

ORDINANCE NO. 01-07

AN ORDINANCE authorizing the issuance of General Obligation Bonds (Alternate Revenue Source) of the Lost Lake Utility District, Ogle County, Illinois, in lieu of such District's Waterworks and Sewerage Revenue Bonds, in an aggregate principal amount not to exceed \$3,500,000.

**Notice of Intent to Issue Bonds
and Right to File Petitions**

Notice is hereby given that pursuant to Ordinance No. 01-07, adopted on the 20th day of March, 2007 (the *Ordinance*), the Lost Lake Utility District, Ogle County, Illinois (the *District*), intends to issue its General Obligation Bonds (Alternate Revenue Source), in lieu of its Waterworks and Sewerage Revenue Bonds, in an aggregate principal amount not to exceed \$3,500,000 (the *Alternate Bonds*), for the purpose of paying the costs of purchasing and improving the water and wastewater assets of New Landing Utility, Inc. (the *Project*), said Project being further described in the Ordinance. The Alternate Bonds would be payable from the revenues of the operation of the waterworks and sewerage properties of the District. The District will also levy ad valorem property taxes upon all taxable property in the District without limitation as to rate or amount to pay the principal of and interest on the Alternate Bonds. A complete copy of the Ordinance follows this notice.

Notice is hereby further given that if a petition, signed by 86 or more electors of the District (being equal to the greater of (i) 7.5% of the registered voters in the District or (ii) 200 of those registered voters of 15% of those registered voters, whichever is less) asking that question of the issuance of the Alternate Bonds be submitted to referendum is filed with the Secretary (the *Secretary*) of the Board of Trustees at either the residence of Joseph Olliges, the Chairman of the Board of Trustees (the *Chairman*), said residence being located at 113 Blackberry Circle, Dixon, Illinois 61021, or the residence of Susan Steffens, the Secretary, said residence being located at 311 Birch Lane, Dixon, Illinois 61021, within 30 days after the publication of the Ordinance and this notice, an election on the proposition to issue the Alternate Bonds shall be held on the 18th day of March, 2008. The appropriate petition form may be obtained from either the Chairman or the Secretary at said addresses. The Circuit Court may declare that an emergency referendum should be held prior to said election date pursuant to the provisions of Section 2A-1.4 of the Election Code of the State of Illinois, as amended.

By order of the Board of Trustees of the District.
Dated this 20th day of March, 2007.

/s/ Susan Steffens
Secretary, Board of Trustees, Lost Lake Utility District,
Ogle County, Illinois

WHEREAS, the Lost Lake Utility District, Ogle County, Illinois (the *District*), is a duly organized and existing public water district organized and existing under the laws of the State of Illinois, is now operating under the provisions of the Public Water District Act, as amended (the *Act*), and is authorized to acquire, construct and to maintain and operate its waterworks and sewerage properties in accordance with the Act; and

WHEREAS, the Board of Trustees of the District (the *Board*) has determined that it is advisable, necessary and in the best interests of the public health, safety and welfare to purchase and improve the water and wastewater assets of New Landing Utility, Inc., including, in connection with said project, acquisition of all land or rights in land, mechanical, electrical, and other services necessary, useful, or advisable thereto and, incidental to said works, to pay bond discount, bond interest, bond reserve account funding, legal, financing, and administrative expense, all in accordance with the preliminary estimate of costs, which have been prepared for the District by Fehr-Graham & Associates, Freeport, Illinois and heretofore approved by the Board and now on file in the office of the Secretary (the *Project*); and

WHEREAS, the estimated cost of constructing and installing the Project, including engineering, legal, financial, bond discount, printing and publication costs, and other expenses, does not exceed \$3,500,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, it is necessary and for the best interests of the District that the Project be undertaken and in order to finance the costs thereof it will be necessary for the District to issue up to \$3,500,000 alternate bonds, being general obligation bonds payable from the revenues of the operation of the waterworks and sewerage properties of the District (the *Alternate Bonds*), as authorized to be issued at this time pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended, said Alternate Bonds to be issued in lieu of revenue bonds of the District (the *Revenue Bonds*) payable from the operation of the waterworks and sewerage properties of the District, as authorized to be issued at this time pursuant to Sections 16 and 23b of the Act; and

WHEREAS, pursuant to Sections 16 and 23b of the Act, the issuance of the Revenue Bonds is not subject to a backdoor referendum; and

WHEREAS, if the revenues from the operation of the waterworks and sewerage properties of the District are insufficient to pay the Alternate Bonds, ad valorem property taxes upon all taxable property in the District without limitation as to rate or amount are authorized to be extended to pay the principal of and interest on the Alternate Bonds;

NOW, THEREFORE, Be It Ordained by the Board of Trustees of the Lost Lake Utility District, Ogle County, Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 2. Determination to Issue Bonds. It is necessary and in the best interests of the District to undertake the Project for the public health, safety and welfare, in accordance with the estimates as hereinabove described, and that for such purpose, there are hereby authorized to be issued and sold the Alternate Bonds, in lieu of the Revenue Bonds, in an aggregate principal amount not to exceed \$3,500,000.

Section 3. Publication. This Ordinance, together with a notice in the statutory form (the *Notice*), shall be published once after passage hereof by the Board in the *Dixon Telegraph*, the same being a newspaper of general circulation in the District, and if no petition, signed by 86 electors of the District (being equal to the greater of (i) 7.5% of the registered voters in the District or (ii) 200 of those registered voters or 15% of those registered voters, whichever is less) asking that the issuance of the Alternate Bonds be submitted to referendum is filed with the Secretary of the Board at either the residence of Joseph Olliges, the Chairman of the Board, or the residence of Susan Steffens, the Secretary of the Board, within thirty (30) days after the date of the publication of this Ordinance and the Notice, then the Alternate Bonds shall be authorized to be issued.

Section 4. Additional Ordinances. If no petition meeting the requirements of applicable law is filed during the petition period hereinabove referred to, then the Board may adopt additional ordinances or proceedings supplementing or amending this Ordinance providing for the issuance and sale of the Alternate Bonds, prescribing all the details of the Alternate Bonds, so long as the maximum amount of the Alternate Bonds, as set forth in this Ordinance is not exceeded and there is no material change in the Project or purposes described herein. Such additional ordinances or proceedings shall in all instances become effective in accordance with applicable law. This Ordinance, together with such additional ordinances or proceedings, shall constitute complete authority for the issuance of the Alternate Bonds under applicable law.

Section 5. 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.

Section 6. 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.

Adopted by the Board of Trustees on the 20th day of March, 2007

Ayes: Berger, Kersten, Olliges, Pohlman, Portner, Weronko

Nays: Asplund
Absent: None

/s/ Joseph Olliges Chairman,
Board of Trustees, Lost Lake Utility District,
Ogle County, Illinois

PUBLISHED in the *Dixon Telegraph* on March 27, 2007
RECORDED in the District Records on March 20, 2007

Attest: /s/ Susan Steffens, Secretary
Board of Trustees, Lost Lake Utility District,
Ogle County, Illinois