

VILLAGE of GLENWOOD
SPECIAL MEETING NOTICE AND AGENDA
JULY 15, 2020, 7:00 p.m.

I HEREBY CALL AND GIVE NOTICE THAT A SPECIAL MEETING OF THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF GLENWOOD WILL BE HELD ON JULY 15, 2020 AT 7:00 P.M. AT THE GLENWOODIE GOLF COURSE LOCATED AT 19301 SOUTH STATE STREET, GLENWOOD, ILLINOIS 60425. THE AGENDA FOR THE SPECIAL BOARD MEETING IS BELOW:


Village President

SPECIAL BOARD MEETING AGENDA
AGENDA 2020-07-02SBM
July 15, 2020, 7:00 p.m.

Call to Order

Pledge of Allegiance

Roll Call

Presentation - Southland Water Agency

Open to the Public for comments and questions on the proposed Southland Water Agency Contract

Approval of a Resolution approving a Water Supply Contract between the Village of Glenwood and the Southland Water Agency

Adjournment

Posted and Distributed: July 13, 2020

VILLAGE OF GLENWOOD

COOK COUNTY, ILLINOIS

RESOLUTION NO. 2020 - _____

**A RESOLUTION APPROVING A WATER SUPPLY CONTRACT BETWEEN THE
VILLAGE OF GLENWOOD AND THE SOUTHLAND WATER AGENCY**

**ADOPTED BY THE PRESIDENT AND
BOARD OF TRUSTEES OF THE
VILLAGE OF GLENWOOD
THIS 7TH DAY OF JULY, 2020**

RESOLUTION NO. 2020 - _____

A RESOLUTION APPROVING A WATER SUPPLY CONTRACT BETWEEN THE VILLAGE OF GLENWOOD AND THE SOUTHLAND WATER AGENCY

WHEREAS, the Village of Glenwood is a home rule unit of local government under the provisions of Article 7, Section 6 of the Illinois Constitution;

WHEREAS, except as limited pursuant to Article 7, Section 6, the Village of Glenwood, as a home rule unit of local government, has the authority to exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare;

WHEREAS, on May 19, 2019 the Villages of South Holland, East Hazel Crest and Thornton entered into an intergovernmental agreement to establish the Southland Water Agency, a Joint Acton Municipal Water Agency pursuant to Section 3.1 of the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et.seq.* (the “Agency”);

WHEREAS, the Southland Water Agency was formed for the purpose of building the necessary intake facilities, treatment plant, transmission mains, pumping stations and other improvements to take water from Lake Michigan from a location off of the State of Indiana in order to supply potable water to the Charter members of the Agency and other customers;

WHEREAS, Agency representatives have advised the Village of Glenwood that they intend to move forward with this project upon entering into contracts with potential customers which in total have an approved 2025 water allocation from Lake Michigan in the amount of 20 MGD (Million Gallons per Day);

WHEREAS, if the Agency is able complete all the facilities necessary to be able to supply Lake Michigan water, the Water Supply Contract attached hereto ad Exhibit A provides that:

- a. The initial water rate paid by the Village of Glenwood will be at least 5% less than the total water rate and other supply charges paid by the Village under its existing water supply contract with Chicago Heights as of the date of the Agency's initial delivery of Lake Michigan water to Glenwood;
- b. Glenwood's initial water rate will remain unchanged for the first 10 years after the date of the Agency's initial delivery to Glenwood; and
- c. Beginning as of the 11th year after the Agency initially delivers water to Glenwood and over the remainder of the 50 year contract term, the water rate charged to Glenwood will not increase by more than 2.0% in any calendar year.

WHEREAS, the proposed Water Supply Contract attached hereto ad Exhibit A is a "take or pay agreement" which requires the Village to pay for a minimum of .750 MGD of water whether such water is used or not.

WHEREAS, the proposed Water Supply Contract attached as Exhibit A requires the Village to make an initial non-refundable payment equal to \$50,000 per MGD of the Village's 2025 Illinois Department of Natural Resources Lake Michigan water allocation which is 1.253 MGD;

WHEREAS, pursuant to the terms of the proposed water supply contract, the Village's initial payment to the Agency is \$62,650.00 if the Village approved the proposed water supply contract and paid 50% of its initial contribution on or before July 1, 2020;

WHEREAS, the Village has been advised that the Agency will extend the time Glenwood has to approve the proposed contract attached as Exhibit A and pay 50% of its initial contribution such that the Village's initial contribution will be no more than it would have been if the Village approved the attached water supply contract and paid 50% of its initial contribution (\$31,325) on or before July 1, 2020;

NOW THEREFORE, be it resolved by the President and Board of Trustees of the Village of Glenwood pursuant to its Home Rule powers as follows:

Section 1. Recitals.

The foregoing recitals are true, a material part of this Resolution, and are incorporated herein as if they were fully set forth in this section.

Section 2. Approval of water supply contract.

The water supply contract with the Southland Water Agency attached as Exhibit A is approved provided that the Village of Glenwood's initial contribution is no more than a total of \$62,650 payable as follows:

50% (\$31,325) payable upon Glenwood's approval of the contract;

25% (\$15,663) payable on or before July 1, 2021; and

25% (\$15,662) payable on or before July 1, 2022.

Provided the Agency agrees that the Village of Glenwood's initial contribution shall not exceed the amount that would have been due if the Village approved the attached Water Supply Contract before July 1, 2020 and paid 50% (\$31,325) of its initial contribution before July 1, 2020, the Village President, Ronald Gardiner, and the Village Clerk, Dion Lynch, shall be authorized to execute the attached water supply contract with the Southland Water Agency for and on behalf of the Village of Glenwood.

Section 3. Home Rule.

This Resolution, and each of its terms, shall be the effective legislative act of a home rule municipality without regard to whether this Resolution should: (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law; or (b) legislate in a manner or

regarding a matter not delegated to municipalities by state law. It is the intent of the corporate authorities of the Village of Glenwood that to the extent that the terms of this Resolution should be inconsistent with any non-preemptive state law, this Resolution shall supersede state law in that regard within its jurisdiction.

Section 4. Effective Date.

This Resolution shall be in full force and effect immediately from and after its passage and approval.

PASSED by roll call vote this 7th day of July, 2020.

AYES:

NAYS:

ABSENT:

ABSTAIN:

APPROVED this 7th day of July, 2020.

Ronald J. Gardiner, Village President

ATTEST:

Dion Lynch, Village Clerk

EXHIBT A

(Water Supply Contract between the Southland Water Agency and the Village of Glenwood)

EXHIBT A

(Water Supply Contract between the Southland Water Agency and the Village of Glenwood)



WATER SUPPLY CONTRACT
Between
The Southland Water Agency
and
The Village of Glenwood, Illinois

2020

**WATER SUPPLY CONTRACT
BETWEEN
THE SOUTHLAND WATER AGENCY

AND
THE VILLAGE OF GLENWOOD**

THIS CONTRACT made and entered into this day of , 2020, and executed in duplicate originals (each executed copy constituting an original) by and between the Southland Water Agency, a special purpose Agency, organized and existing under and by virtue of the laws of the State of Illinois, party of the first part, and the Village of Glenwood, a municipal corporation organized and existing under and by virtue of the laws of the State of Illinois, party of the second part.

**WATER SUPPLY CONTRACT BETWEEN THE SOUTHLAND WATER
AGENCY AND THE VILLAGE OF GLENWOOD, ILLINOIS**

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**SOUTHLAND WATER AGENCY AND
VILLAGE OF GLENWOOD, COOK COUNTY, ILLINOIS
WATER SUPPLY CONTRACT**

THIS WATER SUPPLY CONTRACT, dated as of _____, 2020, between the Southland Water Agency, a Joint Action Municipal Water Agency and public corporation under Section 3.1 of the Intergovernmental Cooperation Act (§ 5 ILCS 220/3.1) and the Village of Glenwood, Illinois, an Illinois municipal corporation:

WHEREAS, on May 7, 2019, the Village of South Holland, IL, the Village of East Hazel Crest, IL and the Village of Thornton, IL (“Charter Members”), each a municipal corporation, entered into an Intergovernmental Agreement, (hereinafter, the “Intergovernmental Agreement”) whereby they established the Southland Water Agency, a Joint Action Municipal Water Agency and public corporation under Section 3.1 of the Intergovernmental Cooperation Act (§ 5 ILCS 220/1 et seq.) (the “AGENCY”); and

WHEREAS, the AGENCY was established for the purpose of providing adequate supplies of potable Lake Michigan water (“Lake Water”) and water utilities to, from and within the Village of South Holland, IL, the Village of East Hazel Crest, IL and the Village of Thornton, IL (the “Charter Members”), and to other customers; and

WHEREAS, the AGENCY has entered into a long-term contract with Indiana Infrastructure, LLC, for access to Lake Michigan in order to draw Lake Michigan Water for the supply of potable water to the AGENCY Waterworks System; and

WHEREAS, the AGENCY is now or in the future will be the owner and operator

of a waterworks system providing intake, treatment and distribution facilities for Lake Water, consisting of transmission mains, reservoirs, pumping stations, and related facilities (the “Waterworks System”) capable of supplying Lake Water meeting the requirements of the Charter Members and the Village of Glenwood (“PURCHASER”); and

WHEREAS, the Charter Members and the PURCHASER each have their own waterworks systems (“Unit Systems”) to sell and distribute potable water received to their own customers; and

WHEREAS the AGENCY is committed to serve within its planned water Service Area as depicted in Exhibit “A” and to charge for such service fair and equitable rates which are not prohibitive; and

WHEREAS, the Waterworks System will interconnect with and supply Lake Water to the PURCHASER’s waterworks and supply systems, generally at the location depicted in Exhibit “B” (hereinafter, the “Point of Delivery”); and

WHEREAS, under the laws of the State of Illinois, the AGENCY and PURCHASER are authorized to enter into contracts for the purchase and sale of water; and

WHEREAS it is the intent of the AGENCY and PURCHASER to recognize that the Charter Members enabled the AGENCY to establish the AGENCY Water Supply System such that its essential design is in accordance with good engineering practice, and is sufficient to serve all customers, and that the Members have made extraordinary investment, contributions and commitments to the AGENCY and the AGENCY Water Supply System; and.

WHEREAS, the PURCHASER desires to purchase a supply of Lake Water from the AGENCY in order to provide adequate supplies of Lake Water to PURCHASER's customers, and the AGENCY intends to provide a Lake Water supply from and through its Waterworks System, all on such terms and conditions as hereinafter set forth in this Water Supply Contract (hereinafter, "Contract"); and

WHEREAS, the AGENCY agrees to sell, and PURCHASER agrees to purchase exclusively from the AGENCY, an amount of Lake Water, to the extent of the lesser of PURCHASER's Full Water Requirements or the Water Allocation by the State of Illinois or the amount made available through the Waterworks System; and

WHEREAS, the AGENCY and the PURCHASER agree to enter into this Water Supply Contract setting forth the term, water and service rates, water allocations, and other appropriate terms of service, such rates and charges being necessary to pay for the fixed and operational costs of the AGENCY; and

WHEREAS, PURCHASER recognizes that the AGENCY intends to enter into contracts with and provide water to other customers within the Service Area of the AGENCY, now and in the future; and

WHEREAS, by the execution of this Contract, PURCHASER is surrendering none of its rights to the ownership and operation of its Unit System except as expressly limited in this Contract, and the AGENCY is surrendering none of its rights to the ownership and operation of its Waterworks System, but both parties expressly assert their continued rights to own and operate such systems; and

WHEREAS, the parties hereto desire to fulfill their respective obligations to one another, and the obligations to their respective customers, and desire to set forth herein the terms and conditions of their agreements; and

WHEREAS, each party has taken all necessary steps for the adoption of this Contract as a legal and binding document between them, and the individuals executing this Contract have been duly authorized to do so.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained hereinafter, the parties agree as follows:

Section 1. INCORPORATION.

The above Preambles are hereby incorporated herein by reference, as if set out in full. Section numbers and captions are for reference and convenience only and do not expand or limit the meaning as contained in the text of this Contract. A definition in the singular may be used in the plural, and vice-versa.

Section 2. DEFINITIONS.

The following words and phrases shall have the following meanings when used in this Contract, unless the context clearly indicates a different meaning is intended.

“Act” means Section 3.1. of the Intergovernmental Cooperation Act, (5 ILCS 220/3.1)

"AGENCY" means the Southland Water Agency, with offices in Cook County, Illinois.

"AGENCY Water Supply System" means all of the AGENCY's facilities, including land, easements, rights-of-way over lands and waters, pumping, storage, treatment and other facilities, pipelines and appearances acquired and/or constructed and operating permits granted, for the purposes of providing and transmitting Lake Water to customers, but not including local municipal water Supply Systems (“Unit Systems”).

"Board of Directors" means the Board of Directors of the AGENCY.

"Contract" means this Water Supply Contract.

"Effective Date" means the date upon which this Contract goes into effect, pursuant to Section 12 of this Contract.

"Lake Water" means water drawn from Lake Michigan for supply or distribution by the AGENCY.

"Lake Water Access Contract" means the AGENCY's long-term contract with Indiana Infrastructure, LLC, for access to Lake Michigan in order to draw Lake Michigan Water for the supply of potable water to the AGENCY Waterworks System.

"Member" or “Charter Member” means the Village of South Holland, IL, the Village of East Hazel Crest, IL and the Village of Thornton, IL as provided under the Intergovernmental Agreement establishing the AGENCY.

"Minimum Take or Pay Contract" means the requirement that a PURCHASER's Water Volume Commitment will be taken or, if not taken, will be paid for on the same basis as if taken.

“Point of Delivery” means that location where the Waterworks System will interconnect with PURCHASER's Unit system, as described in Exhibit B, attached hereto.

“Pre-existing Water Supply Contract” means a written water supply contract between PURCHASER and a public supplier of Lake Water other than the AGENCY, setting forth water rates, water allocations, and other terms of Lake Water supply service, such contract and those terms being in existence and effect at the time of PURCHASER's first approval as a PURCHASER under this Contract, or any successor thereto.

"PURCHASER" means the Village of Glenwood, Illinois, an Illinois municipal corporation purchasing Lake Water from the AGENCY.

“Service Area” means the geographic area that the AGENCY'S Waterworks system is planned to serve. As shown in Exhibit A.

“Unit of Water” means 1,000 (one thousand) gallons of Lake Water.

“Unit System” means PURCHASER's the water supply system, or combined waterworks and sewerage system (if such systems are combined for financing and accounting purposes) dedicated to the distribution of potable water to its customers and connected to the AGENCY Water Supply System pursuant to a contract with the AGENCY.

"Water Allocation" means, with respect to PURCHASER, PURCHASER's allocation and allowable excess from time to time of Lake Water, as determined by the Illinois Department of Natural Resources (IDNR) or its successor regulatory agency; or otherwise pursuant to applicable state law or administrative opinion, or such other amounts of Lake Water as PURCHASER may lawfully take.

"Water Rate" means the AGENCY's rates and charges per unit of water for PURCHASER.

"Water Supply Contract" means this written water supply contract between the AGENCY and PURCHASER, setting forth water rates, water allocations, and other terms of Lake Water service to PURCHASER.

"Waterworks System" means the AGENCY Water Supply System.

Section 3 SERVICE TO BE PROVIDED

(1) The AGENCY agrees to supply to PURCHASER as a customer of the AGENCY and PURCHASER agrees to purchase and take from the AGENCY under and in accordance with the terms hereof, a supply of water through a metered connection authorized by the General Manager of the AGENCY. The AGENCY shall supply available water from the Waterworks System into PURCHASER's Unit System, and PURCHASER shall receive the water from the Waterworks System at the Point of Delivery.

(2) The AGENCY agrees to deliver water to PURCHASER's transmission main supplying PURCHASER's water reservoir(s) and Unit System.

(3) The AGENCY presently has the right under its Lake Water Access Contract to obtain and convey sufficient Lake Water for the purpose of selling same to AGENCY members and customers including PURCHASER.

(4) If for any reason the AGENCY is unable to supply in full the quantities of Lake Water to be furnished from time to time to PURCHASER, the AGENCY shall use due diligence to operate the AGENCY Waterworks System during any such occurrence to provide Lake Water to PURCHASER insofar as practicable, and shall, as promptly as possible, take such actions, including expediting repairs or adjustments, as are necessary to restore delivery to PURCHASER of the Lake Water to be furnished.

(5) PURCHASER and the AGENCY shall each notify the other as promptly as practicable of all emergencies, failures, malfunctions or other conditions in their respective Systems which may directly or indirectly affect the other Party's System.

Section 4 PURCHASER REQUIREMENTS.

PURCHASER shall satisfy the following requirements throughout the term of this Contract:

(1) PURCHASER shall retain ownership and operational control of its Unit System in a state of repair;

(2) PURCHASER shall retain a Lake Water Allocation from the State of Illinois;

(3) PURCHASER shall timely pay its required initial contribution; and

(4) PURCHASER shall not be in default under this Contract (subject to rights to cure).

Section 5. QUANTITY OF WATER TO BE FURNISHED

(1) The AGENCY agrees to supply to PURCHASER, at the Point of Delivery, for use by its customers, such quantities of Lake Water as is required by PURCHASER for its Full Water Requirements, set forth in Schedule "A" attached hereto, but subject to (1) its Water Allocation as set forth in Schedule "A," commencing at the later of such time as the AGENCY can place into service such transmission or such time as PURCHASER's Pre-existing Water Supply Contract, if any, terminates, but no later than ten (10) years after the Effective Date, for the term of this Contract; and (2) that supplied to the AGENCY through the Waterworks System. The AGENCY's obligation under this Contract shall not exceed on any given day the maximum daily amount of Lake Water set forth in Schedule "A" attached hereto.

(2) The AGENCY agrees to keep in force and timely renew such contracts, licenses, permits and other authorizations as will meet the demands (Full Water Requirements) of PURCHASER, under such terms and conditions as are most advantageous to PURCHASER and the AGENCY.

(3) PURCHASER shall, and hereby agrees to, accept Lake Water at the Point of Delivery at the pressure that exists in the main of the AGENCY at such Point of Delivery, which shall be a minimum of 25 pounds per square inch (psi). In the event that PURCHASER shall construct additional facilities to carry the Lake Water from the Point or Points of Delivery to and through its own distribution system to serve its customers, all such extensions, pumps, equipment and systems shall be furnished, installed, operated and maintained by PURCHASER. The AGENCY shall have

no control, nor shall it be in any event responsible to PURCHASER or any of its customers, nor shall any right of action arise or exist against AGENCY and in favor of PURCHASER or any of its customers concerning AGENCY equipment, system and maintenance or repair, or by reason of the main pressure at the Point of Delivery, and PURCHASER shall save the AGENCY harmless from any and all claims made by PURCHASER itself, or by any of its water users.

(4) This is a "Minimum Take or Pay Contract." PURCHASER shall purchase and pay for, during the term of this Contract, that amount of Lake Water that is actually supplied to the PURCHASER's Unit System, provided however, notwithstanding anything herein to the contrary, PURCHASER agrees that in the event that PURCHASER fails to take delivery of Lake Water made available by the AGENCY in the amounts and on the terms set forth in Schedule "B" to this Contract, PURCHASER will still be obligated to pay the AGENCY with respect to such Lake Water as though PURCHASER had taken delivery of such quantities of Lake Water as are set forth in Schedule "A" to this Contract.

(5) The maximum hourly rate of supply and withdrawal of water from the Waterworks System shall not exceed twice the annual average daily contracted amount, as specified in the Schedule "A" to this Contract. The AGENCY shall have the right to restrict the supply of water to PURCHASER in order to ensure an adequate water supply to all purchasers of AGENCY water for public health and fire protection.

(6) PURCHASER and the AGENCY shall each notify and keep the other informed of the name of the individual(s) in

charge of operations of their respective Systems.

(7) PURCHASER has the right to resell Lake Water it purchases under this Contract to existing and future water users of PURCHASER's Water System, provided (i) that PURCHASER and its customers do not exceed their then current Water Allocation, and (ii) PURCHASER does not resell Lake Water to any customer of the AGENCY then under a water supply contract with the AGENCY ("existing AGENCY customer") without the AGENCY's written consent. In the event that PURCHASER resells Lake Water to any existing AGENCY customer without the AGENCY's written consent PURCHASER shall be in default; and any consideration received by PURCHASER therefor in excess of the Water Rates charged PURCHASER by the AGENCY for such Lake Water as set forth in this Contract, then the value of such consideration in excess of the Rates charged by the AGENCY for said Lake Water shall become immediately due and owing to the AGENCY. All customer communities of PURCHASER shall be approved in advance by AGENCY. PURCHASER shall give the AGENCY at least six (6) calendar months prior written notice before PURCHASER enters into a contract to service any new water customer(s), and PURCHASER shall provide the AGENCY with copies of the contract and any other information reasonably requested by the AGENCY in regard to the addition of a new wholesale water customer. PURCHASER shall remain obligated to the AGENCY for payment of all water purchased from the AGENCY, regardless of failure of customers of PURCHASER to pay PURCHASER.

(8) Title to all Lake Water supplied hereunder shall remain in the AGENCY until it leaves the Waterworks System and

enters PURCHASER'S Unit System, or passes the appropriate meter in the case of another customer of the AGENCY.

(9) The AGENCY shall not deliver any water other than Lake Water to PURCHASER without the prior approval of the AGENCY and PURCHASER.

(10) If for any reason, including emergency failure or malfunction in the AGENCY Waterworks System, AGENCY is unable to furnish in full the quantities of Lake Water to be furnished from time to time to PURCHASER, then the AGENCY shall use due diligence during any such occurrence to provide Lake Water (insofar as practicable) to PURCHASER as determined in the sole discretion of the AGENCY, and immediately the AGENCY shall take prompt actions, including making and expediting repairs or adjustments, as are necessary to restore delivery to PURCHASER of the Lake Water to be furnished from time to time under this Contract. PURCHASER may contract outside the AGENCY for a temporary supply of water in case of an emergency, provided, however, PURCHASER shall during the entire term of this Contract be obligated to purchase its entire supply of water from the AGENCY for that purpose and may purchase additional water from others only to the extent and during the time the AGENCY is unable to meet PURCHASER's requirements as provided for in this Contract. PURCHASER also shall be permitted to provide emergency service to others when necessary and where possible. PURCHASER shall promptly advise the AGENCY of the need and nature of the emergency service required and provided, and the probable duration.

Section 6. FACILITIES, EQUIPMENT AND OPERATION

(1) The AGENCY and PURCHASER will each, at its own expense, operate, maintain, replace and improve their respective water systems and facilities as necessary for the AGENCY to deliver Lake Water to PURCHASER and for PURCHASER to deliver Lake Water to its customers during the term of and any extensions of this Contract. Each party will, from time to time, expand their respective systems as necessary to deliver the Lake Water to be furnished under this Contract and any extensions.

(2) The AGENCY and PURCHASER grant to each other, for the term of this Contract, a license for the right to interconnect their respective System and facilities, and access and use the Systems and facilities of the other for the purposes set forth in this Contract. PURCHASER grants to the AGENCY a license, for the term of this Contract, to access and locate the AGENCY's Waterworks System and facilities within the right-of-way or other real estate owned by or to which PURCHASER holds a property right, for all purposes set forth in this Contract.

(3) The AGENCY shall provide any and all devices reasonably necessary for the purpose of controlling, measuring, transmitting and recording flows and leak detection of the supply of water furnished to PURCHASER, and for the transmitting and recording of pressures, reservoir levels, leakage, and other required operational information.

(4) The AGENCY will assist PURCHASER in obtaining applicable regulatory permits, licenses, inspections, approvals and public right-of-way for any construction of or upon the Unit System, provided the AGENCY has reviewed and approved the plans and specifications as provided herein.

(5) PURCHASER shall be responsible for providing and maintaining at all times during the term of this Contract water storage within PURCHASER's Unit System sufficient in capacity to store not less than two times the annual average daily demand of PURCHASER as allocated by the State of Illinois.

(6) PURCHASER's Unit System shall be operated so as to properly utilize reservoir storage within PURCHASER's Unit System and its customer's connections in such a manner as to assist the AGENCY in maintaining a balanced flow within the AGENCY Waterworks System

(7) PURCHASER agrees to keep the AGENCY informed of the total storage capacity available between the PURCHASER Unit System and customers, collectively.

(8) PURCHASER shall own, maintain and operate its Unit System efficiently, and take steps reasonably necessary so that all improvements and extensions of its Unit System will be in good repair and working order and will operate properly and efficiently.

(9) PURCHASER shall also grant without charge to the AGENCY, upon request by the AGENCY 1) easements necessary for those portions of the AGENCY Water Supply System to be located on or within PURCHASER's property; and 2) easements for the AGENCY to access the AGENCY Water Supply System for purposes of fulfilling its duties and responsibilities under this Contract. PURCHASER shall also grant to the AGENCY, from time to time during the term of this Contract, upon reasonable notice and request from the AGENCY, any reasonably required temporary construction easements upon, over or within any property owned by PURCHASER, for purposes of allowing the AGENCY to extend, repair,

replace, or remove any portion of the AGENCY Water Supply System.

Section 7. WATER QUALITY

(1) The AGENCY shall supply PURCHASER with water of a quality commensurate with Federal and State standards and generally consistent with water quality parameters of the City of Chicago Department of Water. In the event that the Lake Water furnished by the AGENCY fails to meet the minimum water quality standards at the Point of Delivery the AGENCY shall take immediate action to correct any such water quality deficiency.

(2) PURCHASER shall have an air gap at its receiving reservoir for its supply of water from the AGENCY.

(3) The AGENCY bears no degree of responsibility for the water quality beyond the meter after the pumping station discharge into PURCHASER's Unit System

(4) Each of the Parties hereto shall immediately notify the other of any emergency or condition which may affect the quality of water in either Party's system.

(5) The AGENCY and PURCHASER have the right to make inspections of those facilities which may affect the quality of the water supplied to PURCHASER, and to perform any tests deemed reasonably necessary.

Section 8. REPORTING REQUIREMENTS

(1) PURCHASER shall maintain suitable records of water used by PURCHASER and these records shall be available to the AGENCY at all reasonable times.

(2) Not later than January 31st of the calendar year following the date of this Contract, PURCHASER agrees to submit to the General Manager of the AGENCY a written copy of the prevailing water rate as applicable to its water customers. PURCHASER shall include all rates and relevant information and the premise on which rates have been established.

(3) The AGENCY shall annually report the quality of its Lake Water supply to PURCHASER.

Section 9. MEASUREMENT

(1) The quantity of Lake Water furnished to PURCHASER under this Contract will be measured by mutually acceptable master meters for measuring the flow of water at the first point after the Point of Delivery (the "measuring point"). The unit of measurement shall be gallons of water, U.S. Standard Liquid Measure.

(2) The AGENCY shall provide mutually acceptable meters for measuring the supply of water on the discharge side of each pump at the Point of Delivery. The master meters will be the primary devices used for the registration and billing of quantities of water supplied under this Contract. Provisions shall be made for the use of pitot tubes adjacent to the master meter for calibration and test purposes.

(3) The AGENCY shall own, operate, maintain, repair and house the meters referred to in this Section.

(4) The AGENCY will regularly inspect the meters measuring the supply of water furnished, and will repair or replace any part of a meter which has a total registration deviation greater than the industry standards, or which has been in service for a period greater than the industry

standard or which is known or suspected to be registering incorrectly. The AGENCY shall check the master meter for accuracy semi-annually by use of pitot tubes, in the presence of PURCHASER's representatives and at the expense of the AGENCY.

(5) The readings made for purposes of billing PURCHASER shall be made by the AGENCY once every calendar month. Monthly readings shall be transmitted to PURCHASER.

(6) When it is determined that a measuring device registered incorrectly, an estimate of the amount of water furnished through the faulty device shall be prepared by the AGENCY's General Manager for the purpose of billing PURCHASER. The estimate shall be based upon the best available information, including summation of other available meter readings, the average of twelve preceding readings of the meter, exclusive of incorrect reading, and calibration of the master meter.

Section 10. RATES AND BILLING

(1) The rates and charges for Lake Water furnished to PURCHASER under this contract ("Water Rate") shall be as presented in Schedule "B," and shall be payable to the AGENCY per 1,000 gallons supplied to PURCHASER. The initial Water Rate set in Schedule B shall be fixed for the number of Service Years set forth in Schedule "B."

(2) The Water Rates shall not be subject to any surcharge or fee imposed by the AGENCY, and PURCHASER shall be under no obligation to purchase Lake Water from the AGENCY if the Water Rates exceed the terms stated Subsection 10(1) above.

(3) The AGENCY shall bill PURCHASER at monthly intervals for all

Lake Water furnished to PURCHASER under this Contract, including Lake Water resold by PURCHASER, if any, and PURCHASER shall pay the water bill within 28 days of receipt of invoice.

(3) PURCHASER will in each year make all budgetary, emergency or other provisions or appropriations necessary to provide for and authorize the prompt payment by PURCHASER to the AGENCY during each fiscal year, and on each payment date of all the charged, payments and adjustments provided for in this Contract.

(5) The parties agree that, from time to time, they may agree, upon prior approval of their respective authorized officers or bodies, to perform maintenance and repair of one another's water systems; or portions thereof, at agreed upon rates or charges. The parties may agree to make such charges payable as a separate charge with each water bill.

(6) In the event of non-payment of a water bill by PURCHASER within 45 days, the AGENCY reserves the right to require PURCHASER to deposit, in advance, a sum equal to the average estimated costs for water supply during a period of ninety (90) days at the prevailing metered rate. Said sum shall be deposited in an interest-bearing account. The interest shall be credited to PURCHASER after reimbursement to the AGENCY of any costs incurred by the AGENCY due to the delinquent payment by PURCHASER.

Section 11. INITIAL PURCHASER WATER SUPPLY CONTRIBUTION.

(1) PURCHASER shall also pay the AGENCY a Uniform Initial Water Supply Contribution payable under the terms and conditions set forth in Schedule "C."

**Section 12. EFFECTIVE DATE;
TERM**

(1) The Effective Date of this Contract shall be the date that the last authorized signatory signs and dates this Contract, which date shall be inserted on the first page of this Contract. This Contract shall become effective only in the event the corporate authorities of each Party approve this Contract.

(2) This Contract shall have a term commencing on the date of this Contract and terminating at 11:59 p.m. the last day of the fiftieth (50th) year following the Contract date ("Expiration Date"). This Contract shall automatically renew after the initial term for an additional twenty-five (25) year term, or such other renewal term as is agreed to by the AGENCY and PURCHASER prior to expiration of the initial term, unless written notice of non-renewal is submitted by PURCHASER to the AGENCY no less than twelve (12) months after the AGENCY provides PURCHASER with the Water Rates that shall apply during the renewal term . This Contract shall thereafter automatically renew for additional ten (10) year terms, unless written notice of non-renewal is submitted by to the AGENCY no less than twelve (12) months after the AGENCY provides PURCHASER with the Water Rates that shall apply during the renewal term . The terms and conditions of this Contract during any renewal period(s) shall remain unchanged from those set forth in the then active Contract, unless otherwise agreed by the parties by way of written amendment; provided however, the rates for water service during each renewal period shall be as determined by the AGENCY and provided to PURCHASER not less than twenty-four (24) months but more than thirty (30) months prior to the end of the then active term.

Section 13. INSURANCE

PURCHASER shall take out and maintain during the life of this Contract the following insurance, and indemnify the AGENCY as provided under Section 14.

(1) Worker's Compensation - Coverage A - Statutory, Coverage B, - as required by law.

(2) Comprehensive General Liability - Public Liability - Each Person - \$3,000,000.00 (Three Million) Each Accident - \$5,000,000.00 (Five million). Property Damage - Each Accident - \$500,000.00 (Five Hundred Thousand) Aggregate - \$500,000.00 (Five hundred Thousand).

Official's Liability \$1,000,000.00 (One Million) Aggregate - \$500,000.00 (Five hundred Thousand)

(3) Comprehensive Automobiles. - Same limits as Subsection (2).

(4) Contractor's Contractual - Same limits as Subsection (2).

(5) Special Hazards - Blasting Explosion and Collapse, Damage to underground utilities, any other hazards involved in the work to be performed under this Contract. Same limits as Subsection (2).

(6) Owner's Protective - The AGENCY will be an additional named insured.

Section 14. INDEMNITY

PURCHASER shall indemnify to extent permitted by law, keep and save harmless the AGENCY, its agents, officials and employees, against all injuries, deaths, loss, damages, claims, patent claims, suits,

liabilities, judgments, costs and expenses, which may in anywise accrue against the AGENCY in consequence of the granting of this Contract or which may in anywise result therefrom, if it shall be alleged and determined that the act was caused through negligence or omission of PURCHASER or its employees, of contractor or subcontractor or their employees, if any, and PURCHASER shall, at its own expenses, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefrom or incurred in connection therewith, and, if any judgment shall be rendered against the AGENCY in any such action, PURCHASER shall, at its own expense, satisfy and discharge the same. PURCHASER expressly understands and agrees that any performance bond or insurance protection required by this contract, or otherwise provided by PURCHASER or by its contractors or subcontractors, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the AGENCY as herein provided.

AGENCY shall take out and maintain during the life of this Contract Workers Compensation and Comprehensive General Liability insurance with limits not less than those stated in Section 13, naming PURCHASER as an additional insured, and shall indemnify to the extent permitted by law, keep and save harmless the PURCHASER, its agents, officials and employees, against all injuries, deaths, loss, damages, claims, patent claims, suits, liabilities, judgments, costs and expenses, which may in anywise arise out of the AGENCY's installation, removal, service or repair of its Water Supply System within easements or rights-of-way granted or permitted by PURCHASER in favor of the AGENCY.

In defending the AGENCY, its agents, officials and employees, PURCHASER may utilize any immunity which may be raised on behalf of the defendants provided that the use of such immunities by PURCHASER shall not result in a judgment against the defendants.

The obligation of PURCHASER to indemnify shall not extend to any claims made or suits filed by PURCHASER or its members against the AGENCY.

Section 15. FORCE MAJEURE

(1) No Party will be liable in damages to any other Party for delay in performance of, or failure to perform, its obligations under this Contract, if such delay or failure is caused by a Force Majeure Event as defined in Subsection (2) (Force Majeure Event) below. If a Party cannot perform under this Contract due to the occurrence of a Force Majeure Event, then the time period for performance of the Party under this Contract shall be extended by the duration of the Force Majeure Event.

(2) A "Force Majeure Event" means an event not the fault of, and beyond the control of, the Party claiming excuse which makes it impossible or extremely impracticable for such Party to perform obligations imposed on it by this Contract, by virtue of its effect on physical facilities and their operation or employees essential to such performance. Force Majeure Events include:

- an "act of God" such as an earthquake, flood, fire, Lake Michigan seiche, tornado, earth movement, or similar catastrophic event,
- an act of terrorism, sabotage, civil disturbance or similar event,

- a strike, work stoppage, picketing, or similar concerted labor action,
- delays in construction caused by unanticipated negligence or breach of contract by a third party or inability to obtain essential materials after diligent and timely efforts; or
- an order or regulation issued by a Federal or State regulatory agency after the Effective Date or a judgment or order entered by a Federal or State court after the Effective Date. A Force Majeure Event does not include a change in economic or market conditions or a change in the financial condition of a Party to this Contract.

(3) The Party claiming a Force Majeure Event excuse must deliver to the other Parties a written notice of intent to claim excuse from performance under this Contract by reason of a Force Majeure Event. Notice required by this Section must be given promptly in light of the circumstances. Such notice must describe the Force Majeure Event, the services impacted by the claimed event, the length of time that the Party expects to be prevented from performing, and the steps which the Party intends to take to restore its ability to perform its obligations under this Contract.

(4) Both the AGENCY and PURCHASER may exercise their rights under this "Force Majeure" section with regard to all provisions of this Contract.

Section 16. SERVICE OF NOTICE

Except as otherwise provided in this Contract, all notices and other communications in connection with this Contract shall be in writing and deemed to be given on the date of mailing if sent by certified mail, return receipt requested and

deposited in the U.S. Mail, postage prepaid, or may be delivered by messenger delivery, or overnight express mail, or personal delivery, or via facsimile, or via electronic internet mail ("e-mail") to the current mailing address(es) or email address(es) of the Parties' principal administrative offices, addressed to the Mayor/Village President or to the City Administrator/ Village Manager. Facsimile notices shall be deemed valid only to the extent that they are (a) actually received by the individual to whom addressed and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three (3) business days thereafter at the appropriate address set forth below. E-mail notices shall be deemed valid only to the extent that they are (a) opened by the recipient on a business day at the address set forth below, and (b) followed by delivery of actual notice in the manner described in either (i), (ii), or (iii) above within three (3) business days thereafter at the appropriate address set forth below. Unless otherwise provided in this Contract, notices shall be deemed received after the first to occur of (a) the date of actual receipt; or (b) the date that is one (1) business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (b) the date that is three (3) business days after deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this Section, each Party to this Contract shall have the right to change the address or the addressee, or both, for all future notices and communications to them, but no notice of a change of addressee or address shall be effective until actually received.

Notices and communications shall be addressed to, and delivered at, the following addresses, unless otherwise directed by the Parties:

AGENCY Clerk
Southland Water Agency
16226 Wausau Ave.
South Holland, Illinois 60473

Phone: (708) 210-2900
Email: (to be provided)

and to the PURCHASER as follows:

Village of Glenwood
Village Clerk
One Asselborn Way
Glenwood, IL 60425
Phone: 708.753-2400
Email: _____

until and unless other addresses are specified by notice given in accordance herewith.

By notice with the foregoing requirements of this Section 16, the Parties shall have the right to change the addresses for all future notices and communications to itself, but no notice of such a change shall be effective until actually received.

Section 17. DISPUTE RESOLUTION

If a dispute arises between the AGENCY and PURCHASER concerning this Contract, the Parties will first attempt to resolve the dispute by negotiation. Each Party will designate persons to negotiate on their behalf. The Party contending that a dispute exists must specifically identify in writing all issues and present it to the other Parties. The Parties will meet and negotiate in an attempt to resolve the matter. If the dispute is resolved as a result of such negotiation, there must be a written determination of such resolution, and ratified by the corporate authorities of each Party, which will be binding upon the Parties. If necessary, the Parties will execute an addendum to this Contract. Each Party will bear its own costs, including attorneys' fees, incurred in all

proceedings in this Section. If the Parties do not resolve the dispute through negotiation, any Party to this Contract may pursue other remedies under Section 18 (Remedies) below to enforce the provisions of this Contract.

Section 18. REMEDIES

(1) In any action with respect to this Contract, the Parties are free to pursue any legal remedies at law or in equity. Each and every one of the rights, remedies, and benefits provided by this Contract shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law.

(2) Notwithstanding anything to the contrary in Subsection 18(1), the parties hereto acknowledge and agree that the AGENCY and PURCHASER, in entering into this Contract, are relying on PURCHASER'S obligation to purchase Lake Water from the AGENCY and the AGENCY's obligation to sell Lake Water to PURCHASER as provided in this Contract and for the full Term of this Contract and that the remedies at law for any breach or threatened breach of this Contract, including monetary damages, would be inadequate compensation and irreparable damage would to the non-breaching Party if this Contract is cancelled or terminated contrary to the cancellation and termination terms set forth in this Contract. Therefore, the Parties agree that they each shall be entitled an injunction or injunctions to prevent breaches or threatened breaches of this Contract or to enforce specifically the performance of the terms and provisions hereof. Each party further agrees that: (i) no such party will oppose the granting of an injunction or specific performance as provided herein on the basis that the other party has an adequate remedy at law or that an award of specific performance is not an appropriate remedy for any reason at law or equity; (ii) no such

party will oppose the specific performance of the terms and provisions of this Contract; and (iii) no Party or any other Person shall be required to obtain, furnish, or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 18(2).

(3) In the event litigation is brought to enforce the terms of this Agreement, or because of any act which may arise out of either party's performance hereunder, the Prevailing Party shall be entitled to reimbursement for its costs incurred in connection with such action. "Costs" shall include reasonable pre-litigation, pre-trial, trial, and appellate levels expenses, experts' fees, and attorneys' fees, including, without limitation, reasonable attorneys' fees incurred. A "Prevailing Party" shall include, but not be limited to, a party who brings or defends an action versus the other party by reason of performance, non-performance, breach or default under this Contract and obtains substantially the relief sought whether by compromise, settlement, or judgment.

Section 19. VENUE AND APPLICABLE LAW

All questions of interpretation, construction and enforcement, and all controversies with respect to this Contract, will be governed by the applicable constitutional, statutory and common law of the State of Illinois. The Parties agree that, for the purpose of any litigation relative to this Contract and its enforcement, venue will be in the Circuit Court of Cook County, Illinois or the Northern District, Eastern Division of the United States District Court, Chicago, Illinois, and the Parties consent to the in personam jurisdiction of said Courts for any such action or proceeding.

Section 20. DISCONNECTION; REMOVAL

Upon termination of this Contract, the AGENCY, in its discretion and at its cost, may disconnect or remove the AGENCY Connection Facilities and/or the PURCHASER Connection Facilities and/or transmission mains located within the AGENCY's rights of way or utility easements, but only after the Parties mutually approve and sign an agreement and a release of easements that pertain to disconnection and/or removal of the AGENCY Connection Facilities, the PURCHASER Connection Facilities and / or the transmission mains.

In the event that the Point of Delivery or any portion of the AGENCY Connection Facilities and the PURCHASER Connection Facilities or any transmission mains need to be relocated due to unanticipated circumstances or at the request of either Party, the Parties may negotiate an addendum to this Contract that provides for the relocation, reconstruction, financing and cost sharing of the relocation work. If this Contract is terminated, within ten (10) years of the Effective Date of this Contract, all connection facility assets, components, and equipment within the AGENCY must be removed at PURCHASER's sole cost and expense, unless otherwise agreed upon by the Parties.

Section 21 TERMINATION

(1) Termination by the AGENCY. This Contract shall be subject to termination if a court of competent jurisdiction restricts or limits any of the AGENCY's rights to obtain, sell, contract for, or distribute water to PURCHASER in a manner that prohibits the AGENCY from complying with its obligations to PURCHASER under this Contract. The AGENCY will have the right to terminate this Contract if PURCHASER fails and defaults with respect to its obligations under Section 10 (Rates and Billing) of this Contract, and otherwise fails

and refuses to cure such default under Section 17 (Dispute Resolution) and Section 22 (Default; Cure Period; Relief).

(2) Termination by Mutual Agreement. By mutual consent, the Parties may agree terminate this Contract, in writing, after the approval of a termination or wind-down agreement by their respective corporate authorities.

(3) Termination by PURCHASER. PURCHASER has the right to terminate this Contract only for the following reason(s):

A. If AGENCY is unable to obtain easements or title to real property to construct the PURCHASER Connection Facilities and other AGENCY Project Improvements necessary for the AGENCY's initial delivery of Lake Water to Unit System.

B. If AGENCY's Engineering and Route Study determines that the PURCHASER Connection Facilities and other necessary AGENCY Project Improvements will not be feasible for any reason, including but not limited to a lack of technical feasibility to complete the AGENCY Project Improvements, or a lack of relative financial feasibility to pay for AGENCY's initial Project Improvements.

C. The AGENCY fails to deliver water in accordance with or otherwise fails to comply with the terms of this Contract,

(4) PURCHASER may also terminate this Contract effective at the end of any applicable Renewal Term provided PURCHASER exercises its right of non-renewal by timely issuance of written notice to the AGENCY as required under Section 12(2).

Section 22. DEFAULT; CURE PERIOD; RELIEF

In the event any Party defaults in regard to any obligation under this Contract,

the non-defaulting Party shall send written notice of the default, with a description of the default, and a request that the defaulting Party cure the default. Any Party deemed to be in default under this Contract by another Party shall have a thirty (30) calendar day cure period to resolve the default to the other Party's satisfaction or to initiate and continue to take actions that are designed to cure the default in a reasonable time period so that the Party in default is in conformance with the terms of this Contract. In the event that a default is not cured, the non-defaulting Party and the defaulting Party shall participate in the "Dispute Resolution" process contained in Section 17 (Negotiation) above. If the Dispute Resolution process is not successful, then either Party may seek to enforce remedies in Section 18 (Remedies) to enforce the provisions of this Contract.

23. MISCELLANEOUS.

(1) Good Faith. The Parties each acknowledge their obligation under Illinois law to act in good faith toward, and deal fairly with, each other with respect to this Contract.

(2) Assignment. No Party shall assign, sublet, sell or transfer its interest in this Contract or any of its rights or obligations under this Contract without the prior written consent of the other Party. Unless the Parties mutually consent to an assignment, the assignment shall be void and the terms and conditions of this Contract shall remain binding upon and shall inure to the benefit of the Parties.

(3) Cancellation. This Contract will be subject to cancellation in the event that a Court of competent jurisdiction restricts or limits, directly or indirectly, (i) the AGENCY's right to obtain, distribute, or sell Lake Water to PURCHASER, or (ii)

PURCHASER's right to obtain or purchase Lake Water from the AGENCY.

(4) Entire Agreement. This Contract constitutes the entire agreement of the Parties concerning all matters specifically covered by this Contract. There are no representations, covenants, promises or obligations not contained in this Contract that form any part of this Contract or upon which any of the Parties is relying upon in entering into this Contract. There are no other commitments, understandings, promises or condition among the Parties in any other contract or agreement, whether oral or written, and this Contract supersedes all prior written or oral agreements, commitments and understandings among the Parties.

(5) Prompt Payment. In regard to the payment of any fee, charge or assessment provided for under this Contract, the Parties are subject to and shall comply with the Local Government Prompt Payment Act (50 ILCS 505/1, et seq.).

(6) Compliance With Laws. The Parties to this Contract shall comply with all applicable Federal, State and local laws, rules and regulations in carrying out the terms and conditions of this Contract.

(7) Regulatory Bodies. This Contract shall be subject to all valid rules, regulations, and laws applicable hereto passed or promulgated by the United States of America, the State of Illinois, or any governmental body or agency having lawful jurisdiction, or any authorized representative or agency of any of them; provided, however, that this Subsection 23(7) shall not be construed as waiving the right of any Party to challenge the validity of any such rule, regulation, or law on any basis, including impairment of this Contract.

(8) Interpretation; Headings. This Contract shall be construed and interpreted

so as to preserve its validity and enforceability as a whole. No rule of construction that a document is to be construed against any of the drafting Parties shall be applicable to this Contract. Section headings and titles are descriptive only and do not in any way limit or expand the scope of this Contract.

(9) Waiver. The failure of any Party to enforce any section, subsection, term, condition or covenant (collectively referred to as "provision") of this Contract shall not be deemed a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with such provision and every other provision of this Contract. No provision of this Contract shall be deemed waived by any Party, unless the provision to be waived and the circumstances giving rise to such waiver are set forth specifically in a duly authorized and written waiver of the Party charged with such waiver. No waiver by either the AGENCY or PURCHASER of any provision of this Contract shall be deemed or construed as a waiver of any other provision of this Contract, nor shall any waiver of any breach be deemed to constitute a waiver of any subsequent breach whether of the same or a different provision of this Contract.

(10) No Individual or Personal Liability. The Parties agree that the actions taken in regard to and the representations made by each respective Party in this Contract and by their respective corporate authorities have not been taken or made in anyone's individual capacity and no mayor/president, board member, council member, official, officer, employee, volunteer or representative of any Party will incur personal liability in conjunction with this Contract.

(11) No Third Party Beneficiaries. This Contract is not intended to benefit any

person, entity or municipality not a Party to this Contract, and no other person, entity or municipality shall be entitled to be treated as beneficiary of this Contract. This Contract is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but not limited to, any agent, contractor, subcontractor, consultant, volunteer or other representative of any Party hereto. No agent, employee, contractor, subcontractor, consultant, volunteer or other representative of the Parties hereto will be deemed an agent, employee, contractor, subcontractor, consultant, volunteer or other representative of any other Party hereto.

(12) Modification or amendment. No officer, official or agent of the AGENCY or has the power to amend, modify or alter this Contract or waive any of its conditions as to bind the AGENCY or PURCHASER by making any promise or representation not contained herein.

No amendment to this Contract shall be effective until it is reduced to writing in an addendum and approved by the corporate authorities of the Parties. All addenda shall be executed by an authorized official of each Party. If any governmental agency with regulatory authority enacts new rules or regulations or new nationally recognized water system engineering requirements are adopted that require the method of water production or any components of the infrastructure used for the delivery of water under this Contract to be changed or modified, the Parties agree to negotiate an addendum to this Contract that addresses the construction and operation of the required water system improvements to the AGENCY and/or PURCHASER's Unit water system, the cost allocation of such improvements among the Parties and the financing of such improvements.

(13) Severability. In the event any term, provision or condition of this Contract is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable under any rule of law or public policy, (i) the invalid or unenforceable term(s) shall be severed from this Contract and all other conditions and provisions of this Contract shall nevertheless remain in full force and effect so long as the economic and legal substance of the transaction contemplated hereby is not affected in any manner materially adverse to any party; and (ii) the parties hereto shall negotiate in good faith to modify this Contract so as to affect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

(14) No Separate Legal Entity; No Joint Venture or Partnership or Agency. This Contract establishes a cooperative intergovernmental undertaking, but the Parties do not intend to create a new or separate legal entity by entering into this Contract. This Contract does not establish or create a joint venture or partnership between the Parties, and no Party shall be responsible for the liabilities and debts of the other Parties hereto. No Party shall be deemed to be the agent, employee, or representative of any other Party.

(15) Independent Sovereign Status The Parties to this Contract are independent, sovereign units of local government and no Party shall exercise control over either the performance of any other Party or the employees of any other Party.

(16) Authorization. In accordance with applicable state laws, this Contract was approved by each Party as follows:

A. The adoption of Ordinance _____ by the Village President and Village Board of Trustees on the ____ day of _____ 2020.

B. The passage of Resolution Number _____ by the Board of Directors of the AGENCY on the 7th day of July, 2020.

(17) Counterparts. This Contract may be executed in counterparts (including facsimile signatures), each of which shall be deemed to be an original and all of which shall constitute one and the same Contract.

(18) Schedules, Exhibits and Addenda. In the event of a conflict between any Exhibit hereto and the text of this Contract, the text of this Contract shall control. The following Schedules are attached to this Contract and made a part hereof:

Schedule "A": PURCHASER's
Water Purchase
Requirements

Schedule "B": Water Rates

Schedule "C": Uniform Initial
Water Supply
Contribution
Schedule

Exhibit "A" AGENCY Service
Area

Exhibit "B" Point of Delivery

By execution of **Addendum "A"** to this Contract PURCHASER acknowledges that it has been provided a copy of the Intergovernmental Agreement, dated May 7, 2019 as amended

**THE REMAINDER OF THIS PAGE IS
INTENTIONALLY LEFT BLANK**

IN WITNESS WHEREOF, the AGENCY and PURCHASER have caused this Contract to be authorized by its corporate board, signed in duplicate originals (each executed copy constituting an original) by its authorized representative, countersigned by its Clerk or Secretary, and caused its corporate Seal to be hereto affixed, on the date written below.

**VILLAGE OF GLENWOOD,
A MUNICIPAL CORPORATION**

BY: _____
Ronald J. Gardiner, President

Dion Lynch, Village Clerk

DATE: _____

(Seal)

**SOUTHLAND WATER AGENCY,
A PUBLIC MUNICIPAL CORPORATION**

BY _____
Don A. De Graff, Chairman

Thomas A. Brown, Secretary

DATE: _____

(Seal)

LIST OF SCHEDULES, EXHIBITS AND ADDENDUM

- Schedule "A":** PURCHASER's Water Purchase Requirements
- Schedule "B":** Water Rates
- Schedule "C":** Uniform Initial Water Supply Contribution Schedule
- Exhibit "A"** AGENCY Service Area
- Exhibit "B"** Point of Delivery
- Addendum "A":** PURCHASER Acknowledgment of receipt of Intergovernmental Agreement, dated May 7, 2019 as amended

Schedule "A"

Purchaser's Water Purchase Requirements

Purchaser's IDNR "Water Allocation"	"Water Volume Commitment" by Agency	Purchaser's "Maximum Daily Amount of Lake Water"	Purchaser's "Minimum Take or Pay" Amount"	Termination Date of Purchaser's Pre- existing Water Supply Contract	Outside Deadline for Agency Supply of Lake Water to Purchaser
1.253 MGD	1.253 MGD	2.500 MGD	0.750 MGD	2033	July 1, 2030

INITIALS

Agency _____

Purchaser: _____

Schedule "B"

Water Rates

(1). AGENCY and PURCHASER acknowledge that the exact charges for Lake Water furnished to PURCHASER under this Contract will be unknown until the final scope of the AGENCY's Waterworks System is confirmed, based on the number of committed customers to be served. Based on preliminary engineering studies conducted to date, the AGENCY confirms to PURCHASER that:

(a) The initial Water Rate payable by PURCHASER to the AGENCY per 1,000 gallons of Lake Water supplied to PURCHASER shall be a minimum of 5.0% below the total water rate and other water supply charges, if any, applicable under PURCHASER's Pre-Existing Water Supply Contract on the date of the AGENCY's initial Lake Water delivery to PURCHASER, or any successor thereto; and

(b) The Water Rate payable by PURCHASER to the AGENCY during the first year of the AGENCY's delivery of Lake Water to Purchaser shall remain unchanged for the first ten (10) years after the date of the AGENCY's initial Lake Water delivery to PURCHASER.

(2). Beginning the eleventh (11th) year after the date of the AGENCY's initial Lake Water delivery to PURCHASER, and over the entire remainder of the 50-year Contract term, the Water Rate payable by PURCHASER to the AGENCY shall not increase by more than 2.0% in any single calendar year.

(3). The Water Rate payable by PURCHASER to the AGENCY shall not be subject to any additional surcharge or fee imposed by the AGENCY.

INITIALS

Agency: _____

Purchaser: _____

Schedule "C"

Uniform Initial Water Supply Contribution Schedule

PURCHASER'S Initial Water Supply Purchaser Contribution is based on its being in the first 20 MGD of Agency Lake Water Customer Commitments and three installments paid in full per the schedule below.

Initial Water Supply Purchaser Contribution: \$50,000 per MGD of 2025 IDNR Allocation

City/Village of **Glenwood** 2025 IDNR Allocation: **1.253** MGD

Total Water Supply Purchaser Contribution = \$50,000 x **1.253** MGD = **\$ 62,650**

50% Due by July 1, 2020: **\$ 31,325**

25% Due by July 1, 2021: **\$ 15,663**

25% Due by July 1, 2022: **\$ 15,662**

PURCHASER agrees that non-payment of required installments by the dates above will result in the Initial Water Supply Purchaser Contribution for any delinquent payments being subject to a 100% late payment fee.

INITIALS

Agency: _____

Purchaser: _____

Exhibit "A"
Agency Service Area

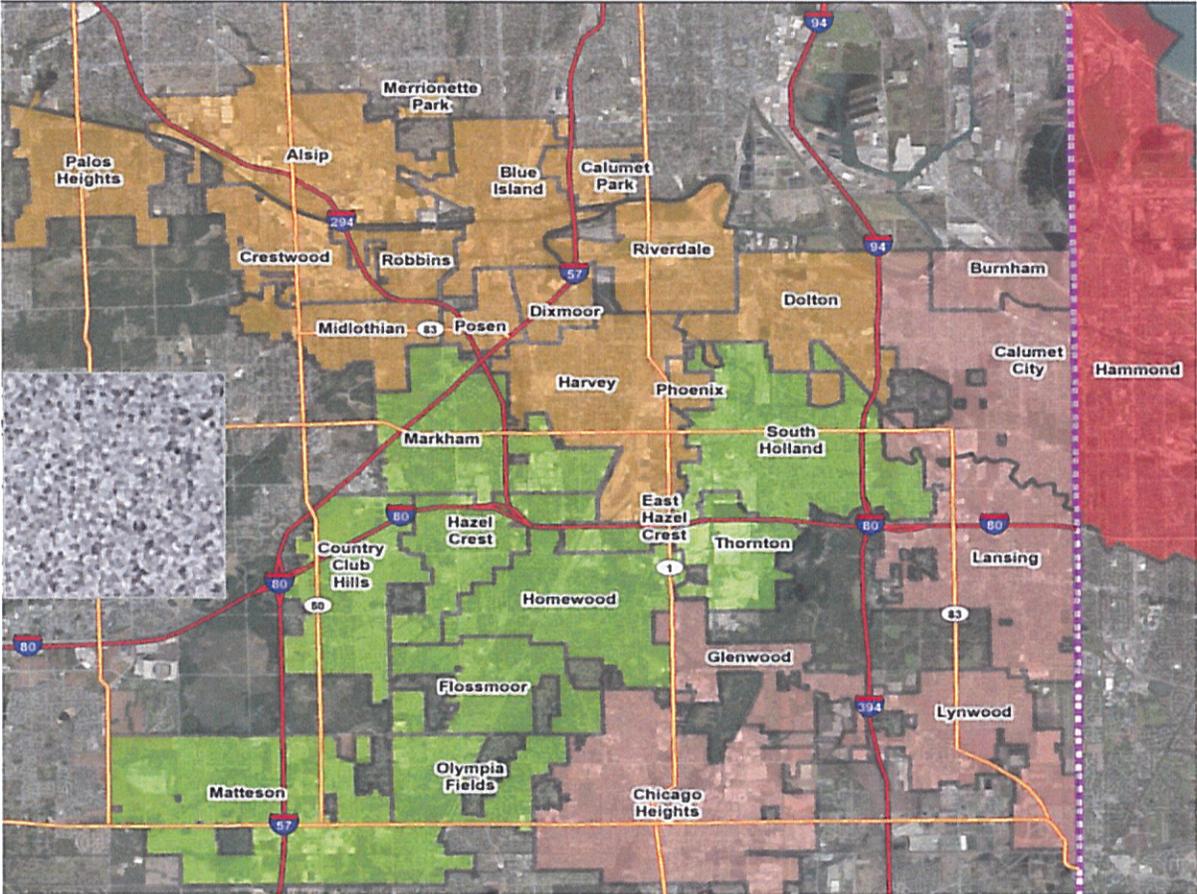
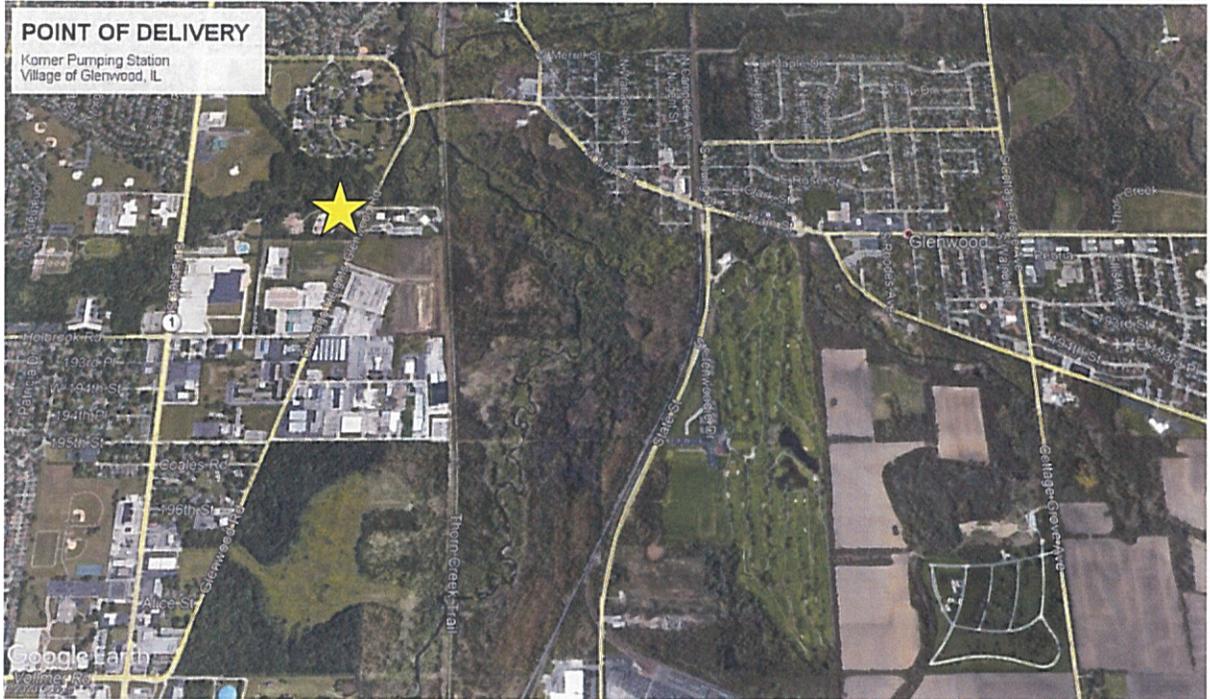


Exhibit "B"
Point of Delivery



INITIALS

Agency: _____

Purchaser: _____

Addendum "A":

**PURCHASER Acknowledgment of Receipt of Intergovernmental
Agreement, dated May 7, 2019 as Amended**

PURCHASER hereby acknowledges that it has been provided a copy of the Intergovernmental Agreement, dated May 7, 2019 as amended.

Dated this _____ day of _____, 2020.

**VILLAGE OF GLENWOOD,
A MUNICIPAL CORPORATION**

BY: _____
Ronald J. Gardiner, President

Dion Lynch, Village Clerk

(Seal)