

Legislative Summary
Ordinance 17-05

DETERMINING AND ELECTING TO ACQUIRE CONSTRUCT AND OPERATE A COMMON SOURCE OF SUPPLY OF WATER AND RELATED WATERWORKS SYSTEM WITH THE VILLAGE OF NILES, ILLINOIS, TO ESTABLISH THE MORTON GROVE-NILES WATER COMMISSION PURSUANT TO DIVISION 135 OF ARTICLE 11 OF THE ILLINOIS MUNICIPAL CODE, AND APPROVING AN 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

Introduced: March 13, 2017

Synopsis: This Ordinance will authorize the formation and participation in a municipal Water Commission by the Villages of Morton Grove and Niles in conjunction with a long-term Water Supply Agreement with the City of Evanston.

Background: The Villages of Morton Grove and Niles have entered into a long-term water supply agreement with the City of Evanston for safe, high quality, reliable Lake Michigan water at a price substantially lower than what the Villages pay Chicago. The Villages are now developing engineering plans to determine the best route to construct transmission mains to deliver the water from Evanston to Morton Grove and Niles. In order to most effectively and jointly cooperate in the study, analysis, financing, and negotiating engineering and construction agreements, the Villages now wish to form a municipal Water Commission which will construct, own, maintain, operate and support the waterworks system pursuant to an Intergovernmental Agreement.

Departs Affected: Legal, Administration, and Public Works, Finance Departments

Fiscal Impact: A lower water rate will allow the Villages to invest additional funds to upgrade and maintain their local water infrastructure, as well as provide stable rates to residents and local businesses. The Water Commission will help to regulate, maintain, and operate the waterworks system for both communities.

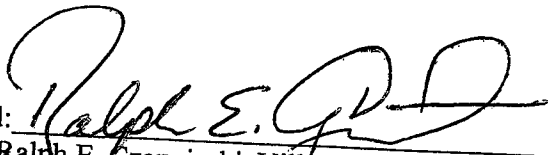
Source of Funds: Enterprise Fund (sale of water to customers)

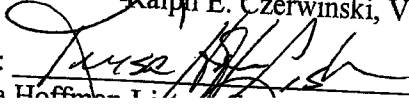
Work Impact: The establishment of the commission as well as its daily operations will be handled as part of the Administration Office's and Public Works Department's normal duties.

Admin Recommend: Approval as presented.

First Reading: Request for waiving of second reading due to time constraints for application to state and federal agencies for low interest capital loans.

Special Consider Requirement: None

Respectfully submitted: 
Ralph E. Czerwinski, Village Administrator

Prepared by: 
Teresa Hoffmann

ORDINANCE 17-05

AN ORDINANCE DETERMINING AND ELECTING TO ACQUIRE, CONSTRUCT AND OPERATE A COMMON SOURCE OF SUPPLY OF WATER AND RELATED WATERWORKS SYSTEM WITH THE VILLAGE OF NILES, ILLINOIS, TO ESTABLISH THE MORTON GROVE-NILES WATER COMMISSION PURSUANT TO DIVISION 135 OF ARTICLE 11 OF THE ILLINOIS MUNICIPAL CODE, AND APPROVING AN 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

(Village of Morton Grove)

WHEREAS, the President and Board of Trustees of the Village of Morton Grove, a home rule Illinois municipal corporation (“Morton Grove”) and the President and Board of Trustees of the Village of Niles, a home rule Illinois municipal corporation (“Niles”) have undertaken studies and analysis of the feasibility of jointly establishing, acquiring, constructing and operating a common source of supply of water and related waterworks system for the purpose of delivery of potable drinkable water to their respective residents, business owners, property owners and governmental and institutional properties, and in furtherance thereof approved and entered into an agreement entitled “Cost Sharing Agreement Regarding Morton Grove And Niles Water Supply Matters” (the “Cost Sharing Agreement”) as approved by Morton Grove Resolution Number 17-02 on January 23, 2017, and as approved by Niles Resolution Number 2017-04R on January 24, 2017; and

WHEREAS, as set forth in the Cost Sharing Agreement, Morton Grove and Niles (collectively, the “Villages”) determined that there was a need to jointly cooperate and share the costs of studying, analyzing and negotiating agreements, regarding certain water supply matters involving the Villages, including but not limited to the assessment of options for entering into a proposed water supply agreement with one or more Illinois municipalities, and the creation of and participation in a Joint Action Water Agency or a municipal Water Commission by the Villages; and

WHEREAS, after studying and analyzing the costs and benefits associated with a common source of supply of water and a related waterworks system, the Villages have determined that it is in their best interests to jointly acquire and operate a common source of supply of water and a related waterworks system, and to establish a municipal Water Commission together pursuant to Division 135 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-135-1, *et seq.*) (“Division 135”) in furtherance thereof, to be known as the “Morton Grove-Niles Water Commission” (the “MG-N Water Commission” or “Commission”); and

WHEREAS, the Villages desire to maintain ownership and control over their own respective waterworks systems (referred to as a "Unit System"), but agree to connect their respective Unit Systems, in part, to a new waterworks system to be constructed, owned and maintained by the Commission, which will construct, maintain and operate the new waterworks system within and outside of the respective corporate jurisdictions of the Villages for their joint use pursuant to Division 135 (referred to as the "Commission Waterworks System" or "Waterworks System" or "System" as further defined in the intergovernmental agreement referenced below); and

WHEREAS, through the Commission, the Villages desire to obtain an adequate supply of water for re-sale to their respective water customers. The Villages agree that the continued existence and operation of the Commission is dependent upon the Commission entering into a long-term water supply agreement for the purchase of potable water with the City of Evanston, or such other water supplier(s) as may be advisable. The potable water to be purchased from the City of Evanston, or such other water supplier(s), shall be delivered to the Commission Waterworks System through a point of connection located within the City of Evanston or one of the Villages or another Illinois municipality that is already a water customer of the City of Evanston, or such other water supplier(s). The Commission shall construct its Waterworks System improvements within the Villages and in other Illinois municipalities in order to connect its System to the waterworks system of the City of Evanston, or such other water supplier(s); and

WHEREAS, in order to accomplish the objectives of this Ordinance, the Villages desire to enter into an 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") in substantially the same form as the copy of which is attached hereto as **Exhibit "A"** and made a part hereof; and

WHEREAS, the Villages each own and operate a Unit System (as further defined in the IGA) and have each received and maintains, from the State of Illinois Department of Natural Resources, a "Water Allocation," as defined in the IGA; and

WHEREAS, the Commission may apply for grants and may issue and sell "Bonds," as defined in the IGA, and may enter into "Debt Instruments," as defined in the IGA, from time to time during the term of the IGA in sufficient amounts for the payment of the costs of construction, re-construction, extension, maintenance, repair, removal and replacement of the Commission Waterworks System and to

expend funds for the purpose of making certain Unit Systems and Commission Waterworks System upgrades and improvements, as provided by applicable laws and the terms of the IGA; and

WHEREAS, by the execution of the IGA, the Villages are surrendering none of their respective rights to the ownership and operation of their respective Unit Systems, except as expressly stated in the IGA, but all expressly assert their continued right to own and operate such Unit System; and

WHEREAS, in accordance with Cost Sharing IGA, the Villages have authorized and expended public funds, from time to time, to pay for the assessment and feasibility studies and reports, the preliminary engineering and design work and related legal work and other costs associated with jointly establishing, acquiring, constructing and operating a common source of supply of water and a related waterworks system (the "Development Costs"), including the proposed Commission Waterworks System improvements and the formation of the Commission, even if the project is never constructed or water is never supplied by the Commission to the Villages or the Commission is dissolved. Pursuant to Section 11-135-1 of the Illinois Municipal Code (65 ILCS 5/11-135-1), the Villages find and determine that they will pay, advance or obligate themselves on an **equal share basis (50%/50%) for their share of the Development Costs as provided in the Cost Sharing IGA, and agree to fix as the maximum amount of their respective share of the Development Costs an amount not to exceed Forty Thousand Dollars (\$40,000)**, and shall agree to pay their respective share of such costs as the costs come due, but such repayment period shall not exceed five (5) calendar years); and

WHEREAS, under the attached IGA, the Villages agree to pay all future operating, maintenance, repair and replacement costs ("O&M Costs") incurred by the Commission in regard to the Commission Waterworks System using a formula that allocates those costs based on annual water volume usage of the respective Villages and any other members of the Commission; and

WHEREAS, the Villages recognize that the Commission may in the future enter into contracts with "Other Customers," as defined in the IGA, and Other Customers, who have their own Water Allocations, may purchase some or all of their water needs from the Commission, provided that such water purchases do not interfere with the other water supply agreements that the Commission has with its water supplier and the water supply agreements that the Commission has with the Villages and other current wholesale water customers; and

WHEREAS, the IGA also contains certain provisions and requirements regarding membership in the Commission, operations and governance of the Commission, and termination of membership and winding down of the operations of the Commission; and

WHEREAS, the President and Board of Trustees of the Village of Morton Grove have the authority to create the Commission and to enter into the IGA pursuant to Morton Grove's home rule powers as provided by Article VII, Section 10 of the 1970 Constitution of the State of Illinois, the Illinois Intergovernmental Cooperation Act (5 ILCS 220/1, *et seq.*), Division 135 (65 ILCS 5/11-135-1, *et seq.*) and the Illinois Municipal Code (65 ILCS 5/1, *et seq.*), and find that creating the Commission and entering into the IGA are in the best interests of Morton Grove.

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MORTON GROVE, COOK COUNTY, ILLINOIS, PURSUANT TO ITS STATUTORY POWERS CONTAINED IN DIVISION 135 OF ARTICLE 11 OF THE ILLINOIS MUNICIPAL CODE (65 ILCS 5/11-135-1, *et seq.*), ITS HOME RULE POWERS AS PROVIDED BY ARTICLE VII, SECTION 6 OF THE ILLINOIS CONSTITUTION OF 1970 AND THE AUTHORITY PROVIDED UNDER THE INTERGOVERNMENTAL COOPERATION POWERS OF ARTICLE VII, SECTION 10 OF THE ILLINOIS CONSTITUTION OF 1970, AS FOLLOWS:

SECTION 1: Recitals; Incorporation. The statements set forth in the preambles of this Ordinance are found to be true and correct and are incorporated by reference into Section 1 of this Ordinance.

SECTION 2: Common Source of Supply of Water and Waterworks System. Pursuant to authority granted by Division 135, the Village of Morton Grove elects to acquire, construct and operate jointly with the Village of Niles a common supply of water and a related waterworks system, and establishes with the Village of Niles a water commission to be known as the "Morton Grove-Niles Water Commission" ("MG-N Water Commission" or "Commission"), in accordance with Division 135.

SECTION 3: Approval of Intergovernmental Agreement Establishing Commission. The President and Board of Trustees of the Village of Morton Grove authorize the approval of the economic terms and the attached form an 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"), a copy of which is attached hereto as **Exhibit "A"** and made a part hereof. The President and Board of Trustees of the Village of Morton Grove authorize and direct the Village President and the Village Clerk, or their designees, to execute the final version of the IGA, which may contain certain non-substantive and non-financial modifications that are approved by the Village

Attorney, and to execute and deliver all other instruments and documents and pay all costs that are necessary to fulfill Morton Grove's obligations under the IGA.

SECTION 4: Obligation to Pay Development Costs and Startup Operating Costs. The Village of Morton Grove agrees to pay fifty percent (50%) of the "Development Costs" and "Start-Up Operating Costs," as defined in the IGA, of the Commission being established, on the terms and conditions set forth in Section 6(e) of the IGA attached hereto as **Exhibit "A"**.

SECTION 5: Obligation to Pay Operating and Maintenance Costs. Morton Grove agrees to pay its share of all future operating, maintenance, repair and replacement costs incurred by the Commission in regard to the Commission Waterworks System in accordance with the formula contained in Section 5(d) of the IGA that allocates those costs based on annual water volume usage of Morton Grove, Niles and any other members of the Commission.

SECTION 6: Obligation to Pay Debt Service. Morton Grove agrees to pay a share of the debt service on "Bonds" and "Debt Instruments," as defined in the IGA, in accordance with the formula contained in Section 5(d) of the IGA that allocates the repayment of debt service with a minimum debt service obligation for Morton Grove, Niles and any other members of the Commission, and that allocates the remainder of the repayment of the debt service based on the annual water volume usage of Morton Grove, Niles and any other members of the Commission.

SECTION 7: Filing. The Village Clerk shall file a certified copy of this Ordinance with the Illinois Secretary of State Index Department, with the Cook County Clerk, and with the Cook County Recorder of Deeds.

SECTION 8: Repealer. All ordinances, or parts of ordinances, in conflict with the provisions of this Ordinance, to the extent of such conflict, are repealed.

SECTION 9: Severability. Each section, paragraph, clause and provision of this Ordinance is separable, and if any provision is held unconstitutional or invalid for any reason, such decision shall not affect the remainder of this Ordinance, nor any part thereof, other than that part affected by such decision.

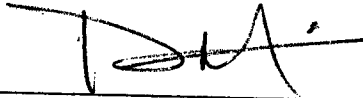
SECTION 10: Ratification. All actions of the President and Board of Trustees, agents and employees of the Village of Morton Grove that are in conformity with the purpose and intent of this Ordinance, whether taken before or after the adoption of this Ordinance, are ratified, confirmed and approved.

SECTION 11: Effective Date. This Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as required by law.

PASSED this 13th day of March 2017.

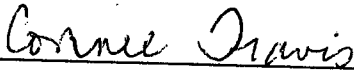
Trustee Grear Aye
Trustee Minx Aye
Trustee Pietron Aye
Trustee Ramos Aye
Trustee Thill Aye
Trustee Witko Aye

APPROVED by me this 13th day of March 2017.



Daniel P. DiMaria, Village President
Village of Morton Grove
Cook County, Illinois

APPROVED and FILED in my office this
14th day of March 2017



Connie Travis, Village Clerk
Village of Morton Grove
Cook County, Illinois

EXHIBIT "A"

**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**

(attached)

**MORTON GROVE-NILES WATER COMMISSION
VILLAGES OF MORTON GROVE AND NILES, COOK COUNTY, ILLINOIS**

**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**

Approved by Morton Grove Ordinance Number 17-05 dated March 13, 2017.

Approved by Niles Ordinance Number 2017-19 dated March 14, 2017.

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This 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") is dated March 13, 2017 ("Effective Date" as defined below), and has been approved and entered into by and between the President and Board of Trustees of the Village of Morton Grove, a home rule Illinois municipal corporation ("Morton Grove") with the passage of Morton Grove Ordinance Number 17-05 on March 13, 2017, and the President and Board of Trustees of the Village of Niles, a home rule Illinois municipal corporation ("Niles"), with the passage of Niles Ordinance Number 2017-19 on March 14, 2017.

WITNESSETH:

WHEREAS, after studying and analyzing the costs and benefits associated with a common source of supply of water and a related waterworks system, Morton Grove and Niles (also referred to as the "Parties," the "Villages" or the "Charter Customers") have determined that it is in their best interests to jointly acquire and operate a common source of supply of water and a related waterworks system, and to establish a municipal water commission together pursuant to Division 135 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-135-1, *et seq.*) (the "IMC") in furtherance thereof, to be known as the "Morton Grove-Niles Water Commission" (the "MG-N Water Commission" or "Commission"); and

WHEREAS, the Villages desire to maintain ownership and control over their own respective waterworks system (referred to as a "Unit System"), but agree to connect their respective Unit Systems, in part, to a new waterworks system to be constructed, owned and maintained by the Commission, which will construct, maintain and operate the new waterworks system within and outside of the respective corporate jurisdictions of the Villages for their joint use pursuant to Division 135 of the IMC (referred to as the "Commission Waterworks System" or "Waterworks System" or "System" as further defined below); and

WHEREAS, through the Commission, the Villages desire to obtain an adequate supply of water for re-sale to their respective water customers. The Villages agree that the continued existence and operation of the Commission is dependent upon the Commission entering into a long-term water supply agreement for the purchase of potable water with the City of Evanston, or such other water supplier(s) as may be advisable. The potable Lake Michigan water ("Lake Water") to be purchased from the City of Evanston, or such other water supplier(s), shall be delivered to the Commission Waterworks System through a point of connection located within the City of Evanston or one of the Villages or another Illinois municipality that is already a water customer of the City of Evanston, or such other water supplier(s). The Commission shall construct its Waterworks System improvements within the Villages and in other Illinois municipalities in order to connect its System to the waterworks system of the City of Evanston, or such other water supplier(s) (the "Connection Project"); and

WHEREAS, the Villages each received and maintained from the State of Illinois Department of Natural Resources a "Water Allocation," as defined below; and

WHEREAS, the Commission may apply for grants and may issue and sell "Bonds" (as defined below) and may enter into "Debt Instruments" (as defined below) from time to time during the term of this IGA in sufficient amounts for the payment of the costs of the construction, re-construction, extension, maintenance, removal, repair and replacement of the Commission Waterworks System, including the Connection Project, and to expend funds for the purpose of making certain upgrades and improvements to the Commission Waterworks System and the Unit Systems as provided by applicable laws and the terms of this IGA; and

WHEREAS, by the execution of this IGA, the Villages are surrendering none of their respective rights to the ownership and operation of their respective Unit Systems, except as expressly stated in this IGA; and

WHEREAS, in accordance with terms of this IGA below, and as further contained in a Cost Sharing Intergovernmental Agreement approved by the Villages in January 2017, the Villages have authorized and expended public funds, from time to time, to pay for the assessment and feasibility studies and reports, the preliminary engineering and design work, other consulting services and related legal work, and other costs associated with jointly acquiring, developing, constructing and operating a common source of supply of water and a related waterworks system prior to and after the formation of the Commission (the "Costs of the Project"), including the proposed Commission Waterworks System improvements and the formation of the Commission, even if the Connection Project is never constructed or water is never supplied by the Commission to the Villages or the Commission is dissolved. Pursuant to Section 11-135-1 of the IMC, the Villages find and determine that they have and will continue to pay, advance or obligate themselves, on behalf of the Commission, on an equal share basis (50% / 50%) for their one-half share of the Costs of the Project. The Villages agree to pay their respective one-half share of the Costs of the Project as those costs come due until the Commission issues debt or generates revenue for the purpose of reimbursing the Villages for the Costs of the Project, but such reimbursement period shall not exceed five (5) calendar years; and

WHEREAS, as a condition of formation and as authorized by Section 11-135-1 of the IMC, the Commission shall be obligated to reimburse the Villages for the actual, incurred Costs of the Project, shall borrow funds and/or issue Bonds or Debt Instruments for the purpose of reimbursing the Villages for the Development Costs once the Commission Waterworks System is operational and shall be required to set its water rates and charges to provide for such reimbursement; and

WHEREAS, as set forth below in this IGA, the Villages, and all future Members, agree to pay their allocated share of all Aggregate Costs (as defined below) incurred by the Commission in regard to the Commission Waterworks System; and

WHEREAS, the Villages recognize that the Commission may in the future enter into contracts with "Other Customers," as defined in this IGA, and Other Customers, who have their own Water Allocations, may purchase some or all of their water needs from the Commission, provided that such water purchases do not interfere with the other water supply agreements that the Commission has with its water supplier and the water supply agreements that the Commission has with the Villages and other current wholesale water customers; and

WHEREAS, this IGA also contains certain provisions and requirements regarding membership in the Commission, operations and governance of the Commission, and

termination of membership and winding down of the operations of the Commission, and the Villages execute this IGA in reliance upon such provisions and requirements for the term of this IGA; and

WHEREAS, the respective corporate authorities of the Villages have the authority to approve and enter into this IGA to establish and operate the Commission pursuant to their home rule powers as provided by Article VII, Section 10 of the 1970 Constitution of the State of Illinois, the Illinois Intergovernmental Cooperation Act (5 ILCS 220/1, *et seq.*), Division 135 of the IMC (65 ILCS 5/11-135-1, *et seq.*) and the Illinois Municipal Code generally (65 ILCS 5/1, *et seq.*).

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual covenants and agreements herein contained, the receipt and sufficiency of which is acknowledged, the Parties hereto agree as follows:

The preambles hereto are 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 IGA. A definition in the singular may be used in the plural, and vice-versa.

Section 1. Definitions. The following words and phrases shall have the following meanings when used in this IGA, unless the context clearly indicates a different meaning is intended.

"Aggregate Costs" means all costs incurred by the Commission in regard to the Commission Waterworks System that are payable by the Members, including but not limited to, the Bonds, the Capital Costs (i.e., Development Costs and Costs of the Project), the Capital Improvement Reserve Fund, the Debt Instruments, the Extraordinary Costs, the Fixed Costs, the Operation and Maintenance Costs, the O&M Reserve Fund, the Start-Up Operating Costs and the Underconsumption Costs, collectively, as herein defined.

"Board of Commissioners" or **"Board"** or **"Commissioners"** means the Board of Commissioners of the Commission, which serves as the governing body of the Commission, as further defined below.

"Bonds" means any and all of the Commission's obligations which are payable from the revenues of the System, whether in the form of bonds, notes or other evidences of indebtedness, in whatever original principal amount, together with any such additional revenue obligations authorized by statute to be issued by the Commission from time to time. Pursuant to Division 135 of the IMC (65 ILCS 5/11-135-1, *et seq.*) and the Local Government Debt Reform Act, 30 ILCS 350/1 *et seq.* (the "LGDR Act"), as amended, the Commission is authorized to issue "revenue bonds," "alternate bonds" (also known as "double-barreled bonds"), "limited bonds" or any other debt instrument (leases, notes, installment or financing contracts, certificates, tax anticipation warrants or notes, vouchers and any other type of indebtedness) listed under the definition of "Bond" in the LGDR Act for purposes of paying all or a portion of the "Costs of a Project" (as that term is defined herein) for any Project undertaken by the Commission with respect to the System.

"Capital Costs" shall have the same meaning as Development Costs and Costs of the Project.

"Chair" shall mean the Chair of the Commission, duly appointed pursuant to the Water Commission Law.

"Charter Customers" or **"Charter Members"** means the Village of Morton Grove and the Village of Niles, who are the units of local government that initially approved this IGA in order to establish the Commission.

"Capital Improvement Reserve Fund" means the monies retained by the Commission in an account that equals a certain set percentage of the estimated cost of planned short-term or long-term Capital Improvements held in reserve for use to pay for the costs of design, planning, land or equipment acquisition, architectural, engineering, legal or other professional services and construction and other lawful expenses relating to any Capital Improvements. As part of its fiscal policies, the Board, in its sole discretion, shall set the percentage amount of funds retained in the Capital Improvement Reserve Fund based on information provided by any Commission-retained consultant and/or its auditor.

"Commission" or **"MG-N Water Commission"** means the Morton Grove-Niles Water Commission, County of Cook, Illinois.

"Connection Project" means the construction of certain Waterworks System improvements by the Commission within and outside of the jurisdictions of the Villages in order to connect the Commission's Waterworks System to the point of connection with the waterworks system of the City of Evanston, or such other water supplier(s) in order to purchase and deliver potable Lake Water from the City of Evanston, or such other water supplier(s), to the Unit Systems of the Villages and the Non-Charter Customers.

"Contract Customers" means the Charter Customers and the "Non-Charter Customers" and Service Customers, as defined below, collectively.

"Costs of the Project" means, with respect to a Project, all costs of the Project, whether incurred prior to and after the formation of the Commission, including costs of the acquisition of necessary lands, easements and rights-of-way over lands and waters, whether by voluntary acquisition or by eminent domain; the erection, construction, rehabilitation, repair and replacement of pumping, storage or other facilities, including mains and pipelines; the costs of financing and administration during any period of acquisition, erection, expansion, construction, rehabilitation, repair, replacement or installation, as aforesaid; the costs of repayment of any indebtedness as may be incurred for such costs, including all Development Costs and all related administrative expenses, legal fees, engineering fees and other consultant fees, prior to issuance of Bonds or other Debt Instruments for a Project; and the costs for such other purposes, including without limitation reasonable reserves and working capital, as may be determined by the Commission.

"Customer" means any person or entity purchasing water from the Commission, including the Charter Customers, the Non-Charter Customers and Service Customers.

"Debt Instrument" means any agreements, contracts, installment contracts, loans, leases, promissory notes, notes and other debt instruments of any kind (other than "Bonds") that the Commission is authorized by law to enter into for purposes of financing any purchase or lease of land, equipment or personal property for the Commission or to finance the operations of the Commission or the costs of acquisition, construction and administration during any period of

erection, expansion, construction, rehabilitation, repair, replacement or installation of any current or new portions of the Project (as defined herein), including but not limited to 30 ILCS 350/17, 65 ILCS 5/8-7-1, 65 ILCS 5/8-1-3.1, 65 ILCS 5/11-76.1-1, and 65 ILCS 5/11-135-1, et seq., as amended.

"Development Costs" means those costs relating to the assessment and feasibility studies and reports, the preliminary engineering and design work, other consulting services and related legal work and other costs associated with any Project.

"Effective Date" means the date upon which this IGA goes into effect, pursuant to **Section 2(b) and (c)** of this IGA.

"Extraordinary Costs" means the costs of operating, maintenance, repair and/or replacement of the System that are beyond the financial capability of the Commission, which may include any Bond and Debt Instrument obligations.

"Fixed Costs" means an amount sufficient at all times to pay the principal and premium, if any, and interest on Bonds or other Debt Instruments, to provide reserves required therefore, to provide an adequate depreciation fund for the System, and to pay reasonable capital costs necessary to carry out the corporate purposes and powers of the Commission; and except as any of the above are included in Operation and Maintenance Costs, as defined below.

"Full Water Requirements" means, with respect to a Customer, the amount of water necessary from time to time to meet the potable water requirements of all then-current customers served by the Unit System of such Customer (including municipal use where applicable) whether within or outside of the corporate limits or applicable service area of such Customer.

"Lake Water" means potable water drawn from Lake Michigan.

"Master Water Supply Agreement" means the water supply agreement for the delivery of Full Water Requirements between the Villages and/or the Commission and the City of Evanston dated **March 16, 2017**, or any other water supply agreement for the delivery of Full Water Requirements entered into by the Villages or the Commission with one or more other water supplier(s) and as may thereafter be amended, supplemented, or replaced from time to time, for the transmission of Lake Water into the System to be supplied by the Commission to the Customers.

"Members" means the Charter Customers and any Non-Charter Customers approved as Members by the Commission and the unanimous consent of the Charter Customers, to be members of the Commission's Board of Commissioners.

"Non-Charter Members" (also "Non-Charter Customers") means the Members of the Commission, other than the Charter Members.

"Operation and Maintenance Costs" (also "O&M Costs") means all expenses incurred in the administration, operation and maintenance of the Commission and the System including the accumulation of reserves related to payment of said costs (i.e., O&M Reserve Fund), and amounts payable under the Master Water Supply Agreement, but not including any

Underconsumption Costs except as may be specifically provided otherwise in this IGA or any water supply agreement between the Commission and a Customer.

"Other Customers" means Customers other than Charter Customers.

"O&M Reserve Fund" means the monies retained by the Commission in an account that equals a certain percentage of the typical annual Operating and Maintenance Costs held in reserve for use to meet ordinary and necessary disbursements for salaries, operating expenses and other lawful purposes of an emergency or special circumstances. As part of its fiscal policies, the Board, in its sole discretion, shall set the percentage amount of funds retained in the Reserve Fund based on information provided by any Commission-retained consultant and/or its auditor.

"Project" means any acquisition or construction for the provision of Lake Water related to or through the proposed Commission Waterworks System including initial acquisition and construction thereof and all future improvements or extensions, acquisition, construction, maintenance, repair or replacement thereof.

"Recapture Fee" means the fee, determined by the Board, in its sole discretion, based on information provided by the Commission-retained consultant and/or its auditor, shall be paid by any withdrawing or terminated Member to reimburse the other Members for all incurred but unpaid or to be incurred debt service payments relating to the Commission or the System, incurred but unpaid or to be incurred Operating and Maintenance Costs, and unamortized Capital Costs incurred or paid for by the Commission. These Capital Costs include, but are not limited to, any type of Commission-related improvements to the buildings or structures owned by the withdrawing or terminated Member that were used by the Commission or capital equipment incorporated into the buildings or structures that were part of the System and those improvements will no longer be available to the Commission or the other Members after the Member withdraws from or terminates its participation in the Commission, or upon dissolution of the Commission or the termination of this IGA. The purpose of the Recapture Fee is to avoid unjust enrichment of those Members who are obligated to pay part of the debt obligations of the Commission issued during their time with the Commission or assumed by the Member as part of joining the Commission, but have not paid their fair share of such debt obligations, and who have had their buildings and structures improved and have other capital equipment incorporated into those buildings or structures at the expense of the Commission, and then, upon withdrawal from or dissolution of the Commission or termination of this IGA, those Members retain the value of such improvements or would otherwise avoid the payment of their allocated share of the debt obligations.

"Start-Up Operating Budget" means a budget that identifies and provides for all initial start-up costs related to the operations of the personnel costs, buildings, equipment, supplies and implementation of the System, including wages, salaries, employment benefits, insurance, outside vendors and utilities.

"Start-Up Operating Costs" means any initial start-up costs authorized in the Start-Up Operating Budget related to the personnel costs, buildings, equipment, supplies and implementation of the System, including wages, salaries, employment benefits, insurance, outside vendors and utilities.

"Service Customer" means a Customer of the System that is not a Member of Commission and is served pursuant to a Water Supply Service Agreement.

"System" (the "Commission Waterworks System") means all of the Commission-owned facilities, including land, easements, rights-of-way over lands and waters, pumping, storage and other facilities, mains and pipelines acquired and used for the purposes of providing and transmitting Lake Water from the Commission's supplier of water into the System to deliver water to the Customers, but not including the Unit Systems.

"Transfer Date" means the date that the Parties agree to transfer certain portions of any existing or newly constructed Commission Waterworks System or any portion of its Unit System that it no longer will own and operate, but will become part of the Commission Waterworks System, or convey any real estate or grant any easements to the Commission for purposes of constructing, extending, maintaining, operating, removing, repairing and replacing any portion of the Commission Waterworks System.

"Underconsumption Costs" means any amount which the Commission is obligated to pay under the Master Water Supply Agreement solely by reason of failure to accept delivery of the minimum quantity of Lake Water that the Commission is obligated to purchase under the Master Water Supply Agreement.

"Unit System" means the waterworks system or combined waterworks and sewerage system (if such systems are combined for financing and accounting purposes) from time to time owned by a Customer, connected to the System pursuant to an agreement with the Commission and dedicated as the Customer's water distribution system to serve its customers. The Unit System of Morton Grove shall begin at that point in the Village of Morton Grove beyond the first water meter in the water distribution main supplying water to Morton Grove located at: To be determined by the Parties. The Unit System of Niles shall begin at that point in the Village of Niles beyond the first water meter in the water distribution main supplying water to Niles located at: To be determined by the Parties.

"Water Allocation" means, with respect to a Customer, such Customer's allocation and allowable excess from time to time of Lake Water, as determined by the Illinois Department of Natural Resources or such other governmental regulatory authority with jurisdiction or applicable State law or administrative opinion, or such other amounts of Lake Water as a Customer may lawfully take.

"Water Commission Law" means Division 135 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-135-1, *et seq.*), as amended.

"Water Supply Agreement" means written water supply agreements between the Commission and each Member, setting forth water and service rates, water allocations, and other appropriate terms of service.

"Water Supply Agreement for Service Customer" means an agreement which provides for a water supply to a Service Customer from the Commission.

Section 2. Creation; Name; Enactment; Term.

(a) **Creation.** By the approval of this Agreement, the "Morton Grove-Niles Water Commission" (also referred to as the "MG-N Commission" or "Commission"), an Illinois municipal water commission and a legally constituted a public corporation, has been created pursuant to the authority granted in Section 11-135 of the IMC. The corporate authorities or body of the Commission shall consist of the duly appointed Commissioners, as provided for by Section 11-135-3 of the IMC and Section 3 of this IGA.

(b) **Enactment; Initial Charter Customers and Members.** Morton Grove and Niles have authorized the execution of this IGA by the adoption of substantially similar ordinances, and have executed a counterpart of this IGA as acceptance hereof and agree to place the fully executed version of this IGA and certified copies of the ordinances on file with the duly appointed Secretary of the Commission. Morton Grove and Niles are the initial Charter Customers and Charter Members.

(c) **Effective Date.** This IGA will become effective (the "Effective Date") on the date that the last signatory executes and dates this IGA after approval by the respective corporate authorities of Morton Grove and Niles. If either Morton Grove or Niles do not execute a counterpart hereof so as to make this IGA effective, then this IGA shall be null and void and of no effect.

(d) **Term.** This IGA shall continue in full force and effect for an indefinite term, provided that the Parties continue to operate and maintain the Commission and its Waterworks System in accordance with the applicable laws and the terms and provisions of this IGA, as amended.

(e) **Compliance.** The Commission shall be operated in compliance with the Water Commission Law and all other applicable federal, State, county and local laws, regulations and ordinances.

(f) **Fiscal Year.** The Commission's fiscal year shall be from January 1 to December 31 each calendar.

Section 3. Governance; Board of Commissioners.

(a) **Governance; Composition.** The governing body of the Commission shall be the Board of Commissioners (the "Board" or "Commissioners"). The Commissioners shall be qualified, appointed, and serve such terms as set forth in the Water Commission Law, as amended. See, Section 11-135-2 of the IMC.

(i) **Appointments by Units of Local Government.** The Mayor or President or Chair (in the case of a participatory water commission) of each Member of the Commission, with the approval of the corporate authorities, shall appoint one (1) Commissioner to serve on the Board. Unless otherwise agreed to, in writing, by the Mayors or Presidents, the Parties shall appoint as their first commissioners their respective Village Administrator / Village Manager.

(ii) **Appointment by County Board.** The presiding officer of the county board with the advice and consent of the county board of the county in which the major part of the Waterworks System of the Commission is, or are to be, located shall appoint one (1) Commissioner to serve on the Board.

(iii) **Terms.** The Commissioners shall serve for a term of six (6) years, or until their successors have been appointed and have qualified in the same manner as the original appointments, except that the Commissioners first appointed shall determine, by lot at their first meeting, the respective Commissioners whose terms shall be for two (2) years, four (4) years and six (6) years from the date of that meeting.

(iv) **Qualifications.** Each Commissioner appointed by a mayor or president or Chair of a participating water commission shall be an elector or the chief administrator of the municipality or the water commission for which he/she acts as Commissioner. The Commissioner appointed by the presiding officer of the county board shall be an elector of the county in which the major waterworks of the Commission is, or are to be, located. Any appointed Commissioner may be a member of the governing board or officer or employee of the appointing municipality, participating water commission or county. A Commissioner is eligible for reappointment upon the expiration of his/her term.

(v) **Vacancy.** A vacancy shall be filled for the balance of the unexpired term of the person who has ceased to hold office, in the same manner as the original appointment.

(vi) **No Compensation.** The Commissioners shall not receive any compensation, except that a Commissioner may be reimbursed for actual, documented, budgeted business expenses relating to Commission business in accordance with any business expense policy adopted by the Board.

(vii) **Bond.** Each Commissioner shall furnish a bond for the faithful performance of his/her official duties. This bond shall not be less than \$5,000 and its costs shall be paid by the Commission.

(viii) **Removal.** Each Commissioner may be removed for any cause for which any other municipal officer may be removed.

(ix) **Prohibited Interests in Commission Contracts or Work.** No Commissioner or employee of the Commission, and no mayor or president or other member of the corporate authorities, or any employee of any of the municipalities or participating water commissions, shall be interested directly or indirectly in any contract or work or materials, or the profits thereof, or services to be performed for or by the Commission. A violation of any of the foregoing provisions of this section is a Class C misdemeanor (Illinois Criminal Code). A conviction is cause for the removal of a person from his/her office or employment.

(b) **Officers.** The officers of the Board shall be the Chair, Acting Chair, Chair Pro-Tem, Treasurer and Secretary. The Chair shall be elected by the Commissioners from their own number. The Treasurer and Secretary shall be appointed by the Chair, with the advice and consent of the other Commissioners. The Treasurer and the Secretary do not have to be members of the Board, and, in such case, would not have voting powers. All officers shall serve for a one (1) year term, beginning with the date of their election or appointment and ending

when their successors have been properly elected or appointed, unless a shorter term is specified at the time of appointment, in which event the shorter term shall prevail.

(c) Chair. The Chair shall: perform those duties prescribed by applicable laws, the Board or the Commission; preside at all meetings of the Board; appoint the Treasurer and Secretary with the advice and consent of the other Commissioners; sign all ordinances, resolutions and other documents necessary to be signed on behalf of the Board or the Commission and shall execute all agreements entered into by the Commission, except such documents as the Board shall authorize to be signed or executed by the Superintendent; have the power to vote in the same manner as the other Commissioners; and perform such other duties as may be prescribed by ordinance, Commission-approved administrative regulations or any amendment to this IGA.

(d) Acting Chair. In the event of the Chair's absence or inability to act, the Commissioners shall elect from their number an Acting Chair, who shall, during such absence or inability to act, perform all duties and exercise all powers within the normal purview of the Chair. The Acting Chair shall serve until the Chair's absence or inability to act shall terminate, or until such time as a new Chair is duly elected in accordance with this IGA and the Water Commission Law.

(e) Chair Pro-Tem. In the event of the temporary absence or inability of the Chair or Acting Chair to perform only those duties of the Chair at a Commission meeting, the Commissioners shall elect from their number in attendance a Chair Pro-Tem to serve as Chair of a meeting and to perform the duties and exercise the powers of the Chair at such meeting, including execution of ordinances, agreements and other documents approved or authorized at such meeting.

(f) Secretary. The Secretary shall: perform those duties prescribed by applicable laws, including the Open Meetings Act ("OMA") and the Freedom of Information Act ("FOIA"), or by the Commission; serve as the OMA officer and FOIA officer; see that notice of each meeting has been given to each Commissioner at least forty-eight (48) hours prior to the call to order; see that public notice of the schedule of regular meetings is given at the beginning of each calendar year, such notice stating the dates, times and places of regular meetings; and that public notice of any special meeting, rescheduled regular meeting or reconvened meeting is given at least forty-eight (48) hours prior to the call to order of any such meeting; see that an agenda for each meeting is prepared in advance for general distribution; record, publish and maintain a permanent record of the minutes of each Board and committee meeting; record the vote of each Commissioner on each ordinance, resolution or other proposition brought to a vote; and maintain a central file of all correspondence and other documents and materials pertaining to the affairs of the Commission. The Superintendent may be appointed to the position of Secretary. The Secretary may receive compensation, as set by the Board, for performing the above duties, provided he/she is not a Commissioner or the Superintendent or a Commission employee.

(g) Treasurer. The Treasurer shall perform or cause to be performed the following: those duties prescribed by statute, law or the Commission; receipt and deposit all monies; preparation of all checks and maintenance of a check register; reconciliation of the bank statements; maintenance of a file of the orders for deposit of monies; maintenance of all of his/her records at the office of the Commission; preparation of an annual audit; preparation of a monthly statement of receipts and disbursements; recommendation of depositories to be

selected by the Commission; responsibility for the handling, care and investment of all deposits, investments or funds of the Commission; provide a bond in the amount of \$250,000 for the faithful discharge of the duties of the position of Treasurer, with such surety or sureties as the Board shall determine with the Commission paying the bond premium; and such other duties as shall be specifically prescribed from time to time by the Chair or the Commission. If approved by the Board, the position of Treasurer may be filled by the chief financial officer, the finance director or any of their functional equivalents of the Charter Members or any Non-Charter Member. If the Treasurer is an employee of one of the Charter Members or a Non-Charter Member, he/she shall receive no additional salary or compensation for such services, except that he/she or the Charter Member or Non-Charter Member may be reimbursed for actual, necessary and documented business expenses incurred as part of performing the Treasurer's duties. The Charter Member or Non-Charter Member that supplies the person who serves as Treasurer shall not be entitled to reimbursement for any salary or employment benefits of any kind during the person's term as Treasurer. The Board may hire an accountant or accounting firm to serve as Treasurer and may pay that person or firm compensation, as set by the Board, for performing the above duties, provided he/she is not a Commissioner or the Superintendent or a Commission employee.

(h) Financial Matters and Fiscal Policies. In addition to the following regulations, the Commission may establish fiscal policies, procedures and limitations as may be necessary to preserve the integrity and purpose of the approved annual budget and related expenditures:

- (i) Financial Reports and Warrant List.** The Treasurer shall provide to the Board, the Operations Board and the Superintendent a written financial report of current and projected revenues and expenses for the current budget year and a monthly warrant list of issued checks and pending checks for approval by the Board. The frequency of financial reports and the level of detail contained in the financial reports shall be determined by the Board.
- (ii) Financial Operations.** All other necessary financial operations, including but not limited to accounting, accounts payable, and payroll, shall be either outsourced to a third party contractor or handled by the Treasurer or by a designated Commission employee approved by the Board of Directors, with input by the Treasurer and the Superintendent.
- (iii) Funds on Deposit.** All monies received by the Commission shall be deposited into one or more bank accounts at one or more banks licensed to do business in Illinois, as designated by the Board. Expenditures from these bank accounts shall be for budgeted items and/or allowable public purposes in accordance with applicable law and in furtherance of the objectives of this Agreement, subject to an appropriate budget amendment, and shall be authorized by the Board or the Superintendent consistent with his/her limited spending authority.

(i) Procurement Policy. Purchases and/or letting contracts shall be done in accordance with this IGA, applicable laws, and any procurement policy and guidelines adopted by the Board.

(j) Authorized Signatories. The following positions shall serve as authorized check and financial instrument signatories at each of the banks, title or trust

companies, depositories and/or other financial institutions at which the Commission maintains accounts: (1) Chair; (2) Treasurer; (3) Secretary; and (4) Superintendent (if any). There shall be a "two signatory requirement" policy for authorizing any transfer and withdrawal of Commission funds or executing any checks or other instruments that draw Commission funds out of any bank, title or trust companies, depositories or other financial institution at which the Commission maintains financial accounts. Any two (2) of the above-listed, authorized signatories may sign such checks or instruments or direct such transfers and withdrawals as approved by the Board. The Treasurer shall distribute copies of all signed checks for review by the Board as part of a monthly or quarterly finance report.

(k) Contract Signatories. The Commissioners may authorize, by motion, resolution or ordinance, and approve at a public meeting, any officer or agent other than the Chair and the Secretary to enter into and execute any contract or execute and deliver any instrument in the name of and on behalf of the Commissioners; such authority may be general or confined to specific Board-approved instances.

(l) Loans. No loans shall be procured on behalf of the Commissioners and no evidence of indebtedness shall be issued in its name unless authorized by a written resolution or ordinance of the Commission and in accordance with applicable law. Such authority may be general or confined to specific Board-approved instances.

(m) Board of Commissioners' Duties and Authority. The Board shall determine the general policy of the Commission, shall approve the annual budget, shall make all appropriations (which may include appropriations made at any time in addition to those made in any annual appropriation document), shall approve all agreements for the purchase or sale of water, shall adopt any resolutions or ordinances providing for the issuance of Bonds or Debt Instruments (as those terms are defined herein) by the Commission, may adopt a set of By-Laws, or administrative regulations, and shall have such other powers and duties, and shall discharge the duties, prescribed in this IGA, the Water Commission Law, and all other applicable federal, State, county and local laws, regulations and ordinances. The Board may create and provide direction to committees and subcommittees, as needed, and may create one or more management positions, as needed.

(n) Procedural Rule. No Board motion, resolution or ordinance concerning the subjects enumerated below shall be authorized and effective, except by the affirmative vote of no less than both Commissioners of the Charter Members: (1) Approval of individual agreements or a series of agreements related to a single Project in an amount in excess of Forty Thousand and No/100 Dollars (\$40,000.00); (2) Setting of rates for the sale of Lake Water to Contract Customers; (3) Borrowing funds or authorizing Bonds or Debt Instruments; (4) Authorizing the exercise of eminent domain powers of the Commission; (5) Employment of a Superintendent or other employees of the Commission; (6) Amendment of the Master Water Supply Agreement, or such other agreement(s) for the supply of water into the System; (7) Water Supply Agreements for Members and Water Supply Agreements for Service Customers; (8) Adoption and amendments to any By-Laws or administrative regulations; (9) Amendment to allocation formula or percentages within existing formulas for payment of the Start-Up Operating Costs, the Development Costs, the Fixed Costs, and the Operating and Maintenance Costs in Section 6(d) below; (10) Payment and amount of Extraordinary costs in Section 5(b) below; (11) Membership in the Commission for any proposed Non-Charter Member; and (12) Approval of the annual Budget and Budget amendments.

(o) Vote Requirements. Except as set forth in Section 3(n) above, the concurrence of a majority of all of the appointed Commissioners shall be necessary for the passage of any ordinance or resolution, the incurring of any debt or financial obligation, or the approval of any payment; provided, however, that certain payments may be approved as otherwise provided in this IGA. All other action of the Board shall require the concurrence of a majority of those Commissioners present, provided there is a quorum. Every member of the Board who shall be present when a question is stated from the Chair shall vote thereon, unless excused by the Chair or unless he/she is directly interested in the question. Votes of "abstain," "pass" or "present," or a refusal to vote when present, shall be counted as concurring in the vote of the majority of those who did vote on the question. Proxy voting by absent Commissioners is not allowed. A Commissioner participating in a meeting via electronic means in accordance with a policy adopted by the Board pursuant to the OMA may vote on all matters.

(p) Operations Committee. There is established an advisory committee (the "Operations Committee" or "Committee") of the Commission consisting of two (2) employees of each Member, as appointed and approved by each Commissioner, with regard to their own appointees. The first set of appointees shall be appointed from any of the following positions: the director of public works (or the assistant director), or the director of water department (or the assistant director), or the water superintendent (or the assistant superintendent) or a certified water operator or a representative from the village engineer's office or any other comparable department. The second set of appointees shall consist of the assistant village manager or assistant administrator, or the director of finance (or the assistant director), or the treasurer. Each Member shall designate, in writing, one (1) alternate to serve in the absence of the primary Committee appointee. The appointees to the Operations Committee should have business expertise or technical expertise generally related to the operation of the Commission's Waterworks System.

The Committee shall provide recommendations to the Board and shall:

- (i) Be the point of participation for each Member's Water Department representatives to discuss with the Superintendent (if appointed) and other Committee members budgetary, operations, expansion, upgrades, maintenance and repairs, personnel, training, service complaints and other procedural concerns or matters relating to the System, the Lake Water delivered through the System and the operation of the System with the operation of the Unit Systems.
- (ii) Be a resource for the Superintendent (if appointed) and the Board in the coordination, preparation of or researching of any matters covered under (i) above or as directed by the Board.

The Committee shall meet and operate as follows:

- (i) The members shall serve on the Operations Committee for an indefinite term (unless ineligible to continue to serve), and the Operations Committee members shall serve at the pleasure of the respective appointing Commissioners.
- (ii) The Committee shall select a Chair from its members on an annual basis; and an Acting Chair shall be appointed to serve in the Chair's absence

from any meeting. The Committee shall meet on a monthly basis, or as directed by the Board.

- (iii) No member of the Committee shall receive any compensation for serving on those Committees, except that he/she may be reimbursed for actual, necessary and documented business expenses incurred as part of serving on the Committee.
- (iv) If any member of the Committee fails to retain the status necessary to serve on behalf of the Member that he/she represents (e.g., resigns from employment with the Member), then the Member shall inform the Board and the Chair of the Committee of this fact and designate an otherwise qualified representative to serve on the respective Committee, until a successor is duly appointed and qualified. The alternate shall serve until such appointment is made.
- (v) The Committee shall meet on a monthly basis, or more frequently, if requested by the Board, the Superintendent (if appointed) or the Committee Chair. Each December, the Operations Committee shall establish dates, times and a location for regular meetings, one of which shall be designated as the annual meeting. The Superintendent (if appointed), or his/her designee, or a person appointed by the Committee Chair shall also serve as Secretary to the Committee, and shall perform secretarial duties.
- (vi) Notice of the regular meetings, including an agenda, shall be delivered or electronically mailed: (a) to each Committee member at least forty-eight (48) hours prior to the meeting, and (b) to all media requesting same.
- (vii) Special meetings may be held at the request of the Superintendent (if appointed) or any Committee member or the Board, with at least forty-eight (48) hours notice given. In the event of a bona fide emergency, notice of an emergency meeting shall be given as soon as practicable, in a manner that is reasonably calculated to provide actual notice under the circumstances.
- (viii) All notices of regular, special, closed (executive session) and emergency meetings, and agendas therefor, shall be prepared, posted and distributed by the Committee Chair or the Superintendent (if appointed), or his/her designee, in accordance with the OMA, as amended from time to time.
- (ix) A quorum for the transaction of all Committee business shall consist of a majority of Committee members.
- (x) Robert's Rules of Order shall govern the conduct of all Committee meetings, until the respective Committees establish their own rules of proceeding.

- (xi) A simple majority vote of the Committee members attending a meeting is required for the Committee to take final action on a matter or to provide direction on a matter.
- (xii) No proxy or absentee votes are allowed, except that a Committee member may participate and vote during a meeting if he/she is eligible to attend the meeting via electronic attendance and complies with any adopted electronic participation rules.
- (xiii) Any disputes or complaints regarding matters that come before the Committee shall be resolved by the Superintendent (if appointed) or the Committee Chair, in his/her discretion. If the dispute or complaint involves a matter that has the potential to lead to liability for the Commission or represents a major change to the day-to-day operations of the Commission, the Superintendent (if appointed) or the Chair of the Board shall resolve the dispute or complaint, after input from the Board.

Section 4. Employment and Personnel.

(a) **Employment.** The Commission may employ agents and employees, and may delegate by resolution, to one or more of its Commissioners or officers, such powers as it may deem proper.

(b) **Shared Employees.** The Commissioners may, upon receiving a recommendation from the Operations Committee, borrow, lend and share employees with its Members and with other governmental agencies, when it is expedient for the Commission to do so. The terms regarding compensation to be paid to such employees will be set forth in an "employee sharing agreement" that memorializes the contractual arrangement, and the agreement shall be approved by the Commissioners and the other entity.

All personnel rules applicable to any employee of the Commission shall continue to apply to such employee if the employee is assigned to perform services for another public agency or a Member pursuant to this IGA or any other intergovernmental agreement.

(c) **The Administrative Staff.** The "Administrative Staff" shall consist of a Superintendent (if any) and such other supervisory, administrative and operating personnel as may from time to time be employed or retained by the Commission, or required by the Water Commission Law. The supervisory or managerial level personnel who are part of the Administrative Staff shall serve at the pleasure of the Board and may be removed with or without cause by the Board.

(d) **Employment Policies.** The Board, upon receiving a recommendation from the Operations Committee, shall approve the compensation and benefits of the Administrative Staff (if any), and any other employment policies of the Commission.

(e) **Superintendent; Appointment.** If necessary for the operation of the System and the Commission, the Board may appoint a full-time or part-time Superintendent after receiving the advice of the Operations Committee. The Superintendent shall be appointed for an indefinite term and solely on the basis of the administrative and executive qualifications, with special weight given to actual experience in or knowledge of acceptable practice relating to

the duties of the position as hereinafter set forth. No Commissioner or Operations Committee Member shall be appointed as Superintendent while serving as a Commissioner or a Committee Member, or within one (1) year of the expiration of such term. In the event of the Superintendent's absence or inability to act, the Chair or his/her designee may perform the duties of the Superintendent during such absence or inability. The Superintendent shall serve at the pleasure of the Board and may be removed with or without cause by the Board. The action of the Board in removing the Superintendent shall be final.

(f) Superintendent; Duties. The Superintendent shall be the Chief Administrative Officer of the Commission and shall be responsible for the efficient administration and management of the Commission. The duties of the Superintendent shall include, but are not necessarily limited to, the following:

- (i) Administrative responsibility for the organization, acquisition, construction, operation and maintenance of the water supply system of the Commission.
- (ii) Enforcing the Ordinances, Resolutions, policy directives, By-Laws (as appropriate) and administrative regulations of the Commission.
- (iii) Supervising all Administrative Staff and consultants of the Commission; and hiring (subject to budgetary constraints), firing and disciplining non-managerial, non-supervisory and non-professional personnel.
- (iv) In consultation with the Secretary, preparing an agenda for each Board and Committee meeting in advance of the meeting for general distribution.
- (v) Attending all Board and Committee meetings unless excused therefrom.
- (vi) Attending any Board and Committee meetings at which his / her attendance has been requested.
- (vii) Attending relevant meetings of the Members if so requested.
- (viii) Recommending policies, plans and procedures for the organization, construction, acquisition, operation and maintenance of the water supply system of the Commission.
- (ix) Purchasing materials and services and approving change orders less than Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) in value (all other purchases and changes orders shall be approved by the Board). Purchase orders, invoices or change orders for materials or services shall be not be prepared or adjusted to avoid exceeding the Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) limitation above.

- (x) In consultation with the Treasurer, preparing all checks and maintaining a check register, a monthly statement of receipts and disbursements, and reconciling bank statements on a regular basis.
- (xi) Preparing an annual budget.
- (xii) Maintaining a central file of all correspondence and other documents and materials pertaining to the affairs of the Commission.
- (xiii) Preparing and presenting to the Board and the Operations Committee for consideration and approval such administrative regulations as may be necessary and appropriate.
- (xiv) Representing the Commission before conferences, professional associations or relevant public hearings when requested by the Board to do so.
- (xv) Executing all contracts and other agreements and documents duly authorized to be signed on behalf of the Commission, except such contracts and other agreements and documents as may be required to be signed by the Chair or some other officer of the Commission.
- (xvi) Assuring compliance with the OMA and FOIA and the forwarding of Board and Committee meeting minutes to the Members.

(g) General Counsel. The General Counsel shall be appointed by the Board for an indefinite term, and shall be chosen by the Commissioners solely on the basis of his/her professional qualifications, with special reference to his/her actual experience in or his/her knowledge of acceptable practice relating to the duties of his/her office as hereinafter set forth. The General Counsel may be removed by the Board at any time. The General Counsel: (i) shall perform those duties prescribed by statute, law or the Commission; (ii) shall advise the Commission, the Superintendent and the Commission's staff on legal matters; (iii) shall prepare and draft ordinances, resolutions and legal documents, and render legal opinions when requested by the Chair or the Commission on all matters concerning the interests of the Commission; (iv) shall attend Commission meetings when required; (v) shall make reports from time to time and otherwise perform such other duties or special services which the Commission may require; and (vi) shall direct litigation, represent the Commission in all legal matters, except in cases where a special counsel has been appointed by the Commission to advise or represent the Commission on special matters or to assist the General Counsel on a particular legal matter.

Section 5. Water Supply.

(a) Agreement to Purchase and Sell. After approval by the Board of a Water Supply Agreement or a Water Service Agreement for Service Customer and within thirty (30) calendar days of a written "Notice to Deliver and Receive Water" issued by the Charter Members, the Commission shall deliver and sell Lake Water to each Contract Customer and each Contract Customer agrees to purchase, exclusively from the Commission to the extent of its Full Water Allocation or such lesser amount of Lake Water made available by and to the Commission as a consequence of the terms of the Commission's Master Water Supply Agreement and the terms of the Water Supply Agreement or the Water Service Agreement for

Service Customer, from time to time. The Commission's obligation to each Contract Customer to deliver Lake Water hereunder shall be limited to any limitations contained in the then-current Master Water Supply Agreement.

(b) Water Supply Agreements Between Members and the Commission.

The Commission, in its sole discretion, may approve and enter into Water Supply Agreements with new Members setting forth water and service rates, water allocations and other appropriate terms of service, subject to the Water Allocation restriction and other limitations placed on the Commission in the Master Water Supply Agreement. The term of such agreements shall be set by the Commission, but shall not exceed forty (40) years. The rates and charges shall be sufficient to pay for the Aggregate Costs of the Commission for each year, and to pay for the Fixed Costs and Operation and Maintenance Costs of the Commission for each month. If the Commission is unable to meet its financial obligation to pay any Extraordinary Costs, the Board may require that the Members each pay a proportionate share of the Extraordinary Costs equal to the Member's respective percentage of Lake Water received from the Commission during the most recent twelve (12) months multiplied by the Extraordinary Costs. As a condition of membership in the Commission, each Member agrees that the amounts due pursuant to this subsection 5(b) from each Member shall be payable to the Commission on a date determined by the Board. If a Member fails to make timely payment due and owing under a Water Supply Agreement for Lake Water received from the Commission: (i) the Member shall be liable to the Commission for the amount owed, plus interest to be calculated at a rate set forth in the Water Supply Agreement, plus the Commission's attorney's fees and costs incurred in pursuing and / or collecting the amounts owed by the Member; and/or (ii) the Commission may seek to involuntarily terminate the Member's participation in the Commission as set forth in subsection 11(c) below.

(c) Water Service Agreements for Service Customers.

The Commission in its sole discretion, may approve and enter into Water Service Agreements with Service Customers setting forth water and service rates, water allocations and other appropriate terms of service, subject to the Water Allocation restriction and other limitations placed on the Commission in the Master Water Supply Agreement. The term of such agreements shall be set by the Commission, but shall not exceed forty (40) years.

(d) Title to Lake Water.

Title to all Lake Water supplied hereunder and under Water Supply Agreements shall remain in the Commission upon receipt from the supplier under the Master Water Supply Agreement, until it enters a Unit System in the case of a Charter Customer, and until it leaves the System and passes the meter in the case of a Customer, and thereupon shall pass to such Customer.

(e) Lake Water Only.

The Commission shall not deliver any water other than Lake Water to a Contract Customer without the prior approval of the Commission and the corporate authorities of the Contract Customer affected. Costs for Lake Water charged by the Commission shall include the Aggregate Costs relating to the purchase, treatment and delivery of Lake Water, but it may, from time to time, also include Costs of the Project (if any), Development Costs (if any) and Extraordinary Costs (if any) relating to the System.

(e) Emergency Water Supply and Use Regulations.

A Customer may contract for a temporary supply of water in case of an emergency from any other unit of local government or any entity. Where a Customer intends to contract for such temporary emergency supply of water, prior to such usage, the Customer shall notify the Board or the Superintendent

of its intent to use another water source on a temporary basis and advise of the alternate water source, the anticipated duration of temporary usage and provide any other details that may impact the operation of the System. The Customer shall also keep the Board or the Superintendent informed of the anticipated date when the temporary use of an emergency supply of water will terminate so that the Customer can be returned to the System without incident. In addition, the Board, the Chair of the Board or the Superintendent is authorized, on a temporary basis, if it/he/she should find and determine that a water supply shortage exists with the Commission's water supply or with the supplier under the Master Water Supply Agreement's water supply, to meet the health, sanitation, safety, fire protection and public welfare needs of the Commission's Customers, to declare that a water supply emergency exists and to prohibit or restrict the Customers from drawing water from the water supply lines of the Commission or use of such water for any of the following purposes during such emergency period:

1. Sprinkling or irrigation of lawns and gardens.
2. Car washing.
3. Commercial or industrial uses beyond requirements for sanitation or preserving health.
4. Any other use that is not directly connected with the preservation of health, sanitation, safety or public welfare.

The duration of the water supply emergency shall be determined by the Board, the Chair of the Board or the Superintendent based on the circumstances of the situation. The Superintendent shall update the Board of Commissioners and the Operations Committee on the water supply emergency on a regular basis.

Customers shall adopt rules and regulations by ordinance (where applicable) that conform to these Emergency Water Supply and Use Regulations and enforce the rules and regulations as directed by the Board or the Superintendent.

(g) Retail Sales. The Commission shall not engage in the retail sale or distribution of water to residents or customers of any Charter Customer.

(h) Rates to Charter Customers. No change in the rates or charges under this IGA or a Water Supply Agreement for either Charter Customer may be made unless the same change is made for both Charter Customers.

(i) May Use Other Moneys. Members are not prohibited by this IGA from using other available funds to make the payments required by this IGA or the Water Supply Agreement.

Section 6. Commission Covenants and Limitations.

(a) Commission Covenant to Operate Properly. From time to time, the Commission will take steps reasonably necessary so that the System will at all times be operated properly, efficiently and in compliance with the Water Commission Law, and all other applicable federal, State, county and local laws, regulations and ordinances.

(b) Commission to Continue to Serve. The Commission will use its best efforts to continue serving all Customers.

(c) Limitation on Funds. Subject to this subsection, no funds received by the Commission from Customers may be expended for any purpose other than the Aggregate Costs (i.e., Fixed Costs, Operations and Maintenance Costs, Costs of the Project, Development Costs and Extraordinary Costs) of the Commission, any expenditure provided for by this IGA, as amended, and any other allowable expenditure under the Water Commission Law or other applicable laws, except that the Commission, in its sole discretion, may enter into reimbursement agreements with or issue Bonds (including notes) to Morton Grove and/or Niles in order to assist with the funding of certain upgrades or improvements to the Unit System(s) and the System but only to the extent that any Commission funds expended or paid are for the purpose of making improvements or upgrades to the Unit System(s) that are specifically engineered and designed and constructed to improve or upgrade both the Unit System(s) and the System in a manner that enhances the operation of the Systems. Nothing in this Section shall limit or discharge the Member's obligations and duties pursuant to Section 7(a).

(d) Allocation of Repayment of Operating and Maintenance Costs and Project Bonds.

(i) Each Member agrees to pay its share of all future O&M Costs incurred by the Commission in regard to the Commission Waterworks System in a proportionate share of the O&M Costs equal to the Member's respective percentage of Lake Water received from the Commission during the most recent twelve (12) months multiplied by the O&M Costs. As a condition of membership in the Commission, each Member agrees that the amounts due pursuant to this subsection 6(d) from each Member shall be payable to the Commission on a date determined by the Board.

(ii) Unless otherwise agreed to in writing by the Villages or the Commission, and excluding the reimbursement payments provided under subsections (iv through vii) below, when the initial Project Bonds or other Debt Instruments are issued for the construction of the System or additional System improvements or upgrades, the Villages and/or the Commission shall pay the Project Bonds or Debt Instruments and the Fixed Costs, the Operations and Maintenance Costs, the Costs of the Project as follows, subject to amendment(s) to this Agreement, made in accordance with Section 12(a) below, to make the terms of this Agreement consistent with any later agreement(s) of the Villages regarding the repayment of the Project Bonds or other Debt Instruments:

The total Annual Cost of Water System Operation, the Cost of Water from the Water Supplier and the Annual Repayment Obligation for the Project Bonds or other Debt Instruments, shall be paid by Morton Grove and Niles based on an annually determined "MG-N Cost of Water per 1,000 Gallons" for the System calculated as follows and paid based on actual water consumption through the System:

a. First, by determining the MG-N Cost of Water per 1,000 gallons for the calendar/fiscal year by dividing the cost components below

by the Prior Year MG-N Water Use in 1,000 of gallons (for water usage between November 1 and October 31) and adding the Wholesale Water Rate (annual cost of water per 1,000 gallons from the water supplier).

- i. System Operating Annual Budget shall mean the annual budget to support MG-N water supply transmission main operation from water source.
 - ii. Annual Debt Service Payment shall mean the annual MG-N payment for debt service.
 - iii. MG-N Water Use in 1,000 gallons shall mean the total water received by MG-N from Evanston or any other water supplier through the System.
- b. Second, at the conclusion of the fiscal year (January 1 to December 31) each Village's actual total gallons of water obtained from the System will be determined and a true-up will be calculated based on audited costs with any outstanding balance or surplus of funds calculated as a debt or credit to Morton Grove and Niles based on actual water usage of each Village during the subject fiscal year.

Attached as **Exhibit "A"** to this Agreement are "Example Formulas" relating to the above calculations of this Section: the MG-N Cost of Water/1,000 Gallons Calculation; and the End of Fiscal Year True-Up Calculation.

- (iii) As part of the issuance of initial Project Bonds or other Debt Instruments, the Commission agrees to create and fund a capitalized interest account using a portion of the Project Bond or other Debt Instrument proceeds for purposes of paying any preliminary Annual Debt Service Payments that may come due prior to the completion of the Project or any future System improvements. To the extent allowable in the authorizing and issuing documents for the Project Bonds or other debt instruments, the Commission further agrees to provide for the commencement of Annual Debt Service Payments after the completion of the Project or any future System improvements so that water revenue from the System can be used to pay the Debt Service Payments. Each Village agrees to take and receive water in accordance with the Water Supply Agreement entered into with Evanston.
- (iv) The Commission is obligated to reimburse the Villages for all of the actual, incurred Costs of the Project that have been paid under the Parties' Cost Sharing Intergovernmental Agreement.
- (v) After corporate formation, the Commission shall promptly borrow funds and/or issue Bonds or Debt Instruments to reimburse the Villages in equal

periodic payments for the Costs of the Project that have been paid under the Parties' Cost Sharing Intergovernmental Agreement.

- (vi) The Commission shall reimburse in full the Villages for all of the Costs of the Project that they incurred, advanced and paid on behalf of the Commission and in relation to the Project within the first five (5) calendar years of the issuance of the Commission's initial Project Bonds or initial Debt Instruments, as authorized by Section 11-135-1 of the IMC.
- (vii) The Commission is obligated to set its water rates and charges to provide for adequate revenue to operate the Commission, the System and to make the debt service payments in regard to all of the Commission's Project Bonds or Debt Instruments.

(e) Commission Insurance. The Commission shall carry insurance or maintain self-insurance with respect to the Commission activities and the System of the kinds and in the amounts which are customarily carried or maintained by entities operating similar properties, including, without limiting the generality of the foregoing, fire and other casualty and public liability insurance or protection. All moneys received for loss under the insurance policies or on deposit as self-insurance reserve funds shall be used in making good the loss or damage in respect of which they were paid except to the extent no longer deemed useful to or profitable in the operation of the System, whether by repairing the property damaged or replacing the property destroyed, and provision for making good such loss or damage or replacing the property destroyed shall be made within a reasonable time from date of loss. The proceeds derived from any and all policies or available from self-insurance reserves for public liability losses shall be used in paying or reimbursing any accounts from which payments for settlements, judgments or expenses were advanced.

(f) Commission Indemnification. To the fullest extent permitted by law, the Commission shall indemnify, defend and hold harmless any person who was or is made a party to a pending or completed action, suit or proceeding by reason of the fact that he/she is or was an appointed or designated representative (e.g. Commissioner, Chair, Chair Pro-Tem, Acting Chair, Treasurer, Secretary, etc.), liaison, director, officer, committee member, employee, volunteer or agent of the Commission, against and from any expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, if he/she acted in good faith on behalf of the interests of the Commission. The determination of whether an individual acted in good faith on behalf of the interests of the Commission shall be made by a majority vote of a quorum of the Board. This indemnification shall not apply to punitive damages or if indemnification would otherwise be prohibited by law.

Section 7. Member Covenants and Limitations. Each Member further covenants as follows:

(a) Maintain and Operate Unit System. It will 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. Each Member will operate the same punctually, and perform all duties with respect to its Unit System as may be required by the Constitution and laws of the State of Illinois and all other applicable laws and by all resolutions and ordinances of such Member. Each

Member will continue to own and possess its Unit System and will, within the exercise of reasonable business judgment and in a manner so as not to cause a default hereunder, and dispose of property which is part of its Unit System only to the extent that such property is no longer useful or profitable in the operations of its Unit System.

Within ninety (90) calendar days of the Transfer Date as determined by mutual agreement of the Parties, each Member shall execute such documents as will convey, without charge to the Commission, all portions of the System not included in the Unit System, but under its respective ownership at the time of the execution of this IGA, or any portion of its Unit System no longer to be own and operates by the Members for purposes of constructing, extending, maintaining, operating, removing, repairing and replacing any portion of the Commission Waterworks System. The conveyance shall be in "As Is" condition. Each Member shall also grant, from time to time, without charge to the Commission, upon reasonable notice and request from the Commission, as approved by the Board: 1) easements necessary for those portions of the System to be located on such Member's property; and 2) easements for the Commission to access the System for purposes of fulfilling its duties and responsibilities as to the System under this IGA, as amended. Each Member shall also grant to the Commission, from time to time during the term of this IGA, as amended, upon reasonable notice and request from the Commission, as approved by the Board, any reasonably required temporary construction easements over any property owned by the Member, for purposes of allowing the Commission to extend, repair, replace, or remove any portion of the System.

(b) Rate Covenant. It will establish, maintain, revise as necessary and collect, rates and charges for customers of its Unit System as shall be required from time to time to produce revenues at least sufficient (i) to pay all amounts due under this IGA, as amended, and to pay all other costs of operation and maintenance of its Unit System, (ii) to provide an adequate depreciation fund for its Unit System, and (iii) to pay the principal of and interest on all bonds of such Member payable from the revenues of its Unit System. The Commission may not sue to enforce the provisions of this Section as they relate to clauses (ii) through (iii) unless it can show that the ability of the Member to make the payments set forth in clause (i) is substantially impaired by the inadequacy of said rates and charges. The rates and charges for customers of a Unit System shall be required to be sufficient to produce amounts required to make payments under this IGA, as amended.

(c) Segregate Revenues. It shall provide for the segregation of all revenues of its Unit System in such Unit System Fund and provide for the application of the revenues for the purpose of subsection (b) of this Section. Moneys of a Unit System of a Member which exceed the obligations of such Member hereunder may be used for any lawful corporate purposes.

(d) Future Subordination of Revenue Bond Lien. Any resolution or ordinance of the Member which authorizes the issuance after the date of this IGA, as amended, of any obligation (e.g., Bonds, Debt Instruments of any kind) of the Member to be paid from revenues of its Unit System will expressly provide that revenues of its Unit System may be used to pay principal of and premium, if any, and interest on those obligations only to the extent that those revenues exceed the amounts required to pay the operation and maintenance expenses of its Unit System including, expressly, all amounts payable from time to time under this IGA, as amended.

(e) Development Costs and Start-Up Costs. The Development Costs and Start-Up Operating Budget for the Start-Up Operating Costs related to the acquisition, construction and initial start-up and operation of the Commission and the System shall be prepared and approved by the Commission within the initial twelve (12) months of Commission formation. Each Member agrees Morton Grove shall be responsible for paying fifty percent (50%) of the Development Costs and the Start-Up Operating Costs and Niles shall be responsible for paying fifty percent (50%) of the Development Costs and the Start-Up Operating Costs, as required by the Parties' 2017 Cost Sharing Intergovernmental Agreement, subject to reimbursement by the Commission upon the issuance of Bonds or other Debt Instruments. The Board shall undertake their best efforts to establish the System serving the Charter Customers at the earliest feasible date after the Effective Date.

The amounts due pursuant to this subsection 7(e) from each Charter Customer shall be payable to the Commission on a date determined by the Board. In the event the number of Charter Customers changes, or in the event the Commission adds any new Member(s), the Charter Customers' and new Member(s) percentage share of the Start-Up Operating Costs shall be revised by utilizing any such data, or different methodology that is deemed equitable and approved by the Commissioners of the Charter Customers.

(f) Accounting and Audit. It will make and keep proper books and accounts (separate and apart from all other records and accounts of such Member) in which complete entries shall be made of all transactions relating to its Unit System, and, within one hundred eighty (180) calendar days following the close of each fiscal year of such Member, it will cause the books and accounts of its Unit System to be audited annually by independent certified public accountants, showing the receipts and disbursements on account of its Unit System.

(g) Insurance. It will carry insurance or maintain self-insurance with respect to its Unit System of the kinds and in the amounts which are customarily carried or maintained by entities operating similar properties, including, without limiting the generality of the foregoing, fire and other casualty and public liability insurance or protection. All moneys received for loss under the insurance policies or on deposit as self-insurance reserves shall be used in making good the loss or damage in respect of which they were paid except to the extent that the property damaged or lost would be permitted to be disposed of under subsection (g) of this Section, whether by repairing the property damaged or replacing the property destroyed, and provision for making good such loss or damage or replacing the property destroyed shall be made within a reasonable time from date of loss. The proceeds derived from any and all policies or available from self-insurance reserves for public liability losses shall be used in paying or reimbursing any accounts from which payments for settlements, judgments or expenses were advanced.

(h) Budget and Appropriations. It will adopt a budget or appropriations ordinance for each fiscal year of such Member, or otherwise in accordance with applicable State laws, provide lawful authority for payment of all sums anticipated to be due to the Commission during such fiscal year.

(i) Continue to Serve. It will use its best efforts to continue serving all customers of its Unit System within its territorial limits which are served as of the date of this IGA, as amended.

(j) **Maintain Water Allocation.** It will use its best efforts to obtain or retain, from time to time, a Water Allocation at least equal to but not in excess of two (2) times its Full Water Requirements from time to time.

(k) **Combining or Separating Unit System Accounts.** It shall not combine its existing separate water system with its separate sewerage system or separate its existing combined waterworks and sewerage system into separate systems except on the following conditions: (i) the Member shall provide the Commission with written evidence that the proposed combination or separation will not materially and adversely affect the Member's ability to comply with all of the terms, conditions and covenants of this IGA, as amended; and (ii) if the Commission shall then determine the proposed combination or separation will not materially and adversely affect the Member's ability to comply with all of the terms, conditions and covenants of this IGA, as amended, then and only then the Commission shall approve such combination or separation and advise such Member in writing.

(l) **Customer Covenants as to Rate of Withdrawal.** Each Member will take Lake Water at the most uniform and continuous rate of withdrawal practicable.

(m) **Member Indemnification.** To the fullest extent permitted by law, each Member agrees to defend, indemnify and hold each of the other Members, the Commission, and their respective appointed and elected officials, employees, volunteers, contractors and agents harmless from and against any and all claims, demands, losses, causes of action or liabilities of any nature whatsoever, including reasonable attorney's fees and expenses, arising out of, in whole or in part, or in connection with or in consequence of any act or omission on the part of the Member, its respective appointed and elected officials, employees, volunteers, contractors and agents, in the performance of or with relation to any of the work or services to be performed or furnished by or on behalf of the Member under this IGA, except to the extent caused by the sole negligence of one or more of the other Members, or the Commission.

Section 8. Water Supply Agreements and Service Agreements.

(a) **No Agreement with Rate More Favorable.** The Commission shall not supply Lake Water except pursuant to a written agreement. No Water Supply Agreement for any Non-Chartered Customer or Service Agreement for any Service Customer shall provide rates, charges or terms lower or more favorable to a Non-Charter Customer or a Service Customer than those provided in this IGA, as amended, for Charter Customers.

(b) **Commission-Approved Contract Customers; Limited Emergency Service.** The Commission shall not contract for a supply of Lake Water to any other unit of local government or any entity except to Commission-approved Contract Customers, subject to the maximum Water Allocation provided to the Commission under the Master Water Supply Agreement. For emergency water usage by another unit of local government or any entity, the Commission may enter into emergency water connection agreements for such limited purposes.

(c) **Water Supply Agreement and Service Agreement Terms.** The Commission, in its sole discretion, may enter into a Water Supply Agreement for any Non-Charter Customer or a Service Agreement for any Service Customer, where such Water Supply Agreement or Service Agreement: (1) does not cause the Commission to exceed the maximum Water Allocation provided to the Commission under the Master Water Supply Agreement; and (2) provides for an equitable and lawful differential rate or charge in the formula for Aggregate

Costs which may take into account any pertinent factor, including but not limited to, each of the following factors: (i) the utility rate which would be chargeable by a regulated utility for the proposed service, (ii) replacement cost of the System less depreciation and net outstanding Bonds and other Debt Instruments, and (iii) the amount and time of payment of Fixed Costs which would have been payable by the proposed Customer had such Customer become a Charter Customer, plus interest on such costs from the time when they would have been paid.

The differential may be satisfied by a lump sum payment or by surcharge for any term of years not longer than the remaining term of this IGA, as amended. The differential shall inure to the benefit of the then-current Charter Customers and other Contract Customers as their interests may appear (that is, those that have borne greater costs shall benefit proportionally greater) in such reasonable manner as the Commission may determine.

This subsection (c) of this Section is qualified by the Commission's legal duty to serve within its territorial limits and to charge for such service fair and equitable rates which are not prohibitive. It is the intent of the Commission in entering into this provision of this IGA to recognize that the Charter Customers, solely, enabled the Commission to establish the System, that the Charter Customers needed to be induced to be Charter Customers, that by its essential design in accordance with good engineering practice, the System must be established in many ways sufficient to serve all Customers, but that only those who became Charter Customers will have paid for the initial construction of the System.

Section 9. Defaults; Remedies.

(a) **Commission Defaults.** Failure by the Commission to deliver Lake Water to any Member as required by this IGA, or failure of the Commission to perform any other obligation under this IGA or any related agreement or contract, including but not limited to, the Water Supply Agreements with the Charter Customers and the Master Water Supply Agreement (together the "Related Commission Agreements"), shall be a default of the Commission under this IGA if the failure to perform continues for thirty (30) consecutive days after written notice of the failure has been delivered by such Member or the supplier under the Master Water Supply Agreement to the Commission, unless any such failure is cured or excused pursuant to a Force Majeure event set forth in Section 12(c) of this IGA. If the Commission defaults under this IGA or any of the Related Commission Agreements, the Member or Members affected may bring any action against the Commission, including an action for money damages or in equity and actions for mandamus and specific performance of the Commission's obligations to the extent allowed by law. Election of any remedy shall not be a waiver of any other remedy.

(b) **Member Defaults.** Failure by a Member to perform any obligation under this IGA or any related agreement or contract, including but not limited to, the Member's Water Supply Agreement (together the "Related Member Agreements"), shall be a default of the Member under this IGA if the failure to perform continues for thirty (30) consecutive days after written notice of the failure has been delivered by the Commission to the Member, unless any such failure is cured or excused pursuant to a Force Majeure event set forth in Section 12(c) of this IGA. If the Member defaults under this IGA or any of the Related Member Agreements, the Commission may bring any action against the Member, including an action for money damages or in equity and actions for mandamus and specific performance of the Commission's obligations to the extent allowed by law, and the Commission shall be entitled to recover from the Member its costs, expenses, experts' fees, and attorneys' fees in bringing such action. Election of any remedy shall not be a waiver of any other remedy.

(b) Sole Method for Members to Enforce Provisions Hereof Against Other Members and Customers. Each Member acknowledges that its obligations to make payments hereunder are of benefit to each other Member and to other Contract Customers as such other Contract Customers' obligations are of benefit to the Member. Accordingly, each Member agrees that, the Members, or any fifty percent (50%) or more Customers acting together may enforce the provisions of this IGA against other Members and Customers as it affects them, but only if the Commission has not acted to enforce such provisions within ninety (90) calendar days of failure to make a payment hereunder. Any rights any Customer has under this IGA or other contracts with the Commission shall be limited in enforcement as set forth herein. Except as otherwise limited in this IGA and specifically as limited by subsection 9(d) below, in any action with respect to this IGA, 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 IGA shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits allowed by law. Each Party will bear its own costs, expenses, experts' fees, and attorneys' fees, incurred in litigation arising under this IGA, except as otherwise set forth in this IGA.

(d) Member Obligations Unconditional; No Set-off. The Charter Members shall have no right to terminate, cancel or rescind this IGA, except for the termination and dissolution process set forth below in Section 11. The Members shall no right to withhold from the Commission payments due or to become due under this IGA, no right to recover from the Commission unless paid in error or contrary to the provisions of this IGA or law, no right of reduction or set-off against the amounts due or to become due under this IGA to the Commission (unless a credit or adjustment is mutually agreed upon by the parties), and no lien on any amounts in any fund established by the Commission for any reason or on account of the existence or occurrence of any event, condition or contingency, whether foreseen or unforeseen or foreseeable or unforeseeable by the Members or the Commission or any other person; including by way of illustration and not limitation by reason of the fact that the System in whole or in part is not completed, operable or operating; the output of the System in whole or in part is suspended, interrupted, interfered with, reduced or curtailed; any party to the Master Water Supply Agreement does not perform in whole or in part thereunder; the Water Allocation of any Customer is modified or terminated or any Customer does not perform in whole or in part under this IGA or any other agreement or instrument; it being the intent hereof that the Members shall be absolutely and unconditionally obligated to make all payments hereunder. The Commission will issue any Bonds and Debt Instruments in specific reliance on the limitations set forth in this Section with respect to the rights of the Members.

(e) Dispute Resolution; Negotiation. The Members desire to resolve any future disputes that may arise between them relative to this IGA by avoiding termination of a Member or litigation. Accordingly, the Members agree to engage in good faith negotiations to resolve any such dispute. If any Member has a dispute about a violation, interpretation or application of a provision of this IGA, or if a dispute arises regarding a Member's failure to comply with the terms of this IGA, then a written notice prepared by the affected party or his/her/its representative (e.g., the Board, the Operating Commission, the Superintendent or one or more Members) shall be served on the Chair of the Board and upon the Member at issue as provided in subsection 12(e) of this IGA. The written notice shall set forth in detail the dispute, the provisions of this IGA to which the dispute is related, and all facts and circumstances pertinent to the dispute. The Chair then, within ten (10) calendar days of receipt of the notice or issuance of the notice, shall schedule a date to conduct a conference to resolve the dispute. Such conference shall be conducted by the Chair within thirty (30) calendar days after notice of the dispute has been delivered as provided herein. If a resolution is not reached

within such 30-day period (or such longer period to which the Parties may mutually agree), then either party may pursue remedies available under this IGA or available under applicable law. The Chair shall update the Board and the Operating Commission on the status of such dispute resolution efforts.

Section 10. Approval of New Members.

Upon approval as required herein, a new Member may join the Commission, and upon joining, the new Member shall have those rights and obligations as set forth in an addendum to this IGA that contains the terms and conditions of membership as agreed to by the Board and the new Member. Approval of a new Member shall be contingent upon each of the following:

- (i) Approval and execution of an addendum to this IGA;
- (ii) Delivery to the Commission of a certified copy of a duly enacted resolution in proper form authorizing and directing execution of an addendum to this IGA, and further agreeing to be bound by this IGA and the By-Laws (if adopted), as those documents are amended from time to time, and accepting liability for its proportionate share of all existing and future debts and liabilities of the Commission;
- (iii) Payment to the Commission of a "non-refundable Capital and Operating Participation Fee" that relates to a portion of the Capital Costs incurred in the establishment of Commission and a portion of the ongoing Operating Costs of Commission that the new Member is obligated to contribute towards, and, if necessary, the payment of additional Capital Costs needed to update the Commission Waterworks System to allow for the service of the new Member and not diminish the existing service level of the other Members, as determined by the Board based on information provided by the Superintendent, any Commission retained consultant and/or the Commission's auditor. The use of any additional Capital Costs received from a new Member shall be determined by the Board with input from the Superintendent, any Commission-retained consultant and/or the Commission's auditor;
- (iv) Timely payment of all fees, costs and financial obligations required by this IGA, an addendum or as determined by the Board;
- (v) The Board's determination that the Commission can adequately serve the new Member without diminishing the ability of the Commission to continue to serve the other Members; and
- (vi) Approval by majority vote of the Board and ratification of such by resolution of the corporate authorities of a majority of the Members; except that if the Commission is composed of two (2) municipalities, only the approval of a majority of the Board is required to accept an additional Member; and except that if a municipality or water commission has been a Customer for a minimum of twenty (20) years, receives at least ninety percent (90%) of its water from the Commission, and the population of the municipality or water commission exceeds twenty percent (20%) of the

population of the then current member municipalities, that municipality or water commission shall become a part of the Commission on the terms set forth in this IGA; all as set forth in Section 11-135-3 of Division 135 of the IMC, 65 ILCS 5/11-135-3, as amended from time to time.

Section 11. Withdrawal; Dissolution.

(a) Voluntary Withdrawal of Charter Member. A Charter Member may, at any time upon mutual agreement with the other Charter Member, and after payment, prepayment or mutual agreement among the Charter Members regarding an alternative to payment, of all Bonds and Debt Instruments for which the Charter Member is responsible, in whole or part, give written notice of its intent to withdraw from the Commission, and terminate the Charter Member's Water Supply Agreement, subject to the below conditions in this subsection 11(a). Upon withdrawal, the withdrawing Charter Member shall continue to be responsible for:

- (i) Its share of all Commission fees and costs, through the effective date of its withdrawal or the end of its allocated share of all Commission financial obligations including its share of all outstanding and future debt service payments for Bonds and Debt Instruments;
- (ii) Any contractual obligations it has signed separately with the Commission; and
- (iii) The Recapture Fee, as determined by the Board with input from the Superintendent, any Commission-retained consultant and/or the Commission's auditor.

A Charter Member may only voluntarily terminate its Water Supply Agreement as set forth in this subsection 11(a). If the withdrawal results in termination of this IGA, then the withdrawing Charter Member shall participate in the termination of this IGA and the dissolution of the Commission as set forth herein.

(b) Voluntary Withdrawal of Non-Charter Member. A Non-Charter Member may, at any time upon mutual agreement with the Charter Members, and after payment, or prepayment, of all Bonds and Debt Instruments for which the Non-Charter Member is responsible, in whole or part, give written notice of its intent to withdraw from the Commission, and terminate the Non-Charter Member's Water Supply Agreement, subject to the below conditions in this subsection 11(b). Upon withdrawal, the withdrawing Non-Charter Member shall continue to be responsible for:

- (i) Its share of all Commission fees and costs through the effective date of its withdrawal or the end of its allocated share of all Commission financial obligations, including its share of all outstanding and future debt service payments for Bonds and Debt Instruments;
- (ii) Any contractual obligations it has signed separately with the Commission; and
- (iii) The Recapture Fee, as determined by the Board with input from the

Superintendent, any Commission-retained consultant and/or the Commission's auditor.

A Non-Charter Member may only voluntarily terminate its Water Supply Agreement as set forth in this subsection 11(b). If the withdrawal results in termination of this IGA, then the withdrawing Non-Charter Member shall participate in the termination of this IGA and the dissolution of the Commission as set forth herein.

(c) Involuntary Withdrawal. A Member's participation in the Commission may be terminated as follows:

- (i) Upon a two-thirds (2/3rds) vote of the Board, a Member's participation in the Commission may be terminated for the following reasons:
 1. The non-payment of any required fees, costs and other financial obligations including its share of all outstanding and future debt service payments for Bonds and Debt Instruments, within thirty (30) calendar days of written notice, if the non-payment is not timely resolved as provided for below.
 2. Conduct by the Member or any of its employees, agents, contractors or representatives that violates any of the terms of this IGA, any adopted By-Laws, or its Water Supply Agreement or other applicable laws or governmental regulations.
 3. Non-compliance with or conduct by the Member or any of its employees, agents, contractors or representatives that violates any protocols, orders, directives of the Board, the Committee, the Superintendent, or industry standards or applicable laws or governmental regulations in regard to the operation of the Commission or the Commission Waterworks System.

Prior to taking a vote to terminate for an uncured default, the Board shall provide to the Member an opportunity to have its alleged default resolved pursuant to the provisions of this subsection 11(c)(ii) below.

- (ii) The non-payment of any required fees, costs and financial obligations required by this IGA within thirty (30) calendar days of notice by the Commission as set forth herein, or the refusal or failure of any Member to be bound by any obligations of the Commission, shall constitute a default under this IGA. The default may be cured within the thirty (30) calendar days following receipt of a notice of default. Involuntary withdrawal shall be subject to the following conditions:
 1. Withdrawal shall take effect immediately or on a date established by a vote of two-thirds (2/3rds) of the Board.
 2. Upon withdrawal, the withdrawing Member shall continue to be responsible for:

- a. Its share of all Commission fees and costs and its allocated share of all Commission financial obligations required by this IGA for a one (1) year period commencing as of the date that the Board votes to terminate the membership of the Member;
- b. Its share of all outstanding and future debt service payments for Bonds and Debt Instruments;
- c. Any contractual obligations it has signed separately with the Commission; and
- d. The Recapture Fee.

(c) Termination and Dissolution.

- (i) If the Board determines that the withdrawal of a Member reduces the number of Members to less than that feasible to keep the Commission operational, or upon the vote of two-thirds (2/3rds) of the Members to dissolve, then this IGA shall be terminated as of an effective date to be determined by the Board.
- (ii) Upon such termination, and after payment of all debts, all assets and all liabilities of the Commission, remaining funds shall be distributed among those Members who were active members of the Commission at the time of termination or dissolution, in proportion to their respective payments to the Commission during the preceding three (3) fiscal years. The Members shall share equally in all costs pertaining to debts and liabilities of the Commission and any other costs associated with terminating the operations of the Commission and the dissolution of the Commission. As part of dissolution of the Commission and a termination of this IGA, a Recapture Fee shall be paid by those certain Members who are subject to payment of the Recapture Fee as determined by the Board under the provisions of this IGA.
- (iii) Upon such termination, and after payment of all debts and liabilities, the Members shall cooperate to wind down the Commission as follows:
 1. The fixed assets of the Commission shall be declared surplus property and sold by auction or sealed bid or as allowed by applicable law after at least a prior thirty day (30) public notice is issued. The proceeds from the sale of the fixed assets and all cash, less the payment of any and all debts and liabilities, shall be divided among the active Members at the time of dissolution in proportion to their average respective usage of the Commission Waterworks System paid during the preceding three (3) fiscal years. If the debts and liabilities exceed the proceeds of the sold assets, payment of the remaining debts and liabilities shall be made by contributions by all active Members, at the time of dissolution, in proportion to their average respective usage of the

Commission Waterworks System paid during the preceding three (3) fiscal years.

2. All Members shall share on a proportionate basis (as noted in subsection 1 above) in the payment or satisfaction of all debts and liabilities of the Commission and any other costs, fees and charges associated with terminating the operations of Commission and the dissolution of the Commission.
3. As part of the dissolution of the Commission and a termination of this IGA, a Recapture Fee shall be paid by those certain Members who are subject to the Recapture Fee. The Board, with input from the Superintendent, any Commission-retained consultant and/or the Commission's auditor, will determine the value of any Recapture Fees.
4. All public records, individual files and documentation shall be discarded in accordance with the regulations of the Local Records Act, upon approval of the Local Records Commission, or shall be distributed to the applicable Member which has jurisdiction of the subject matter of the file or documentation for retention, without charge or offset.

(d) Financial Obligations Upon Member Withdrawal or Commission Dissolution. Upon withdrawal of a Member or the dissolution of the Commission, all monies that are allocated or attributable to the Member that are received or collected prior to or after the effective date of the withdrawal or termination to pay for the operation and maintenance of the Commission's Waterworks System shall be made available to the Member, but only after the allocated portion of the Member's debts, liabilities and obligations pertaining to its participation in the Commission or its withdrawal from the Commission or the dissolution of the Commission have been fully paid.

Section 12. Miscellaneous.

(a) Modification of this Agreement or of the Master Water Supply Agreement. Except for revisions and adjustments otherwise expressly provided for, neither this IGA nor the Master Water Supply Agreement may be changed or modified unless the consent of the Commission and all Members shall have been obtained (other than rate changes imposed by the supplier under the Master Water Supply Agreement on the terms set forth therein). The consent of Members shall be evidenced by the adoption of an ordinance or resolution to that effect.

(b) Non-Assignability. Except to the extent hereinafter provided, no Party shall assign or transfer this IGA or any rights or interests herein without the written consent of both Charter Customers.

(c) Force Majeure. In case by reason of force majeure any Party hereto shall be rendered unable wholly or in part to carry out its obligation under this IGA, then if such Party shall give notice and full particulars of such force majeure in writing to the other Parties within a reasonable time after occurrence of the event or cause relied on, the obligation of the Party

giving such notice, so far as it is affected by such force majeure shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such Party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" or "Force Majeure event" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States, of the State of Illinois, or of any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines, canals, or tunnels, partial or entire failure of water supply, and inability on the part of the Commission to deliver Lake Water hereunder, or of any Member to receive Lake Water hereunder, on account of any other causes not reasonably within the control of the Party claiming such inability. The settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty and that the above requirement that any "Force Majeure event" shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing Party or Parties when such settlement is unfavorable to it in the judgment of the Party having the difficulty. No Force Majeure event which renders any of the Parties unable to perform under this IGA shall relieve a Member of its obligation to make payments to the Commission as required under this IGA. If a Party cannot perform under this IGA due to the occurrence of a Force Majeure event, then the time period for performance of the Party under this IGA shall be extended by the duration of the Force Majeure event.

(d) Regulatory Bodies. The Parties through this IGA seek to exercise and maintain all sovereign rights granted to them under and through the Constitution and laws of the State of Illinois. This IGA 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 or any of them; provided however, that this clause shall not be construed as waiving the right of either Party to challenge the validity of such rule, regulation, or law on any basis, including the impairment of this IGA.

(e) Notices and Evidence of Actions. All notices or communications provided for herein shall be in writing and shall be delivered to the Members affected or the Commission either in person or by United States mail, via registered mail, return receipt requested, postage prepaid, addressed to the principal office thereof.

Any action hereunder to be taken by the Commission or any Member may be evidenced by copy of official proceedings (including pertinent minutes, motions, resolutions, or ordinances) duly certified by the Secretary of such Member or the Secretary of the Commission.

(f) Cooperation. The Members shall reasonably cooperate with the Commission, and the Commission shall reasonably cooperate with the Members, in the establishment, construction and acquisition of the System; in the issuance of Bonds or other Debt Instruments and the issuance of the Member's general obligation bonds, alternate bonds, limited bonds, revenue bonds or any other type of bonds authorized under the LGDR Act for the benefit of its Unit System; in the performance of the Commission's responsibilities as to the construction, operation, maintenance and administration of the System; and in the performance of their respective responsibilities for the contracting and supply of water. Neither the Commission nor the Members shall unreasonably act, or fail to reasonably act, so as to interrupt the supply of water to any Member.

Each Member shall grant without charge to the Commission any reasonably required temporary construction easements and any permanent easements necessary for portions of the System to be located on such Member's property, provided the Commission agrees to restore the easement property to its prior condition using like-kind materials in after construction. Each Member shall grant the Commission access to its property to the extent reasonably necessary to construct and install the points of delivery and connection for the System and the appurtenant devices to connect to the Unit System.

The Commission shall grant without charge to each Member any reasonably required temporary construction easements on Commission property necessary for work of any kind to be performed on portions of the Unit System, provided the Member agrees to restore the easement property to its prior condition using like-kind materials in after construction. The Commission shall grant the Member access to its property to the extent reasonably necessary to construct and install the points of delivery and connection for the System and the appurtenant devices to connect to the Unit System.

Notwithstanding any of the provisions of this IGA, the Commission is not prohibited by this IGA from entering into cooperative arrangements with other suppliers of Lake Water to provide Lake Water to each other to meet their water needs, provided that these arrangements do not interfere, except in emergencies, with the delivery of Lake Water to the Members.

(g) Evidence of Customer Action. Wherever in this IGA the consent or authorization of a Charter Customer or both Charter Customers are required, that consent may only be evidenced by an ordinance, a resolution or a motion passed by the corporate authorities of the Charter Customer or the affirmative votes of the Commissioners of the both Charter Customers.

(h) Severability. Should any part, term, or provision of this IGA be determined by a court of competent jurisdiction to be illegal or in conflict with any law, the application of such term or provision to circumstances or in respects other than those to which it has been determined to be invalid or unenforceable shall not be affected thereby, and such invalid or unenforceable provision shall be modified to the minimum extent necessary to render such term or provision valid and enforceable and to effect the intent of this IGA.

(i) Governing Law; Venue. All questions of interpretation, construction and enforcement, and all controversies with respect to this IGA, 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 IGA 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.

(j) Execution in Counterparts. This IGA may be executed in several counterparts, each of which shall be deemed to be an original, and all of which shall constitute but one and the same instrument. Any such counterpart may be signed by one or more of the Parties hereto so long as each of the Parties hereto has signed one or more of such counterparts.

(k) Filing. Promptly upon this IGA being entered into, or upon the amending of this IGA, a copy of this IGA or amendment shall be filed in the office of the Secretary of State

of Illinois, with the Cook County Clerk and with the Cook County Recorder and any other governmental regulatory agency with oversight authority by the Commission. Promptly upon the dissolution of the Commission, if any, that fact shall be certified by an officer of the Commission to the Secretary of State of Illinois.

(I) Existence of Other Agreements. Morton Grove, Niles and all Contract Customers of the Commission acknowledge the existence of the Master Water Supply Agreement between the Commission and the City of Evanston dated March 16, 2017, that is to be read in conjunction with the terms of this IGA.

**THE REMAINDER OF THIS PAGE
HAS INTENTIONALLY BEEN LEFT BLANK**

IN WITNESS WHEREOF, the Parties hereto have caused their respective corporate names to be subscribed hereto and their respective corporate seals to be hereto affixed and attested by their duly authorized officers, all on the date set opposite their respective corporate names.


VILLAGE OF MORTON GROVE, ILLINOIS

By: 

Name: Daniel P. DiMaria
Village President

Date: March 13, 2017

ATTEST:

By: 

Name: Connie Travis
Village Clerk

Date: March 13, 2017


VILLAGE OF NILES, ILLINOIS

By: 

Name: Andrew Przybylo
Village President

Date: March 30, 2017

ATTEST:

By: 

Name: Marlene J. Victorine
Village Clerk

Date: March 30, 2017

Exhibit "A"

**Example Formulas Relating to Calculations of the MG-N Cost of Water/1,000 Gallons
Calculation and the End of Fiscal Year True-Up Calculation
(attached)**

Exhib. A" to 2017 Water Commission IGA Regarding
Morton Grove And Niles Water Supply Matters

$$\text{MG-N Cost of Water/1,000 gallons} = \text{Wholesale Water Rate/1,000 gallons} + \frac{\text{System Operating Annual Budget}}{\text{Prior Year MG-N Water Use in 1,000s of Gallons}} + \frac{\text{Annual Debit Service Payment}}{\text{Prior Year MG-N Water Use in 1,000s of Gallons}}$$

$$\text{MG-N Cost of Water/1,000 gallons} = \$0.91/1,000 \text{ gallons} + \frac{\$300,000}{2,555,000} + \frac{\$5,854,630}{2,555,000}$$

$$\text{MG-N Cost of Water/1,000 gallons} = \$0.91/1,000 \text{ gallons} + \$0.11/1,000 \text{ gallons} + \$2.29/1,000 \text{ gallons}$$

$$\underline{\$3.31/1,000 \text{ gallons}} = \$0.91/1,000 \text{ gallons} + \$0.11/1,000 \text{ gallons} + \$2.29/1,000 \text{ gallons}$$

- MG-N Cost of Water/1,000 gallons annual cost of water per 1,000 gallons for formula calendar/fiscal year
- Wholesale Water Rate/1,000 gallons cost of wholesale water from water supplier
- System Operating Annual Budget annual budget to support MG-N water supply transmission main from water source
- Annual Debt Service Payment annual MG-N payment for debt service
- Prior Year MG-N Water Use in 1,000s of Gallons amount determined based on MG-N water consumption between November 1 and October 31 of the prior year to create a full year of consumption calculation

At the end of each fiscal year (January 1 to December 31) any outstanding balance or surplus of funds will be calculated as a debt or credit to Morton Grove and Niles based on actual water usage of the each municipality during the subject fiscal year.

Example - End of Fiscal Year True-up

Fiscal Year ends with a \$10,000 surplus

Anticipated Water Consumption:

Morton Grove	3 Million Gallons/Day	.....	3,000 / 1,000 gallons /Day
Niles	4 Million Gallons/Day	.....	4,000 / 1,000 gallons /Day
MG-N - 7.0 Million Gallons/Day	....	7,000 / 1,000 gallons /Day	.... 2,555,000 /1,000 gallons per year

Example actual consumption:

Morton Grove	2.8 Million Gallons/Day	.....	2,800 / 1,000 gallons /Day	.....	1,022,000/1,000 gallons per year = 42.4%
Niles	3.8 Million Gallons/Day	.....	3,800 / 1,000 gallons /Day	.....	1,387,000/1,000 gallons per year = 57.6%

2,800 + 3,800=6,600	
2,800/6,600= 42.4%	42.4% of \$10,000 = \$4,240
3,800/6,600=57.6%	57.6% of \$10,000 = \$5,760

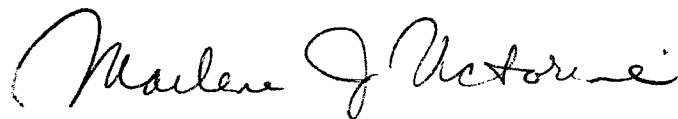
STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, **MARLENE J. VICTORINE**, do hereby certify that I am the duly appointed and qualified Village Clerk of the Village of Niles, County of Cook and State of Illinois, and, as such, am the keeper of the records, legal documents and files of said Village.

I DO FURTHER CERTIFY that the attached and foregoing is a true, correct, and complete copy of a legal document duly adopted by the Board of Trustees of the Village of Niles on the 14th day of March, 2017 entitled:

ORDINANCE 2017-19 DETERMINING AND ELECTING TO ACQUIRE, CONSTRUCT AND OPERATE A COMMON SOURCE OF SUPPLY OF WATER AND RELATED WATERWORKS SYSTEM WITH THE VILLAGE OF MORTON GROVE, ILLINOIS, TO ESTABLISH THE MORTON GROVE-NILES WATER COMMISSION PURSUANT TO DIVISION 135 OF ARTICLE 11 OF THE ILLINOIS MUNICIPAL CODE, AND APPROVING AN 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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Niles, this 23rd day of March, 2017.



Village Clerk of the Village of Niles
Cook County, State of Illinois

(SEAL)

ORDINANCE NO. 2017-19

AN ORDINANCE DETERMINING AND ELECTING TO ACQUIRE, CONSTRUCT AND OPERATE A COMMON SOURCE OF SUPPLY OF WATER AND RELATED WATERWORKS SYSTEM WITH THE VILLAGE OF MORTON GROVE, ILLINOIS, TO ESTABLISH THE MORTON GROVE-NILES WATER COMMISSION PURSUANT TO DIVISION 135 OF ARTICLE 11 OF THE ILLINOIS MUNICIPAL CODE, AND APPROVING AN 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

Dated: This 14th day of March, 2017

**Published in Pamphlet Form by Authority
of the
President and Board of Trustees of
the Village of Niles**

ORDINANCE 2017-19

AN ORDINANCE DETERMINING AND ELECTING TO ACQUIRE, CONSTRUCT AND OPERATE A COMMON SOURCE OF SUPPLY OF WATER AND RELATED WATERWORKS SYSTEM WITH THE VILLAGE OF MORTON GROVE, ILLINOIS, TO ESTABLISH THE MORTON GROVE-NILES WATER COMMISSION PURSUANT TO DIVISION 135 OF ARTICLE 11 OF THE ILLINOIS MUNICIPAL CODE, AND APPROVING AN 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

(Village of Niles)

WHEREAS, the President and Board of Trustees of the Village of Morton Grove, a home rule Illinois municipal corporation ("Morton Grove") and the President and Board of Trustees of the Village of Niles, a home rule Illinois municipal corporation ("Niles") have undertaken studies and analysis of the feasibility of jointly establishing, acquiring, constructing and operating a common source of supply of water and related waterworks system for the purpose of the delivery of potable drinkable water to their respective residents, business owners, property owners, and governmental and institutional properties, and in furtherance thereof approved and entered into an agreement entitled "Cost Sharing Agreement Regarding Morton Grove And Niles Water Supply Matters" (the "Cost Sharing Agreement") as approved by Niles Resolution 2017-04R on January 24, 2017, and as approved by Morton Grove Resolution 17-02 on January 23, 2017; and

WHEREAS, as set forth in the Cost Sharing Agreement, Morton Grove and Niles (collectively, the "Villages") determined that there was a need to jointly cooperate and share the costs of studying, analyzing and negotiating agreements regarding certain water supply matters involving the Villages, including but not limited to the assessment of options for entering into a proposed water supply agreement with one or more Illinois municipalities, and the creation of and participation in a Joint Action Water Agency or a municipal Water Commission by the Villages; and

WHEREAS, after studying and analyzing the costs and benefits associated with a common source of supply of water and a related waterworks system, the Villages have determined that it is in their best interests to jointly acquire and operate a common source of supply of water and a related waterworks system, and to establish a municipal Water Commission together pursuant to Division 135 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-135-1, *et seq.*) ("Division 135") in furtherance thereof, to be known as the "Morton Grove-Niles Water Commission" (the "MG-N Water Commission" or "Commission"); and

WHEREAS, the Villages desire to maintain ownership and control over their own respective waterworks systems (referred to as a "Unit System"), but agree to connect their respective Unit Systems, in part, to a new waterworks system to be constructed,

owned and maintained by the Commission, which will construct, maintain and operate the new waterworks system within and outside of the respective corporate jurisdictions of the Villages for their joint use pursuant to Division 135 (referred to as the "Commission Waterworks System" or "Waterworks System" or "System" as further defined in the intergovernmental agreement referenced below); and

WHEREAS, through the Commission, the Villages desire to obtain an adequate supply of water for re-sale to their respective water customers. The Villages agree that the continued existence and operation of the Commission is dependent upon the Commission entering into a long-term water supply agreement for the purchase of potable water with the City of Evanston, or such other water supplier(s) as may be advisable. The potable water to be purchased from the City of Evanston, or such other water supplier(s), shall be delivered to the Commission Waterworks System through a point of connection located within the City of Evanston or one of the Villages or another Illinois municipality that is already a water customer of the City of Evanston, or such other water supplier(s). The Commission shall construct its Waterworks System improvements within the Villages and in other Illinois municipalities in order to connect its System to the waterworks system of the City of Evanston, or such other water supplier(s); and

WHEREAS, in order to accomplish the objectives of this Ordinance, the Villages desire to enter into an 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"), in substantially the same form as the copy of which is attached hereto as **Exhibit "A"** and made a part hereof; and

WHEREAS, the Villages each own and operate a Unit System (as further defined in the IGA) and have each received and maintains, from the State of Illinois Department of Natural Resources, a "Water Allocation," as defined in the IGA; and

WHEREAS, the Commission may apply for grants and may issue and sell "Bonds," as defined in the IGA, and may enter into "Debt Instruments," as defined in the IGA, from time to time during the term of the IGA in sufficient amounts for the payment of the costs of construction, re-construction, extension, maintenance, repair, removal and replacement of the Commission Waterworks System and to expend funds for the purpose of making certain Unit Systems and Commission Waterworks System upgrades and improvements, as provided by applicable laws and the terms of the IGA; and

WHEREAS, by the execution of the IGA, the Villages are surrendering none of their respective rights to the ownership and operation of their respective Unit Systems, except as expressly stated in the IGA, but all expressly assert their continued right to own and operate such Unit System; and

WHEREAS, in accordance with Cost Sharing IGA, the Villages have authorized and expended public funds, from time to time, to pay for the assessment and feasibility studies and reports, the preliminary engineering and design work and related legal work and other costs associated with jointly establishing, acquiring, constructing and operating

a common source of supply of water and a related waterworks system (the "Development Costs"), including the proposed Commission Waterworks System improvements and the formation of the Commission, even if the project is never constructed or water is never supplied by the Commission to the Villages or the Commission is dissolved. Pursuant to Section 11-135-1 of the Illinois Municipal Code (65 ILCS 5/11-135-1), the Villages find and determine that they will pay, advance or obligate themselves on an equal share basis (50% / 50%) for their share of the Development Costs as provided in the Cost Sharing IGA, and shall agree to pay their respective share of such costs as the costs come due, but such repayment period shall not exceed five (5) calendar years; and

WHEREAS, under the attached IGA, the Villages agree to pay all future operating, maintenance, repair and replacement costs ("O&M Costs") incurred by the Commission in regard to the Commission Waterworks System using a formula that allocates those costs based on annual water volume usage of the respective Villages and any other members of the Commission; and

WHEREAS, the Villages recognize that the Commission may in the future enter into contracts with "Other Customers," as defined in the IGA, and Other Customers, who have their own Water Allocations, may purchase some or all of their water needs from the Commission, provided that such water purchases do not interfere with the other water supply agreements that the Commission has with its water supplier and the water supply agreements that the Commission has with the Villages and other current wholesale water customers; and

WHEREAS, the IGA also contains certain provisions and requirements regarding membership in the Commission, operations and governance of the Commission, and termination of membership and winding down of the operations of the Commission; and

WHEREAS, the President and Board of Trustees of the Village of Niles have the authority to create the Commission and to enter into the IGA pursuant to Niles' home rule powers as provided by Article VII, Section 10 of the 1970 Constitution of the State of Illinois, the Illinois Intergovernmental Cooperation Act (5 ILCS 220/1, *et seq.*), Division 135 (65 ILCS 5/11-135-1, *et seq.*) and the Illinois Municipal Code (65 ILCS 5/1, *et seq.*), and find that creating the Commission and entering into the IGA are in the best interests of Niles.

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF NILES, COOK COUNTY, ILLINOIS, PURSUANT TO ITS STATUTORY POWERS CONTAINED IN DIVISION 135 OF ARTICLE 11 OF THE ILLINOIS MUNICIPAL CODE (65 ILCS 5/11-135-1, ET SEQ.), ITS HOME RULE POWERS AS PROVIDED BY ARTICLE VII, SECTION 6 OF THE ILLINOIS CONSTITUTION OF 1970 AND THE AUTHORITY PROVIDED UNDER THE INTERGOVERNMENTAL COOPERATION POWERS OF ARTICLE VII, SECTION 10 OF THE ILLINOIS CONSTITUTION OF 1970, AS FOLLOWS:

SECTION 1: Recitals; Incorporation. The statements set forth in the preambles of this Ordinance are found to be true and correct and are incorporated by reference into Section 1 of this Ordinance.

SECTION 2: Common Source of Supply of Water and Waterworks System. Pursuant to authority granted by Division 135, the Village of Niles elects to acquire, construct and operate jointly with the Village of Morton Grove a common supply of water and a related waterworks system, and establishes with the Village of Morton Grove a water commission to be known as the "Morton Grove-Niles Water Commission" ("MG-N Water Commission" or "Commission"), in accordance with Division 135.

SECTION 3: Approval of Intergovernmental Agreement Establishing Commission. The President and Board of Trustees of the Village of Niles authorize the approval of the economic terms and the attached form of an 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"), a copy of which is attached hereto as **Exhibit "A"** and made a part hereof. The President and Board of Trustees of the Village of Niles authorize and direct the Village President and the Village Clerk, or their designees, to execute the final version of the IGA, which may contain certain non-substantive and non-financial modifications that are approved by the Village Attorney, and to execute and deliver all other instruments and documents and pay all costs that are necessary to fulfill Niles' obligations under the IGA.

SECTION 4: Obligation to Pay Development Costs and Startup Operating Costs. The Village of Niles agrees to pay fifty percent (50%) of the "Development Costs", the "Costs of the Project" and "Start-Up Operating Costs," as defined in the IGA, of the Commission being established, on the terms and conditions set forth in Section 6(e) of the IGA attached hereto as **Exhibit "A"**.

SECTION 5: Obligation to Pay Operating and Maintenance Costs. Niles agrees to pay its share of all future operating, maintenance, repair and replacement costs incurred by the Commission in regard to the Commission Waterworks System in accordance with the formula contained in Section 5(d) of the IGA that allocates those costs based on annual water volume usage of Morton Grove, Niles and any other members of the Commission.

SECTION 6: Obligation to Pay Debt Service. Niles agrees to pay a share of the debt service on "Bonds" and "Debt Instruments," as defined in the IGA, in accordance with the formula contained in Section 5(d) of the IGA that allocates the repayment of debt service with a minimum debt service obligation for Morton Grove, Niles and any other members of the Commission, and that allocates the remainder of the repayment of the debt service based on the annual water volume usage of Morton Grove, Niles and any other members of the Commission.

SECTION 7: Filing. The Village Clerk shall file a certified copy of this Ordinance with the Illinois Secretary of State Index Department, with the Cook County Clerk, and with the Cook County Recorder of Deeds.

SECTION 8: Repealer. All ordinances, or parts of ordinances, in conflict with the provisions of this Ordinance, to the extent of such conflict, are repealed.


SECTION 9: Severability. Each section, paragraph, clause and provision of this Ordinance is separable, and if any provision is held unconstitutional or invalid for any reason, such decision shall not affect the remainder of this Ordinance, nor any part thereof, other than that part affected by such decision.

SECTION 10: Ratification. All actions of the President and Board of Trustees, agents and employees of the Village of Niles that are in conformity with the purpose and intent of this Ordinance, whether taken before or after the adoption of this Ordinance, are ratified, confirmed and approved.

SECTION 11: Effective Date. This Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as required by law.

PASSED: This 14th day of March, 2017
AYES: 6 Alpogianis, Jekot, LoVerde, Matyas, McCreery, Strzelecki
NAYS: 0
ABSENT: 0
ABSTAIN: 0

APPROVED by me this 14th day of March, 2017.



President of the Village of Niles
Cook County, Illinois

ATTESTED AND FILED in my office this 14th day of March, 2017, and published in pamphlet form as provided by law in the Village of Niles, Illinois.



Village Clerk



Mayor ANDREW PRZYBYLO

VILLAGE MANAGER Steven C. Vinezeano ▪ VILLAGE CLERK Mariene J. Victorine
TRUSTEES George D. Alpigianis ▪ John C. Jekot ▪ Joe LoVerde ▪ Danette O'Donovan Matyas
Denise McCreery ▪ Dean Strzelecki

May 22, 2017

Dan DiMaria, President
Village of Morton Grove
6101 Capulina Ave
Morton Grove, IL 60053

Re: Appointment of Morton Grove-Niles Water Commissioner

Honorable President DiMaria:

Pursuant to the 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 Customer, the Village of Niles approves Morton Grove's appointment of resident John Pietron as the Water Commissioner as allowed under Section 3 Governance, Board of Commissioners of the Intergovernmental Agreement.

Yours truly,

Andrew Przybylo
Village President

X. **RESIDENTS' COMMENTS (Agenda Items Only)** (continued)

- a. Ms. Terdich said that, therefore, a person could work in Morton Grove, but wouldn't be able to afford to live in Morton Grove. She added that she hadn't included money for taxes, medical insurance, school fees, utilities, furniture, renter's insurance. She said it's just impossible to have things like that on an \$8.25 per hour wage. She said parents shouldn't be forced to come to work leaving a sick child at home, nor should be forced to keep an older sibling home from school to care for an ill younger sibling. She told the Board again, "Don't opt out."
17. **Anisa Laliwale** said that she agrees with what others have said. She noted that the Board Meeting tonight opened with the Pledge of Allegiance, and said that the Pledge ends with "...with liberty and justice for all." Ms. Laliwale said there won't be "justice for all" if Morton Grove opts out of the Cook County ordinances. She said no one should have to go to work if they're ill. She encouraged the board to not opt out.
18. **Margaret Grau**, a 25-year resident, said she's proud to live in Morton Grove and hoped the Board would vote yes on the welcoming community resolution. She said she grew up in a family making minimum wage, and as a child, never had fresh fruit or vegetables. Her father worked for a hardware store, which he eventually bought, and then paid his staff properly. He came out ahead. They had little turnover, and many people loved him, as evidenced by the large turnout at his funeral.
19. **Jon Lahn** thanked Corporation Counsel Liston, Village Administrator Czerwinski, and Police Chief Simo for their hard work on the proposed resolution. Mr. Lahn said it was a tough process; there was a lot of energy and a lot of angst involved, but the Village ended up with a stronger product for it. He felt that Morton Grove is setting the standard for other communities, especially as regards supporting materials.
- a. As far as the minimum wage ordinance, he said that it, too, is a controversial subject, and felt that possibly a town hall meeting on the subject was called for. He said that if the Village opts out, it could have a dramatic impact on people's lives. Morton Grove has a demonstrated ability to think independently and forge its own path, Mr. Lahn said, and encouraged the Board to have more meetings on considering this ordinance.

XI. **PRESIDENT'S REPORT**

1. Mayor DiMaria sought concurrence from the Board to appoint John Pietron to the Morton Grove/ Niles Water Commission. Trustee Minx so moved, seconded by Trustee Gear. **Motion passed unanimously** via voice vote.
2. Mayor DiMaria reminded the assemblage that American Legion Post 134 would hold its annual Memorial Day service at 1:30 p.m. on Sunday, May 28, at the American Legion Memorial Civic Center. He urged everyone to attend.
3. Mayor DiMaria also announced that the Farmer's Market would open on June 3 at 8:00 a.m. The market will be open until noon every Saturday except July 1st.



Incredibly Close ✨ Amazingly Open

VILLAGE BOARD OF TRUSTEES REGULAR MEETING NOTICE/AGENDA

TO BE HELD AT THE RICHARD T. FLICKINGER MUNICIPAL CENTER
SCANLON CONFERENCE ROOM

**May 22, 2017
6:00 pm**

*(The hour between 6:00 and 7:00 pm is set aside for Executive Session
per 1-5-7A of the Village of Morton Grove Municipal Code.
If the Agenda does not include an Executive Session, the meeting will begin at 7:00 pm.)*

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Executive Session – Property Acquisition**

**THE BALANCE OF THE MEETING SHALL COMMENCE AT 7:00 PM
IN THE COUNCIL CHAMBERS
OF THE RICHARD T. FLICKINGER MUNICIPAL CENTER**

4. **Reconvene Meeting**
5. **Pledge of Allegiance**
6. **Roll Call**
7. **Approval of Minutes – Regular Meeting – May 8, 2017**
8. **Special Reports**
9. **Public Hearings**
10. **Residents' Comments (agenda items only)**

11. **President's Report** – *Administration, Northwest Municipal Conference, Council of Mayors, Strategic Plan, Comprehensive Plan*
 - 1) Appointment of John Pietron to Morton Grove Niles Water Commission
12. **Clerk's Report**
13. **Staff Reports**
 - a. **Village Administrator**
 - 1) Miscellaneous Reports and Updates
 - b. **Corporation Counsel**
14. **Reports by Trustees**
 - a. **Trustee Grear** – *Police Department, Community and Economic Development Department, Fire and Police Commission, Police Facility Committee, NIPSTA, Lehigh/Ferris TIF, Prairie View TIF, Special Events Commission (Trustee Witko)*
 - 1) **Resolution 17-31** (*Introduced May 8, 2017*)
Authorizing the Purchase of the Getac Veretos Digital In-Car Video System Upgrade from TKK Electronics
 - b. **Trustee Minx** – *Natural Resource Commission, Plan Commission/Zoning Board of Appeals, Building Department (Trustee Travis)*
 - 1) **Ordinance 17-09** (*Introduced May 8, 2017*) (*Second Reading*)
Approving a Text Amendment to Modify the Manufacturing Zoning Districts and to Establish a New Office/Research Manufacturing (M-O/R) District of the Village
 - 2) **Ordinance 17-10** (*Introduced May 8, 2017*) (*Second Reading*)
Approving a Zoning Map Amendment to Rezone a 10.4 Acre Area of Land, Bounded by River Drive to the North and West, Park Avenue to the South and Lehigh Avenue to the East from M2 General Manufacturing to M-OR Office/Research Manufacturing District
 - 3) **Ordinance 17-11** (*Introduced May 8, 2017*) (*Second Reading*)
Approving a Special Use Permit for a School-Commercial Tutoring/Learning Center (for Children from Pre-School through High School) at 8145 River Drive
 - c. **Trustee Ramos** – *Legal, Finance Advisory Commission, Traffic Safety Commission, Waukegan Road TIF, Capital Projects (Trustee Thill)*
 - d. **Trustee Thill** – *Fire Department, Emergency Management Agency, RED Center, Environmental Health, Solid Waste Agency of Northern Cook County, Appearance Commission, Advisory Commission on Aging (Trustee Ramos)*

14. **Reports by Trustees (continued)**

e. **Trustee Travis** – *Public Works Department, Condominium Association, Economic Development Commission, Dempster Street Corridor Plan, Chamber of Commerce, Community Relations Commission (Trustee Minx)*

- 1) **Ordinance 17-13** (*Introduced May 22, 2017 (First Reading)*)
Amending Title 5, Chapter 13, Article F, Section 1 Entitled “No Parking Streets” of the Municipal Code
- 2) **Ordinance 17-14** (*Introduced May 22, 2017 (First Reading)*)
Amending Title 5, Chapter 13, Article F, Section 2 Entitled “No Parking During Certain Hours” of the Municipal Code
- 3) **Resolution 17-28** (*Introduced May 8, 2017*) Formalizing Current Village Policies and Practices Regarding Enforcement of Federal Immigration Laws

f. **Trustee Witko** – *IT Communications, Strategic Plan Committee, Finance Department, Family and Senior Services Department (Trustee Gear)*

- 2) **Ordinance 17-12** (*Introduced May 8, 2017 (Second Reading)*)
Amending Title 4 Entitled “Business Regulations”, Chapter 5 Entitled “Regulations Pertaining to All Businesses” of the Village by Adding a New Section 10 Entitled “Minimum Hourly Wages and Sick Leave Benefits”

15. **Other Business**

16. **Presentation of Warrants** \$1,834,284.58

17. **Residents’ Comments**

18. **Executive Session** – Personnel Matters, Labor Negotiations, Pending Litigation, and Real Estate

19. **Adjournment** - *To ensure full accessibility and equal participation for all interested citizens, individuals with disabilities who plan to attend and who require certain accommodations in order to observe and/or participate in this meeting, or who have questions regarding the accessibility of these facilities, are requested to contact Susan or Marlene (847/470-5220) promptly to allow the Village to make reasonable accommodations.*

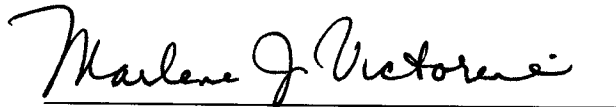
STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, **MARLENE J. VICTORINE**, do hereby certify that I am the duly appointed and qualified Village Clerk of the Village of Niles, County of Cook and State of Illinois, and, as such, am the keeper of the records, legal documents and files of said Village.

I DO FURTHER CERTIFY that the attached and foregoing is a true, correct, and complete copy of a legal document duly adopted by the Board of Trustees of the Village of Niles on the 23rd day of May, 2017 entitled:

**RESOLUTION 2017-40R APPOINTING THE VILLAGE MANAGER
TO THE MORTON GROVE-NILES WATER COMMISSION
(MG-N WATER COMMISSION)**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of Niles, this 31st day of May, 2017.



Village Clerk of the Village of Niles
Cook County, State of Illinois

(SEAL)

RESOLUTION 2017-40R

RESOLUTION APPOINTING THE VILLAGE MANAGER TO THE MORTON GROVE-NILES WATER COMMISSION (MG-N WATER COMMISSION)

BE IT RESOLVED, by the President and Board of Trustees of the Village of Niles, Cook County, as follows:

SECTION 1: The Village of Niles is a member of the Morton Grove-Niles Water Commission and, pursuant to Division 135 of Article 11 of the Illinois Municipal Code, is entitled to appoint a Commissioner to the Morton Grove-Niles Water Commission.

SECTION 2: The President and Board of Trustees hereby appoint Village Manager Steven C. Vinezeano as the Village's Commissioner.

SECTION 3: This Resolution shall be in full force and effect upon passage and approval.

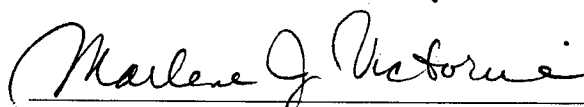
PASSED: This 23rd day of May, 2017
YEAS: 6 Alpigianis, Jekot, LoVerde, Matyas, McCreery, Strzelecki
NAYS: 0
ABSENT: 0
ABSTAIN: 0

APPROVED by me this 23rd day of May, 2017.



President, Village of Niles
Cook County, Illinois

ATTESTED AND FILED in my office this 23rd day of May, 2017.



Village Clerk