

RESOLUTION # R4-07-1

**A RESOLUTION AUTHORIZING EXECUTION OF A WATER
SUPPLY AGREEMENT BETWEEN THE CITY OF COUNTRYSIDE
AND THE VILLAGE OF INDIAN HEAD PARK**

WHEREAS, the Village of Indian Head Park's current water supply agreement with the City of Countryside expired on March 19, 2007;

WHEREAS, the City of Countryside has submitted a new water supply agreement to the Village of Indian Head Park for the Village's consideration, a copy of which is attached hereto as **Exhibit A**; and

WHEREAS, the Mayor and City Council of Countryside approved said new agreement at their regular meeting held on March 26, 2007; and

WHEREAS, the corporate authorities of the Village of Indian Head Park have determined that the proposed agreement is in the best interests of the Village and its residents.

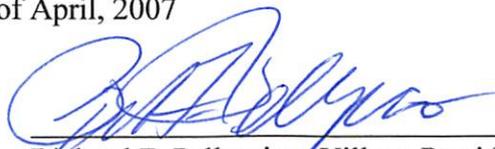
THEREFORE, BE IT RESOLVED, by the President and Board of Trustees of the Village of Indian Head Park, Cook County, Illinois as follows:

1. The Village of Indian Head Park hereby approved the proposed agreement titled "**Water Supply Agreement between the City of Countryside, Illinois and the Village of Indian Head Park, Illinois**" and attached hereto as Exhibit A, and authorizes and directs the President and Clerk to execute said agreement on behalf of the Village.

PASSED, this 12th day of April, 2007.

AYES: Andrews, Anselmo, Bermier, Coleman, Schnaufer, Walsh
NAYS: None
ABSENT: None

APPROVED, this 12th day of April, 2007



Richard F. Pellegrino, Village President
Village of Indian Head Park
Cook County, Illinois

ATTEST:



Joseph V. Consolo, Village Clerk
Village of Indian Head Park

WATER SUPPLY AGREEMENT
BETWEEN
THE CITY OF COUNTRYSIDE, ILLINOIS
AND
THE VILLAGE OF INDIAN HEAD PARK, ILLINOIS

March 2007

**WATER SUPPLY AGREEMENT BETWEEN
THE CITY OF COUNTRYSIDE, ILLINOIS AND
THE VILLAGE OF INDIAN HEAD PARK, ILLINOIS**

THIS AGREEMENT is made and entered into on its date of execution by the last of the parties to sign by and between the **CITY OF COUNTRYSIDE**, (hereinafter called Countryside), and the **VILLAGE OF INDIAN HEAD PARK** (hereinafter sometimes called "Indian Head Park") in Cook County, Illinois, located within the Metropolitan Water Reclamation District of Greater Chicago,

RECITALS:

WHEREAS, Indian Head Park and Countryside previously entered into an agreement for the furnishing from Countryside's water main, at the Primary Location of a supply of water for consumers supplied by Indian Head Parks' water system; and

WHEREAS, Indian Head Park and Countryside are desirous of and willing to enter into a new water supply Agreement pursuant to which Countryside will furnish from the Primary Location, a supply of water for consumers supplied by Indian Head Parks' water system;

NOW, THEREFORE, in consideration of the above Recitals which are made a contractual part of this Agreement and the mutual covenants and agreements hereinafter contained, the parties agree to the following:

I. DEFINITIONS.

The following terms as used in this Agreement shall have the meanings set forth below unless the context indicates a different meaning:

"Facilities" shall mean the Service Mains, all reservoirs within Indian Head Parks' water system and all connections to other entities outside the limits of Indian Head Parks' water system, including any reservoirs on such entities' water systems.

"Mayor" shall mean the Mayor of the City of Countryside.

"Primary Location" shall have the meaning set forth on Exhibit A to this Agreement.

"Revenues" shall mean the Revenues derived from the operation of Indian Head Parks' water system.

"Service Main" or "Service Mains" shall mean the primary supply piping between Countryside's water system and the connection to Indian Head Parks' water system, the control valve and the meter vault.

"State" shall mean the State of Illinois, Department of Natural Resources, or any predecessor or successor to the Department of Natural Resources having authority over the allocation of Lake Michigan water.

"Subsequent Purchaser" shall mean a water user outside of Indian Head Parks' corporate limits, which are supplied water by Indian Head Park pursuant to Section (B)(2).

II. SERVICE TO BE FURNISHED

A. Countryside agrees to furnish to Indian Head Park, and Indian Head Park agrees to purchase and take from Countryside under and in accordance with the terms of this Agreement, a supply of water through an authorized metered connection from Countryside's water main at the Primary Location to be used by Indian Head Park in supplying water to consumers located within the corporate limits of Indian Head Park only. All water usage is to be in accordance with the allocation of the State, as set forth on Exhibit A.

B. It is clearly understood by Indian Head Park that this authorization is non-exclusive, the City of Countryside reserving the right to sell water to other customers, including units of government, such as the Village of LaGrange Highlands Sanitary District, and special districts, such as the Village of Indian Head Park.

C. Indian Head Park shall not add any Subsequent Purchasers of water supplied by Countryside without the approval of Countryside; however, neither this provision, nor any subsequent approval by the City of Countryside is intended to guarantee Indian Head Parks' right to re-sell water if circumstances, including but not limited to, available water or applicable law, required that resale be limited or prohibited.

III. QUANTITY OF WATER TO BE FURNISHED

A. The quantities of water to be furnished are to be supplied to Indian Head Park as set forth on Exhibit A for the years indicated thereon, The individual consumer's quantities of water are included in the allocation made to Indian Head Park. These quantities of water are in accordance with the allocations made to Indian Head Park and the Subsequent Purchasers, by the State in Opinion and Order Number LMO 99-3, as amended from time to time. These quantities of water may be adjusted by the Mayor if there are any future revisions of the allocation order by the State and shall be identified to this Agreement by written addenda.

B. The water supplied and taken in accordance with this Agreement shall be withdrawn at a uniform rate during the 24 hours of each day. The maximum hourly rate of withdrawal from Countryside's water main shall not exceed twice the annual average daily contracted amount as shown in Exhibit "A". Countryside shall have the right, in an emergency, to restrict or increase the supply of water to Indian Head Park in order to ensure an adequate water supply to all purchasers of water for public health and fire protection. Indian Head Park shall be responsible for and properly repair any malfunctions in its Facilities. Indian Head Park shall be responsible for any damage to the water supply system of Countryside caused by a malfunction or misuse of its Facilities.

C. Indian Head Park shall maintain a flow control system, including incoming pressures, reservoir levels, and flow monitoring equipment. Its equipment shall produce signals compatible with the transmitting equipment of the Countryside monitoring system, which signals shall be continuously routed through the equipment cabinet of the Countryside monitoring system. Indian Head Park will promptly repair any equipment providing incorrect readings to the Countryside monitoring system Indian Head Park will provide modulating controls on its reservoir intake valves and operate these controls in such a manner to eliminate or minimize the number of closures. Countryside reserves the right to regulate the flow of water into Indian Head Parks' facilities in order to prevent damage to its system, or in order to insure an adequate water supply to all purchasers of water for public health and fire protection.

IV. CHARGE FOR WATER PROVIDED AND PURCHASED

A. Subject to the provisions of Section B herein below of this section, Countryside shall charge, and Indian Head Park shall pay, for water provided hereunder an amount equal to that determined by the attached document "CITY OF COUNTRYSIDE COST OF WATER SERVICE TO THE VILLAGE OF INDIAN HEAD PARK" per 1,000-gallon. Said document determining the cost of water according to principals set forth by the American Water Works Association. The City may adjust the rate charged to Indian Head Park for any increases received from their water supplier on the effective date of said increase. The City may adjust the rate charged to Indian Head Park on a biennial basis according to the costs determined by the formulas and factors presented in the document "CITY OF COUNTRYSIDE COST OF WATER SERVICE TO THE VILLAGE OF INDIAN HEAD PARK" to accurately reflect any fluctuation in the cost of the water to Countryside. The proceeds of the sale of water hereunder to Indian Head Park may be used by Countryside for any purpose determined by the Countryside's corporate authorities.

B. The City of Countryside shall notify Indian Head Park in writing of the amount and (60) days prior to the effective date of such increase. This notice shall be given in a manner set forth in Section G hereof.

In the event that Indian Head Park indicates it's acceptance or makes no objection, within thirty (30) working days of receipt of such notice, said increase will become effect as of the date set forth in the notice.

If Indian Head Park files an objection with Countryside to such increase within the time provided, the parties shall have an additional thirty (30) days from receipt of such objection by the City to resolve such objection.

In the event the objection cannot be resolved within said period, then within ten (10) working days, the parties will create an arbitration panel as follows: each party will choose an engineer experienced in water rate making and a member of the American Water Works Association (AWWA); those two engineers will then choose a third member of the panel who shall have the same qualifications. The panel shall then decide the issue by a two-thirds vote (2/3) and a decision of the panel shall be binding upon both parties who shall thereafter abide by such decision.

V. STANDARD TERMS AND CONDITIONS

A. GENERAL

(1) This Agreement shall be in force and effect for a period ending on March 19, 2017; provided; however, that Countryside and Indian Head Park may agree to renew this Agreement for successive 10-year terms, not to exceed in the aggregate 40 years from the initial date of this Agreement if the Village of McCook renews its agreement with Countryside. If either Indian Head Park or the City of Countryside shall desire to renew this Agreement, such party shall provide written notice thereof to the other party hereto by January 1 of the year on which said term expires. Amounts of water for average daily use shall be the amounts as allocated by the State. This Agreement shall be a continuing valid and binding obligation of Indian Head Park payable from Revenues as hereinafter provided for the term and each separate renewal term thereof (each such renewal term to be treated as the term of a new agreement).

(2) Notwithstanding anything contained in Paragraph (1) above, either party may cancel this contract, effective on the next succeeding anniversary date, by written notice in the manner provided in Section G, not less than 90 days preceding such anniversary date.

(3) No officer, official or agent of Countryside has the power to amend, modify or alter this Agreement or waive any of its conditions so as to bind Countryside by making any promise or representation not contained herein; provided, however, that the Mayor may make modifications pursuant to paragraph V.E.(7) herein.

(4) This Agreement shall not be assigned or transferred by either party.

(5) This Agreement shall be subject to cancellation in the event a court of competent jurisdiction restricts or limits, directly or indirectly, any of Countryside's rights to obtain, sell, contract for or distribute Lake Michigan water. This Agreement shall be subject to cancellation in the event that the Water Supply Contract Between the Village of McCook and the City of Countryside under which the City is then purchasing the water it resells under this contract is terminated or otherwise declared void.

(6) The quantity of water supplied under this Agreement shall not exceed the amount of Lake Michigan water allocated annually by the State to Indian Head Park and subsequent purchasers.

(7) Countryside shall not be responsible in damages for any interruption or failure to supply water and shall be saved and held harmless from all damage of any kind, nature and description that may arise as a result of making this Agreement and furnishing water or failing to furnish water hereunder.

(8) Indian Head Park shall not permit any water furnished hereunder to be used to supply any party outside the corporate limits of Indian Head Park, except as otherwise specifically provided herein, without the prior written consent of the Mayor. Indian Head Park may, with the permission of the Mayor, in an emergency, supply water to other water users who have been previously authorized an emergency connection.

B. REPORTING REQUIREMENT

(1) If requested by Countryside, Indian Head Park agrees to submit to the Mayor a written copy of the prevailing water rate schedule as applicable to its water customers.

(2) Indian Head Park shall submit to Countryside by the 10th day of each month, a report showing the amount of water received the previous month from Countryside and the amount furnished to customers of Indian Head Park.

(3) Indian Head Park shall notify Countryside in writing and keep Countryside informed of the responsible individual in charge of operations of Indian Head Park water system.

C. RESERVATIONS

(1) In the event of a default in payment of a water bill by Indian Head Park, Countryside reserves the right to require Indian Head Park to deposit, in advance, a sum equal to the estimated costs for water supply during a period of 90 days at the prevailing metered rate.

(2) Countryside reserves the right to inspect, test and repair the water meters as required. All such repairs shall be charged to and paid by Indian Head Park, except as provided in paragraph V.E.(6).

D. WATER QUALITY

(1) Countryside shall supply Indian Head Park with water of a quality commensurate with that furnished to its consumers within Countryside.

(2) Indian Head Park shall receive its supply of water from Countryside by means of a method approved by the Mayor. The parties recognize that Countryside supplies water to Indian Head Park via a direct distribution connection that currently utilizes check and pressure sustaining valves for backflow prevention. Any modification to this connection shall be subject to approval by the Mayor.

(3) Indian Head Park bears the responsibility for maintaining the water quality at any point beyond the master meter vault and within its distribution system. Countryside bears no degree of responsibility for the water quality at any point beyond the meter vault.

(4) Indian Head Park shall immediately notify the Mayor of any emergency or condition that may affect the quality of water in either party's system.

(5) Countryside reserves the right to make inspections of those Facilities which may affect the quality of the water supplied to Indian Head Park and to perform required tests upon due notice to Indian Head Park.

E. EQUIPMENT OPERATION

(1) Indian Head Park shall provide and maintain all Service Mains and Valves and bear the costs for connecting said Service Mains to and severing them from Countryside's water system. Indian Head Park shall also pay any and all costs incurred by or on behalf of Countryside in connection with extending Countryside's water system to the point of connection with Indian Head Park water system, if such extension is for the sole purpose of supplying water to Indian Head Parks' water system. Each Service Main shall be equipped with a valve located within Countryside limits and said valve shall be under the sole and complete control of Countryside. This valve shall mark the limit of Countryside's responsibility for maintenance of the piping system. The cost of maintaining or replacing the valve shall be the responsibility of Indian Head Park.

(2) Indian Head Park shall provide and maintain any and all devices reasonably requested by the Mayor for the purpose of controlling, measuring, transmitting and recording pressures, rates of flow, reservoir levels and other required operational information.

(3) Indian Head Park shall provide the meters, vaults with sump pumps and related devices, adhering to standard engineering practices of the City of Chicago, for measuring the supply of water furnished. The meters provided must be tested by a company approved by Countryside, at the expense of Indian Head Park, prior to installation by Indian Head Park. Plans, drawings and specifications for the equipment, piping and vault, or other protective structure, have been, or must be, submitted to and approved by the Mayor as a precondition to the issuance of an authorization for installing the meters and related devices. No substitute equipment shall be allowed without written approval of the Mayor. The meter vault shall be located no farther than 150 feet from the control valve unless the Mayor consents to installation at a greater distance. Indian Head Park is

required to provide a tee and valve downstream of each meter installed in each meter vault. The tee and valve shall be of a size and in a location approved by the Mayor. The tee and valve shall be a minimum of two inches pipe size. Indian Head Park is required to provide a one-inch pipe size pitometer test tap in the inlet pipe ahead of the header pipe in a location approved by the Mayor.

(4) In the event that Indian Head Park should desire to alter the meter installation, the piping configuration, the meter vault or any of the Facilities, all drawings, plans and specifications shall be submitted to the Mayor prior to an application being made for an installation permit and prior to the start of any construction. Alteration of any of the Facilities shall include construction of new Facilities or changes or additions to existing Facilities. All drawings, plans and specifications shall include profiles showing United States Geological Survey elevations and shall be prepared by a professional engineer, licensed to practice in the State of Illinois. All equipment shall be of a manufacture and type approved by Countryside, and all work shall be performed by a plumbing contractor licensed and bonded in the State of Illinois.

(5) Countryside's representative shall inspect the meters measuring the supply of water furnished on a semi-annual basis and shall repair any meter or part of a meter which is known or suspected to be registering incorrectly. All such testing and repairs shall be made by Countryside's representatives, with the cost of such repairs being the responsibility of the Indian Head Park. Indian Head Park shall also be responsible for replacing any meters, which have been in service for a period longer than authorized, or which are defective and not capable of being repaired. Testing shall be at the expense of the City of Countryside. Meter repairs and replacements shall be at the expense of Indian Head Park.

(6) Countryside and Indian Head Park shall have the right, upon written notice to the other, but not more than once in a 90-day period, to test the accuracy of water meters. In the event that the tests show that the meter is registering within AWWA Standards (3% plus or minus) then the meter shall be considered accurate. If the meter registers with an error of greater than 3% (plus or minus) then an adjustment shall be made in the billing based upon the amount of error. The adjustment period shall be retroactive until the first day of the month subsequent to the last water meter accuracy test, but in no event more than 6 months. The party requesting the accuracy test shall be responsible for all payment of costs and expenses in connection therewith.

(7) McCook, Countryside and Indian Head Park are currently operating under a City of Chicago Water Contract requiring reservoir capacities be maintained of twice the annual daily average allocation of water by Indian Head Park as authorized by the State of Illinois, Department of Transportation, Division of Water Resources Opinion and Order 99-3 as amended from time to time, and any revisions to the allocations. Indian Head Park shall take whatever steps it deems necessary to comply with such amendment and shall indemnify and hold the City of Countryside harmless from any past, current or future acts or omissions on the part of Indian Head Park, in this regard.

F. PAYMENTS AND DISCOUNTS

(1) Indian Head Park shall be charged a penalty for late payment of water bills similar to that charged to metered customers inside Countryside.

(2) Payments to be made by Indian Head Park hereunder to Countryside for water furnished to Indian Head Park shall be solely from Revenues. Indian Head Park covenants and agrees to charge such rate or rates for the furnishing of water to its customers so that the Revenues shall at all times be sufficient to pay in full all amounts due to Countryside from Indian Head Park hereunder.

G. NOTICES

(1) Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, such as facsimile; (c) overnight courier; or (d) certified mail, return receipt requested.

If to Countryside:

Mayor and City Council City of Countryside
5550 East Avenue
Countryside, IL 60525-3633
(708) 354-7270
(708) 354-9445 (FAX)

If to Indian Head Park:

President and Village Board
Village of Indian Head Park
201 Acacia Drive
Indian Head Park, IL. 60525
(708) 246-3080
(708) 246-9357 (FAX)

Such addresses may be changed by either party by notice to the other party given in the same manner as provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) hereof shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to clause (d) hereof shall be deemed received two days following deposit in the mail

IN WITNESS WHEREOF, Countryside has caused this Agreement to be signed by its Mayor and duly attested by its City Clerk on March 26, 2007, and Indian Head Park has caused the same to be executed by its President and duly attested by its Clerk on the 12th day of April, 2007.

City of Countryside

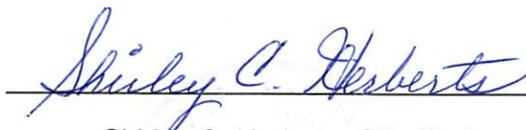
Village of Indian Head Park



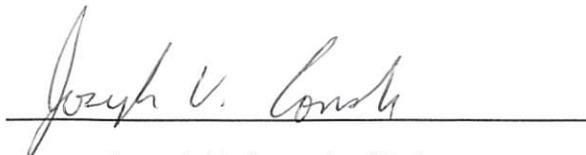
Carl W. LeGant, Mayor

Richard F. Pellegrino, President

Attest:



Shirley C. Herbets, City Clerk



Joseph V. Consolo, Clerk

EXHIBIT "A"

Primary Location: Northeast corner of Willow Springs and Joliet Roads

ILLINOIS STATE WATER RESOURCE ALLOCATIONS

| Calendar Year | (Millions of Gallons Daily) | Maximum Withdrawal Rate |
|----------------------|------------------------------------|--------------------------------|
| 2007 | 0.3700 MGD | 518 GPM |
| 2008 | 0.3700 MGD | 518 GPM |
| 2009 | 0.3700 MGD | 518 GPM |
| 2010 | 0.3700 MGD | 518 GPM |
| 2011 | 0.3700 MGD | 518 GPM |
| 2012 | 0.3700 MGD | 518 GPM |
| 2013 | 0.3700 MGD | 518 GPM |
| 2014 | 0.3700 MGD | 518 GPM |
| 2015 | 0.3700 MGD | 518 GPM |
| 2016 | 0.3700 MGD | 518 GPM |
| 2017 | 0.3700 MGD | 518 GPM |