

RESOLUTION NO. 17-06

RESOLUTION AUTHORIZING THE APPROVAL AND EXECUTION OF
AN ENGAGEMENT LETTER FOR BOND COUNSEL SERVICES RELATED TO
THE ISSUANCE OF BONDS TO FINANCE THE IMPLEMENTATION AND CONSTRUCTION OF
A NEW WATER SUPPLY DELIVERY SYSTEM
FOR THE MORTON GROVE-NILES WATER COMMISSION
WITH THE CITY OF EVANSTON AS WATER SUPPLIER

(MORTON GROVE-NILES WATER COMMISSION
AND CHAPMAN AND CUTLER LLP)

WHEREAS, in 2017, the Morton Grove-Niles Water Commission ("MGNWC" or "Commission") was established by the Village of Morton Grove, a home rule Illinois municipal corporation ("Morton Grove"), and the Village of Niles, a home rule Illinois municipal corporation ("Niles"), by the adoption of ordinances pursuant to Division 135 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-135-1, *et seq.*) ("Division 135"). The establishing ordinances are Morton Grove Ordinance 17-5, which was adopted on March 13, 2017, and Niles Ordinance No. 2017-19, which was adopted on March 14, 2017. In order to accomplish the objectives set forth in the above-referenced Ordinances, Morton Grove and Niles also approved, under those same Ordinances, an intergovernmental agreement entitled, "Intergovernmental Agreement For The Establishment And Operation Of The Morton Grove-Niles Water Commission And For The Purchase And Sale Of Water To The Commission For Commission Use And To Commission Wholesale Water Customers" (the "IGA"), to provide for the governance and operation of the MGNWC and to create the Board of Commissioners of the Morton Grove-Niles Water Commission ("MGNWC Board") to govern the MGNWC; and

WHEREAS, the MGNWC Board desires to approve and enter into an "Engagement Letter For Bond Counsel Services Related To The Issuance Of Bonds To Finance The Implementation And Construction Of A New Water Supply Delivery System For The Morton Grove-Niles Water Commission With The City Of Evanston As Water Supplier (Morton Grove-Niles Water Commission and Chapman and Cutler LLP)" (the "Engagement Letter") in substantially the same form as the copy of the Engagement Letter attached hereto as Exhibit "A" and made a part hereof; and

WHEREAS, the MGNWC Board requires legal bond counsel services to assist with the issuance of municipal bonds to finance all aspects of implementation and construction of the below-described water delivery system project, including land acquisition, short-term and long-term capital costs of the new water system, incurred professional services (e.g., engineering, legal and other required consultants), and construction of water transmission lines, pumping and storage, and other related water delivery and receiving infrastructure to be owned by the MGNWC that will extend from the City of Evanston's ("Evanston") point of delivery near the intersection of Emerson Street and McCormick Boulevard, which is Evanston's western border, to existing water receiving points (e.g., reservoirs and pumping facilities) owned and operated respectively by the MGNWC, Morton Grove and Niles, and located in Niles near the intersection of Harlem Avenue and Touhy Avenue, and located in Morton Grove near the intersection of Caldwell Avenue and Oakton Street, for Morton Grove and Niles (the "Services"); and

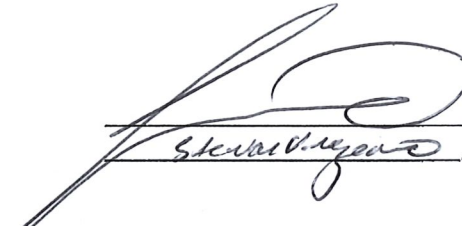
ADOPTED this 7th day of July, 2017, pursuant to a roll call vote as follows:

AYES: 2

NAYS: 0

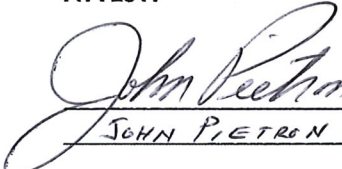
ABSENT: 0

PASSED by the Board of Commissioners of the Morton Grove-Niles Water Commission, Cook County, Illinois on a roll call vote at a Regular Meeting thereof held on the 7th day of July, 2017, and approved by the Chair, and attested by the Secretary on the same day.



STEVEN V. REGAN, Chair

ATTEST:



JOHN PIETRON, Secretary

Chapman and Cutler LLP

Mr. William Balling

June 20, 2017

Page 5

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 represent many other municipalities, school districts, park districts, counties, townships, special districts and units of local government both within and outside of the State of Illinois and also the State itself and various of its agencies and authorities (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. We do not ordinarily attend meetings of the governing body of the Commission at which proceedings related to the Bonds are discussed or passed unless special circumstances require our attendance.

2. The factual representations contained in those documents which are prepared by us, and the factual 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

Chapman and Cutler LLP

Mr. William Balling
June 20, 2017
Page 7

7. We are also concerned 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.

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); (d) recognition of the partially contingent nature of our fee, since it is customary that in the case no financing is ever completed, we render a greatly reduced statement of charges; and (e) a recognition that we carry the time for services rendered on our books until a financing is completed, rather than billing monthly or quarterly. As noted in the proposal that we previously provided, our fee as Bond Counsel for the different financing scenarios presented to us are as follows, with \$3,000 being budgeted for out of pocket expenses.

Scenario #1	\$73,600,000 in IEPA loans and \$18,400,000 in Revenue bonds: \$80,000
Scenario #2	\$73,600,000 in IEPA loans and \$18,400,000 in Alternative Revenue Bonds: \$80,000
Scenario #3	\$ 46,000,000 in IEPA or WIFIA loans and \$46,000,000 in Revenue Bonds: \$85,000
Scenario #4	\$46,000,000 in IEPA or WIFIA loans and \$46,000,000 in Alternative Revenue Bonds: \$85,000
Scenario #5	\$92,000,000 in Revenue bonds: \$75,000
Scenario #6	\$92,000,000 in Alternative Revenue bond: \$75,000

Chapman and Cutler LLP

Mr. William Balling
June 20, 2017
Page 9

to you. While we would be pleased to represent you in the future pursuant to a new engagement agreement, courtesy communications about developments in the law and other matters of mutual interest are not indications that we have considered the individual circumstances that may affect your rights or have undertaken to represent you or provide legal services.

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 under frequently asked questions related to tax-exempt bonds at www.irs.gov (click on "Tax Exempt Bond Community", then "Frequently Asked Questions"), and 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.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

SECRETARY'S CERTIFICATE

I, _____, Secretary of the Morton Grove-Niles Water Commission, Cook County, State of Illinois, certify that the annexed and foregoing is a true and correct copy of that certain Resolution now on file in my office, entitled:

RESOLUTION NO. 17-__

**RESOLUTION AUTHORIZING THE APPROVAL AND EXECUTION OF
AN ENGAGEMENT LETTER FOR BOND COUNSEL SERVICES RELATED TO
THE ISSUANCE OF BONDS TO FINANCE THE IMPLEMENTATION AND CONSTRUCTION OF
A NEW WATER SUPPLY DELIVERY SYSTEM
FOR THE MORTON GROVE-NILES WATER COMMISSION
WITH THE CITY OF EVANSTON AS WATER SUPPLIER
(MORTON GROVE-NILES WATER COMMISSION
AND CHAPMAN AND CUTLER LLP)**

which Resolution was passed by the Board of Commissioners of the Morton Grove-Niles Water Commission at a Regular Meeting on the ____ day of _____, 2017, at which meeting a quorum was present.

I further certify that the vote on the question of the passage of said Resolution by the Board of Commissioners of the Morton Grove-Niles Water Commission was taken by Ayes and Nays and recorded in the minutes of the Board of Commissioners of the Morton Grove-Niles Water Commission, and that the result of said vote was as follows, to-wit:

AYES: _____

NAYS: _____

ABSENT: _____

I do further certify that the original Resolution, of which the foregoing is a true copy, is entrusted to my care for safekeeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____,
2017.

_____, Secretary

[SEAL]