our outstanding

fees and client disbursements. All other materials shall thereupon constitute our own files and property, and these materials, including lawyer work product pertaining to the transaction, will be retained or discarded by us at our sole discretion. You also agree with respect to any documents or information relating to our representation of you in any matter which have been lawfully disclosed to the public in any manner, such as by posting on EMMA, your website, newspaper publications, filings with a County Clerk or Recorder or with the Secretary of State, or otherwise, that we are permitted to make such documents or information available to other persons in our reasonable discretion. Such documents might include (without limitation) legal opinions, official statements, resolutions or ordinances, or like documents as assembled and made public in a governmental securities offering.

We call your attention to the Commission's own record keeping requirements as required by the IRS. Answers to frequently asked questions pertaining to those requirements can be found on the IRS' website at <https://www.irs.gov/tax-exempt-bonds>. It will be your obligation to comply for at least as long as any of the Bonds (or any future bonds issued to refund the Bonds) are outstanding, plus three years.

H. Your Signature Required

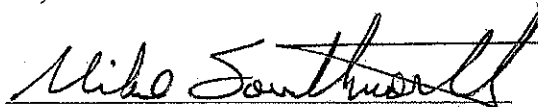
If the foregoing terms are acceptable to you, please so indicate by returning a copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. Please note that if we perform Services prior to your executing this engagement letter, this engagement letter shall be effective as of the date we began rendering the Services. We are permitted to provide copies of this letter to the Participants to provide them an understanding of our role.

Thank you and we look forward to working with you.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By:



Mike Southworth

Accepted and approved this November 18, 2019:

SOUTH SANGAMON WATER COMMISSION  
Sangamon County, Illinois

By:



Its:

Chairman



**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. 19-04 adopted by the Commission on the 18<sup>th</sup> day of November, 2019, said Ordinance being entitled:

**AN ORDINANCE APPROVING A CONTRACT  
WITH MIKE SOUTHWORTH**

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 18<sup>th</sup> day of November, 2019.

  
Clerk